

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

### [✓] Surveillance

Name of Management Organization : Dolok Sinumbah Palm Oil Mill PT Perkebunan Nusantara IV subsidiary of PT Perkebunan Nusantara III  
 Plantation Name : PT Perkebunan Nusantara IV, Dolok Sinumbah Estate and Balimbingan Estate.  
 Location : Dolok Sinumbah Village, Hutabayu Raja Sub District, Simalungun District, Sumatera Utara Province, Indonesia  
 Certificate Code : MUTU-RSPO/111  
 Date of Certificate Issue : 03 April 2018      Date of License Issue : 03 October 2022  
 Date of Certificate Expiry : 02 April 2023      Date of License Expiry : 02 April 2023

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ASA-3 (Remote Audit)	07 to 08 April 2021	Hasiholan Sihombing (Lead Auditor), Afiffuddin, Nurdin Chaeriana, Samsul Rijal, Ayu Lestari (Observer)	Ardiansyah	Leonada
ASA-3 & ASA-4 (Onsite Audit)	1, 2, 4, 7, 8 April 2022	Rizliani Aprianita Hasibuan (Lead Auditor), Asystasya Aishah Silalahi, Arief Tajalli and Harry Wahyudi		

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-3 & ASA-4	29 July 2022

## TABLE OF CONTENT

### FIGURE

Figure 1. Location Map of Dolok Sinumbah POM	1
Figure 2. Operational Map of Dolok Sinumbah Estate	2
Figure 3. Operational Map of Balimbingan Estate	3
Abbreviations Used	4

## 1.0 SCOPE of the CERTIFICATION ASSESSMENT

1.1	Assessment Standard Used	5
1.2	Organization Information	5
1.3	Type of Assessment	5
1.4	Location of Mill and Plantations	5
1.5	Description of Area Statement	6
1.6	Planting Year and Cycle	6
1.7	Description of Mill and Supply Base	7
1.8	Estimate Tonnage of Certified Product	7
1.9	Other Certifications	8
1.10	Time-Bound Plan	8

## 2.0 ASSESSMENT PROCESS

2.1	Assessment Team	16
2.2	Assessment Methodology, Assessment Process and Locations of Assessment	17
2.3	Stakeholder Consultation and Stakeholders Contacted	20
2.4	Determining Next Assessment	20

## 3.0 ASSESSMENT FINDINGS

3.1	Summary of Assessment Report of the RSPO Certification	21
3.2	Conformity Checklist of Certificate and Logo Use	71
3.3	Summary of RSPO Partial Certification	72
3.4	Identification of Findings, Corrective Actions, Observations, Opportunity for Improvement and Noteworthy Positive Components	84
3.5	Summary of Arising Issues from Public, and Auditor Verification	120

## 4.0 CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY

4.1	Formal Signing of Assessment Findings	123
-----	---------------------------------------	-----

### APPENDICES

1.	List of Stakeholders Contacted in the RSPO Certification Process	124
2.	Assessment Program	125

Figure 1. Location Map of PT Perkebunan Nusantara IV unit Dolok Sinumbah

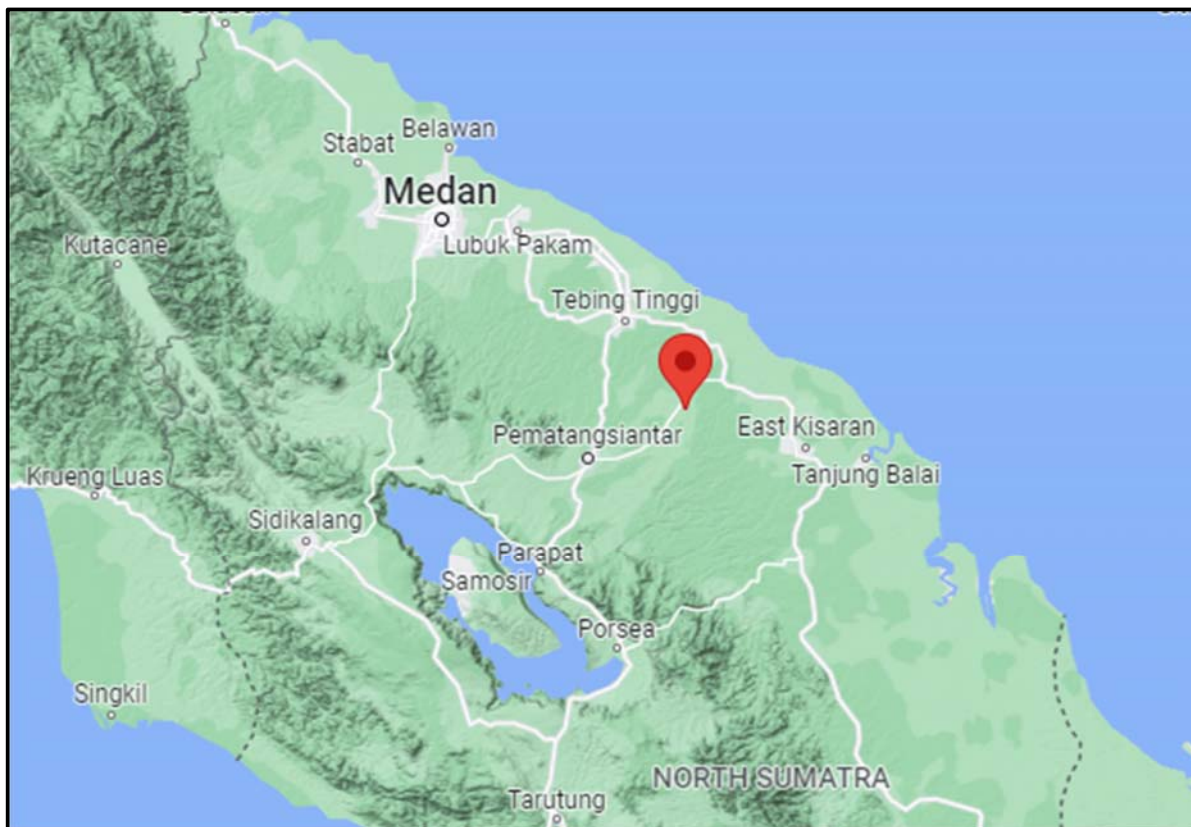


Figure 2. Operational Map of PT Perkebunan Nusantara IV unit Dolok Sinumbah Estate

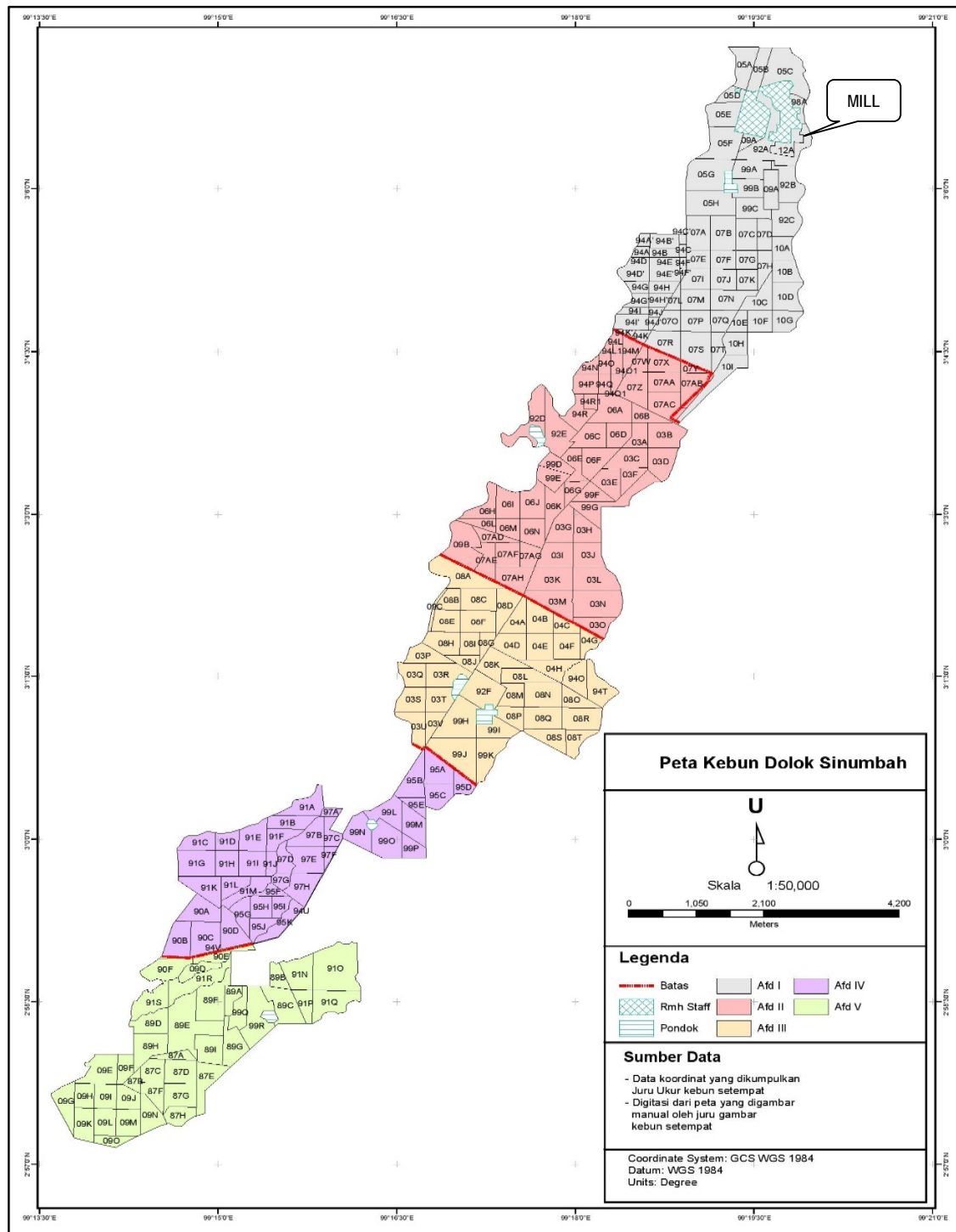
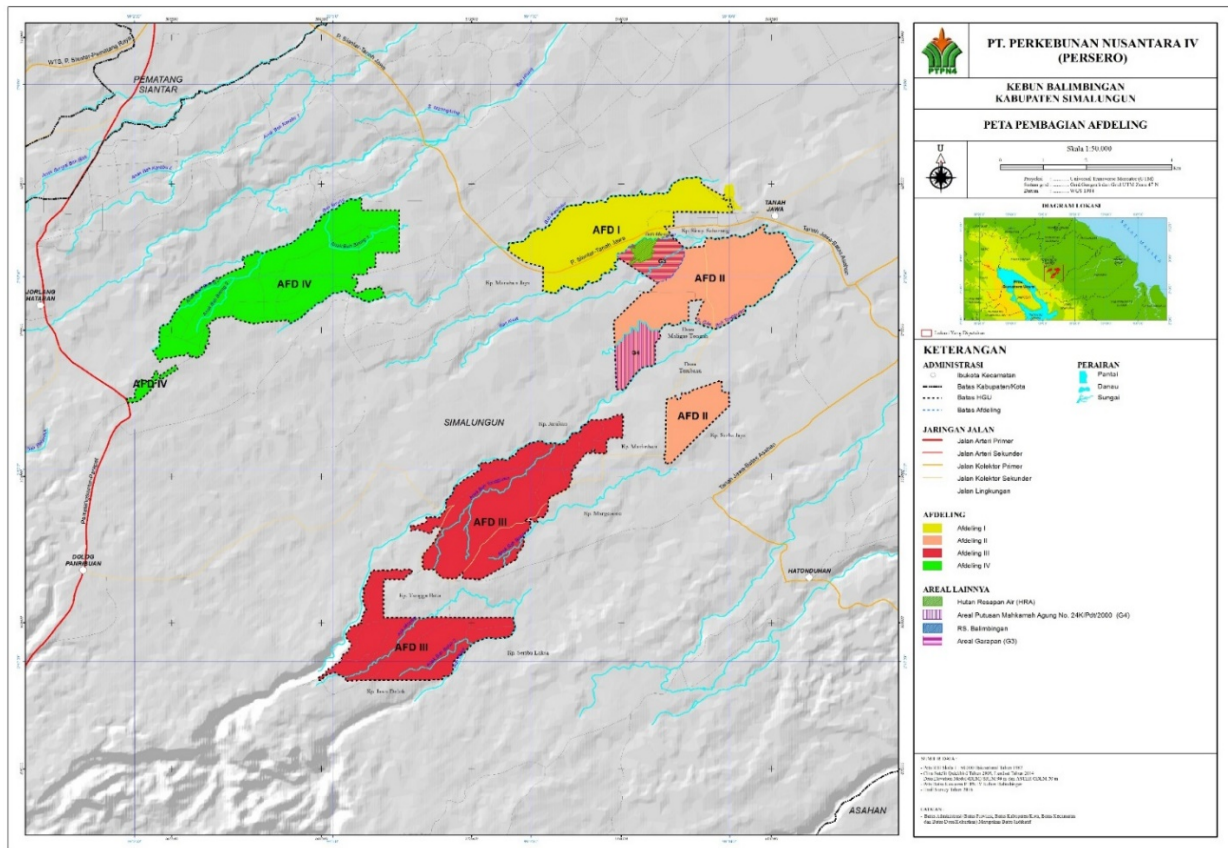


Figure 3. Operational Map of PT Perkebunan Nusantara IV unit Balimbingan Estate



## Abbreviations Used

ASA	:	Annual Surveillance Assessment
AMDAL	:	<i>Analisis Manajemen Dampak Lingkungan</i>
BOD	:	Biological Oxygen Demand
BPJS TK and KES	:	<i>Badan Penyelenggara Jaminan Sosial Tenaga Kerja dan Kesehatan</i> / Social Security Agency
CD	:	Community Development
CITES	:	Convention on International Trade in Endangered Species
CKP	:	Central Kalimantan Project
CPO	:	Crude Palm Oil
CSPK	:	Certified Sustainable Palm Kernel
CSPO	:	Certified Sustainable Palm Oil
CSR	:	Corporate Social Responsibility
DLH	:	<i>Dinas Lingkungan Hidup</i>
EBA	:	Empty Fruits Bunch
EFB	:	Empty Fruit Bunch
EIA	:	Environment Impact Assessment
EMU	:	Ecological Management Unit
FFA	:	Free Fatty Acid
FFB	:	Fresh Fruit Bunch
FFB	:	Fresh Fruit Bunch
FPIC	:	Free, Prior, Informed and Consent
GHG	:	Green House Gas
GIS	:	Geographic Information System
HCS	:	High Carbon Stock
HCV	:	High Conservation Value
HGU	:	<i>Hak Guna Usaha</i> (Land Use Rights)
IPM	:	Integrated Pest Management
IUP	:	<i>Izin Usaha Perkebunan</i> (Plantation Permit)
KER	:	Kernel Extraction Rate
LSU	:	Leaf Sampling Unit
LTA	:	Lost Time Accident
LUCA	:	Land Use Change Analysis
MUSPIKA	:	<i>Musyawarah Pimpinan Kecamatan</i> (District Leader Conference)
MSDS	:	Material Safety Data Sheet
OER	:	Oil Extraction Rate
OHS	:	Occupational Health and Safety
OHS committee	:	<i>Panitia Pembina Keselamatan dan Kesehatan Kerja</i> OHS Committee
PIC	:	Person in Charge
PK	:	Palm Kernel
POM	:	Palm Oil Mill
POME	:	Palm Oil Mill Effluent
PPE	:	Personal Protective Equipment
SCCS	:	Supply Chain Certification Standard
SIA	:	Social Impact Assessment
SOP	:	Standard Operating Procedure
SSU	:	Soil Sampling Unit
WTP	:	Water Treatment Plant
WWTP	:	Waste Water Treatment Plant



1.0	SCOPE OF THE CERTIFICATION ASSESSMENT		
1.1	Assessment Standard Used		
		<ul style="list-style-type: none"><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 Systems for Principles &amp; Criteria and RSPO Independent Smallholder Standard, Endorsed by the RSPO Board of Governors on 12 November 2020.</li></ul>	
1.2	Organisation Information		
1.2.1	Organization name listed in the certificate	PT Perkebunan Nusantara IV– Dolok Sinumbah POM	
1.2.2	Contact person	Pirgok Panggabean	
1.2.3	Organisation address and site address	RSPO Registered Company: Jalan Letjen Suprpto No. 2, Post Code 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	Pirgok Panggabean	
1.2.9	Registered as RSPO member	1-0030-06-000-00, 14 December 2006	
1.3	Type of Assessment		
1.3.1	Scope of Assessment and Number of Management Unit	Palm Oil Mill and supply base: Dolok Sinumbah POM, Dolok Sinumbah Estate and Balimbangan 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
	Dolok Sinumbah POM	Dolok Sinumbah Village, Hutabayu Raja Sub District, Simalungun District, Sumatera Utara Province, Indonesia	N 03° 6' 42"E 99° 19' 46"
1.4.2	Location of Certification Scope of Supply Base		
	Name of Supply Base	Location	Coordinate
			LatitudeLongitude
	Dolok Sinumbah Estate	Dolok Sinumbah Village, Hutabayu Raja Sub District, Simalungun District, Sumatera Utara Province, Indonesia	N 03° 6' 46"E 99° 19' 46"
	Balimbangan Estate	Balimbangan Village, Tanah Jawa Sub-district, Simalungun District, Sumatera Utara Province, Indonesia	N 02° 53' 21"E 99° 09' 00"

1.5	Description of Area Statement			
1.5.1	Tenure			
	• State		10,314.91 Ha	
	• Community		0 Ha	
	Total			
1.5.2	Area Statement			
	Description	Dolok Sinumbah Estate (Ha)	Balimbungan Estate (Ha)	TOTAL (Ha)
	Total area	4,159.57	3,911.94	8,071.51
	Mature area	3,262	1,218.61	4,480.61
	Immature area	444	713	1,157
	Replanting	140	1,154	1,294
	Infrastructure (housing complex, school, mill, etc)	183.71	248.4	432.11
	Cemetery	2.86	2.81	5.67
	Trenches, Roads and Bridges	127.00	82.90	209.90
	Occupation	-	104.96	104.96
	Nursery	-	9.81	9.81
	Reserve area	-	29.22	29.22
	Others area	-	135.69	135.69
	Riparian zone	-	212.54	212.54
	<i>*Balimbungan Estate: Area of 2,173.40 Ha is used by Bah Jambi Estate, 49 Ha is used by Marihat Estate Research Area and 21 Ha is used by Balimbungan hospital. So, the total scope certification area is 8,071.51 Ha</i>			
	<i>**HCV area has included on planting area and others area: 345.49 Ha for Dolok Sinumbah Estate and 88.48 Ha for Balimbungan Estate.</i>			
1.6	Planting Year and Cycles			
1.6.1	Age profile of planting year			
	Planting Year	Dolok Sinumbah Estate	Balimbungan Estate	TOTAL (Ha)
	1996	-	1,144.44	1,144.44
	1999	-	12.00	12.00
	2003	402.00	-	402.00
	2004	130.00	-	130.00
	2005	163.00	-	163.00
	2006	207.00	-	207.00
	2007	499.00	-	499.00
	2008	317.00	34.50	351.50
	2009	249.00	-	249.00
	2010	143.00	27.67	170.67
	2012	10.00	-	10.00
	2015	100.00	-	100.00
	2016	804.00	-	804.00
	2018	238.00	-	238.00
	Subtotal Mature Area	3,262.00	1,218.61	4,480.61
	2019	-	153.00	153.00
	2020	154.00	258.00	412.00



	2021	290.00	302.00	592.00			
	Replanting	140.00	1,154.00	1,294.00			
	Subtotal Immature Area	584.00	1,867.00	2,451.00			
	TOTAL	3,846.00	3,085.61	6,931.61			
1.6.2	New Planting area after January 2010		0 Ha				
1.6.3	Planting Cycle		3 <sup>rd</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 (%)
	Dolok Sinumbah POM	30	310,538.18	69,355.19	22.33	12,816.22	4.13
	<i>*Production data source from April 2020 – February 2022</i>						
1.7.2	Description of Certification Scope of Supply Base						
	Name of Estate	Total Area (Ha)	Production Area (Ha)	FFB (ton/year)	Yield (ton/ha/year)	Supplied to Mill	
						FFB (ton/year)	%
	Dolok Sinumbah Estate	4,159.57	3,262.00	148,697.74	31.50	145,907.50	75.50
	Balimbangan Estate	3,911.94	1,218.61	98,349.60	24.52	81,255.72	82.62
	TOTAL	8,071.51	4,480.61	247,047.34	28.72	227,163.22	91.95
	<i>*Production data source from April 2020 – February 2022</i>						
1.7.3	FFB description from other source						
	Name of sources/Organization (RSPO certified / non-certified)		Type of Organization	Number of smallholders	Production Area (Ha)	Supplied to Mill FFB (tones/year)	
	RSPO Certified						
	Marihat		PTPN IV	-	-	5,663.15	
	Dolok Ilir		PTPN IV	-	-	4,229.70	
	Laras		PTPN IV	-	-	3,959.47	
	Bah Jambi		PTPN IV	-	-	1,586.05	
	Marjandi		PTPN IV	-	-	7,600.02	
	Gunung Bayu		PTPN IV	-	-	90.27	
	Tanah Itam Ulu		PTPN IV	-	-	246.94	
	RSPO Non-Certified						
	Bukit Lima		PTPN IV	-	-	3,403.43	
	Dolok Sinumbah (Noncert)		PTPN IV	-	35.94	1,447.11	
	Bah Birung Ulu		PTPN IV	-	-	12,067.45	
	Independent supplier		Independent out grower	-	-	43,203.41	
	TOTAL						83,497.00
	<i>*Production data source from April 2020 – February 2022</i>						
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 (Ton)		Realization from April 2020 until February 2022 (Ton)		
	FFB Processed		299,905		250,538.82		
	CPO Production		70,928		61,632.49		

	Palm Kernel (PK) Production		11,604	10,779.85				
*Actual production of CPO and PK certified has added with opening stock of April 2020. CSPO opening stock was 2,735.51 Ton and CSPK opening stock was 429.80 Ton								
1.8.2	Product selling							
	Type of selling product		Actual selling product for last year (April 2020 until February 2022) (MT)					
	CSPO sold as RSPO certified product		28,522.90					
	CSPK sold as RSPO certified product		9,418.22					
	CSPO sold under another scheme		0					
	CSPK sold under another scheme		0					
	CSPO sold as conventional		26,417.24					
	CSPK sold as conventional		0					
1.8.3	Estimate of Certified FFB Claim							
	Name of Estates	Total Area (Ha)	Production Area (Ha)	FFB (tones/year)	Yield (tones/ha/year)			
	Dolak Sinumbah	4,159.57	3,262.00	85,700	26.00			
	Balimbingan	3,911.94	1,218.61	48,000	27.00			
	TOTAL	8,071.51	4,480.61	133,700	30.00			
*Projected FFB production for 12 months of certificate								
1.8.4	Estimate of Certified Palm Product Claim							
	Name of Mill	Capacity (tones/ hour)	FFB Processed (tones/year)	CPO		Palm Kernel		Supply Chain Module
				Out put (tones)	Extraction (%)	Out put (tones)	Extraction (%)	
	Dolak Sinumbah	30	133,700	30,750	23	6,020	4.5	MB
*Projected CSPO and CSPK production for 12 months of certificate								
1.9	Other Certifications							
	ISO 9001:2008			-				
	ISO 14001: 2004			-				
	OHSAS 18001:2007			-				
	ISCC			EU-ISCC-Cert-ID215-23220652				
	ISPO			MUTU-ISPO/164				
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						
	Pulau Tiga (PTPN I)	2022	Pulau Tiga Estate	2022	Aceh Tamiang District, Aceh Province	Audited on 2022		
	Tanjung Seumantoh (PTPN I)	2022	Lama Estate	2022	Aceh Timur District, Aceh Province			
			Baru Estate	2022	Aceh Timur District, Aceh Province			
			Tualang Sawit Estate	2022	Aceh Timur Distrcit, Aceh Province			

		Julok Rayeuk Selatan Estate	2022	Aceh Timur District, Aceh Province	
Cot Girek (PTPN I)	2022	Julok Rayeuk Utara Estate	2022	Aceh Utara District, Aceh Province	
		Cot Girek Es-tate	2022	Aceh Utara District, Aceh Province	
Sawit Hulu (PTPN II)	2022	Sawit Hulu Estate	2022	Langkat District, Sumatera Utara Province	
Kwala Sawit (PTPN II)	2022	Kwala Sawit Estate	2022	Langkat District, Sumatera Utara Province	
		Air Tenang Estate	2022	Langkat District, Sumatera Utara Province	
Sawit Seberang (PTPN II)	2022	Batang Serangan Estate	2022	Langkat District, Sumatera Utara Province	
		Sawit Seberang Estate	2022	Langkat District, Sumatera Utara Province	
		Tanjung Jati (Rayon) Estate	2022	Langkat District, Sumatera Utara Province	
Pagar Merbau (PTPN II)	2022	Tanjung Garbus Estate	2022	Deli Serdang District, Sumatera Utara Province	Audited on 2022
		Melati Estate	2022	Deli Serdang District, Sumatera Utara Province	
		Patumbak Estate	2023	Deli Serdang District, Sumatera Utara Province	
		Limau Mukur Estate	2023	Deli Serdang District, Sumatera Utara Province	
		Tandem (Rayon) Estate	2023	Deli Serdang District, Sumatera Utara Province	
Sisumut (PTPN III)	2015	Sisumut Estate	2015	Labuhan Batu Selatan District, Sumatera Utara Province	October 15, 2015 (Certified)
		Aek Nabara Utara Estate	2015	Labuhan Batu Selatan District, Sumatera Utara Province	October 15, 2015 (Certified)
Rambutan (PTPN III)	2016	Tanah Raja Estate	2016	Serdang Bedagai District, Sumatera Utara Province	Sept 1, 2016 (Certified)
		Gunung Monaco Estate	2016	Serdang Bedagai District, Sumatera Utara Province	Sept 1, 2016 (Certified)
		Silau Dunia Estate	2016	Serdang Bedagai District, Sumatera Utara Province	Sept 1, 2016 (Certified)
		Sarang Ginting Estate	2016	Serdang Bedagai District, Sumatera Utara Province	Sept 1, 2016 (Certified)
		Sei Putih Estate	2016	Serdang Bedagai District, Sumatera Utara Province	Sept 1, 2016 (Certified)
		Rambutan Estate	2016	Serdang Bedagai District, Sumatera Utara Province	Sept 1, 2016 (Certified)
		Bandar Betsy Estate	2022	Simalungun District, Sumatera Utara Province	
Sei Daun (PTPN III)	2015	Sei Daun Estate	2015	Labuhan Batu Selatan District, Sumatera Utara Province	Sept 8, 2016 (Certified)
		Bukit Tujuh Estate	2015	Labuhan Batu Selatan	Sept 8, 2016

				District, Sumatera Utara Province	(Certified)
Torgamba (PTPN III)	2015	Torgamba Estate	2015	Labuhan Batu Selatan District, Sumatera Utara Province	Sept 7, 2016 (Certified)
Sei Meranti (PTPN III)	2016	Sei Meranti Estate	2016	Labuhan Batu Selatan District, Sumatera Utara Province	Sept 14, 2016 (Certified)
Sei Silau (PTPN III)	2017	Sei Silau Estate	2017	Asahan District, Sumatera Utara Province	Apr 3, 2017 (Certified)
		Pulau Mandi Estate	2017	Asahan District, Sumatera Utara Province	Apr 3, 2017 (Certified)
		Ambalutu Estate	2017	Asahan District, Sumatera Utara Province	Apr 3, 2017 (Certified)
		Hutapadang Estate	2017	Asahan District, Sumatera Utara Province	Apr 3, 2017 (Certified)
Sei Mangkei (PTPN III)	2017	Dusun Hulu Estate	2017	Batubara District, Sumatera Utara Province	Oct 2017 (Certified)
		Bangun Estate	2017	Simalungun District, Sumatera Utara Province	Oct 2017 (Certified)
		Gunung Para Estate	2017	Serdang Bedagai District, Sumatera Utara Province	Oct 2017 (Certified)
		Gunung Pamela Estate	2017	Serdang Bedagai District, Sumatera Utara Province	Oct 2017 (Certified)
		Sei Dadap Estate	2017	Asahan District, Sumatera Utara Province	Oct 2017 (Certified)
Sei Baruhur (PTPN III)	2018	Sei Baruhur Estate	2018	Labuhan Batu Selatan District, Sumatera Utara Province	April 2018 (Certified)
		Sei Kabara Estate	2018	Labuhan Batu Selatan District, Sumatera Utara Province	April 2018 (Certified)
Hapesong (PTPN III)	2020	Hapesong Estate	2020	Tapanuli Selatan District, Sumatera Utara Province	October 2020 (certified)
		Batang Toru Estate	2020	Tapanuli Selatan District, Sumatera Utara Province	October 2020 (certified)
Aek Nabara Selatan (PTPN III)	2014	Aek Nabara Selatan Estate	2014	Labuhan Batu District, Sumatera Utara Province	May 23, 2014 (Certified)
		Rantau Prapat Estate	2014	Labuhan Batu District, Sumatera Utara Province	May 23, 2014 (Certified)
		Merbau Selatan Estate	2014	Labuhan Batu Utara District, Sumatera Utara Province	May 23, 2014 (Certified)
		Membang Muda Estate	2014	Labuhan Batu Utara District, Sumatera Utara Province	May 23, 2014 (Certified)
		Labuhan Haji Estate	2014	Labuhan Batu Utara District, Sumatera Utara Province	May 23, 2014 (Certified)
		Bandar Selamat Estate	2014	Asahan District, Sumatera Utara Province	May 23, 2014 (Certified)
Aek Torop	2014	Aek Torop Estate	2014	Labuhan Batu Selatan	June 17, 2014

(PTPN III)				District, Sumatera Utara Province	(Certified)
Aek Raso (PTPN III)	2014	Aek Raso Estate	2014	Labuhan Batu Selatan District, Sumatera Utara Province	June 30, 2014 (Certified)
Pabatu (PTPN IV)	2015	Pabatu	2015	Serdang Bedagai, Sumatera Utara	Certified on September 2015
		Bah Birung Ulu	2022	Simalungun, Sumatera Utara	Stage-1 Audit
Dolok Ilir (PTPN IV)	2015	Dolok Ilir	2015	Simalungun, Sumatera Utara	Certified on September 2015
		Laras	2018	Simalungun, Sumatera Utara	Certified on December 2018
Pulu Raja (PTPN IV)	2015	Pulu Raja	2015	Asahan, Sumatera Utara	Certified on August 2015
Adolina (PTPN IV)	2018	Adolina	2018	Serdang Bedagai dan Deli Serdang, Sumatera Utara	Certified on April 2018
Bah Jambi (PTPN IV)	2018	Bah Jambi	2018	Simalungun, Sumatera Utara	Certified February 2018
		Marihat	2018	Simalungun, Sumatera Utara	Certified February 2018
		Marjandi	2019	Simalungun, Sumatera Utara	Certified on 20 may 2019 (1,802.0 Ha)
			2022	Simalungun, Sumatera Utara	Out of scope Certification 2 <sup>nd</sup> Stage Audit (30.0 Ha)
Dolok Sinumbah (PTPN IV)	2018	Dolok Sinumbah	2018	Simalungun, Sumatera Utara	Certified on April 2018 (3,757.0 Ha)
			2022	Simalungun, Sumatera Utara	Out of scope Certification 2 <sup>nd</sup> Stage Audit (35.94 Ha)
		Balimbingan	2018	Simalungun, Sumatera Utara	Certified on April 2018
Mayang (PTPN IV)	2021	Mayang	2019	Simalungun, Sumatera Utara	Certified on March 2019
		Bukit Lima	2022	Simalungun, Sumatera Utara	Preparation
Gunung Bayu (PTPN IV)	2019	Gunung Bayu	2019	Simalungun, Sumatera Utara	Certified on September 2019
		Tanah Itam Ulu	2019	Simalungun, Sumatera Utara	Certified on September 2019
Tinjowan (PTPN IV)	2019	Tinjowan	2019	Simalungun, Sumatera Utara	Certified on March 2019
		Aek Nauli	2019	Simalungun, Sumatera Utara	Certified on March 2019
		Padang Matinggi	2019	Simalungun, Sumatera Utara	Certified on March 2019
Air Batu (PTPN IV)	2018	Air Batu	2019	Asahan, Sumatera Utara	Certified on May 2019

		Air Batu	2022	Asahan, Sumatera Utara	Out of Scope certification 2 <sup>nd</sup> Stage Audit
Berangir (PTPN IV)	2018	Berangir	2018	Labuhan Batu Utara, Sumatera Utara	Certified on July 2018
		Berangir	2022	Labuhan Batu Utara, Sumatera Utara	Out of scope Certification 2 <sup>nd</sup> Stage Audit (10.0 Ha)
Sawit Langkat (PTPN IV)	2018	Sawit Langkat	2018	Langkat, Sumatera Utara	Certified on June 2018
		Sawit Langkat	2022	Langkat, Sumatera Utara	Out of scope Certification 2 <sup>nd</sup> Stage Audit (301.50 Ha)
Pasir Mandoge (PTPN IV)	2020	Pasir Mandoge	2020	Asahan, Sumatera Utara	Certified on October 2018
		Sei Kopas	2020	Asahan, Sumatera Utara	Certified on October 2018
		Tonduhan	2020	Simalungun, Sumatera Utara	Certified on October 2018
		Sei Kopas (HPK)	2022	Asahan, Sumatera Utara	
Timur (PTPN IV)	2022	Timur	2022	Mandailing Natal, Sumatera Utara	
		Balap	2022	Mandailing Natal, Sumatera Utara	
Ajamu (PT PN IV)	2021	Ajamu	2019	Labuhan Batu Utara, Sumatera Utara	Certified on September 2019
		Meranti Paham	2019	Labuhan Batu Utara, Sumatera Utara	Certified on September 2019
		Panai Jaya	2022	Labuhan Batu Utara, Sumatera Utara	Preparation
Sosa (PTPN IV)	2022	Sosa	2022	Padang Lawas, Sumatera Utara	Preparation
PT Agro Sinergi Nusantara (PTPN IV)	2022	PT Agro Sinergi Nusantara	2022	Aceh Barat, Aceh	Preparation
PT Sinergi Perkebunan Nusantara (PTPN IV)	2022	PT Sinergi Perkebunan Nusantara	2022	Morowali Utara, Sulawesi	Preparation
Tandun (PTPN V)	2016	Tandun Estate,	2016	Tapung Hulu District, Kampar District, Riau Province, Indonesia	Certified
		Sei Berlian Estate	2016	Tapung Hulu District, Kampar District, Riau Province, Indonesia	Certified
		Sei Lindai Estate	2016	Tapung Hulu District, Kampar District, Riau Province, Indonesia	Certified



		Sei Lindai 98 ha	2021	Tapung Hulu District, Kampar District, Riau Province, Indonesia	Certified
		Sei Berlian 866 ha	2023	Tapung Hulu District, Kampar District, Riau Province, Indonesia	
Sei Rokan (PTPN V)	2016	Sei Rokan Estate	2016	Rokan Hulu District, Riau Province, Indonesia.	Certified
Sei Tapung (PTPN V)	2019	Sei Tapung	2019	Rokan Hulu District, Riau Province, Indonesia.	Certified
		Sei Siasam	2019	Rokan Hulu District, Riau Province, Indonesia.	Certified
		KUD Makarti Jaya	2022	Rokan Hulu District, Riau Province, Indonesia.	
		KUD Karya Mukti	2022	Rokan Hulu District, Riau Province, Indonesia.	
		KUD Dayo Mukti	2023	Rokan Hulu District, Riau Province, Indonesia.	
		KUD Tani Sejahtera	2023	Rokan Hulu District, Riau Province, Indonesia.	
Sei Intan (PTPN V)	2019	Sei Intan	2019	Rokan Hulu District, Riau Province, Indonesia	Certified
Tanjung Medan (PTPN V)	2022	Tanjung Medan	2022	Rokan Hilir District, Riau Province, Indonesia	-
Tanah Putih (PTPN V)	2019	Tanah Putih	2019	Rokan Hilir District, Riau Province, Indonesia	Certified
		Tanah Putih Plasma	2023	Rokan Hilir District, Riau Province, Indonesia	-
Lubuk Dalam (PTPN V)	2019	Lubuk Dalam	2019	Siak District, Riau Province, Indonesia	Certified
		Lubuk Dalam Plasma	2022	Siak District, Riau Province, Indonesia	
Sei Buatan (PTPN V)	2022	Sei Buatan	2022	Siak District, Riau Province, Indonesia	
		Air Molek 1	2023	Siak District, Riau Province, Indonesia	
		Air Molek II	2023	Siak District, Riau Province, Indonesia	
		KUD Karya Darma	2023	Siak District, Riau Province, Indonesia	
		KUD Tunas Karya	2023	Siak District, Riau Province, Indonesia	
Sei Galuh (PTPN V)	2023	Sei Galuh	2023	Kampar District, Riau Province, Indonesia	-
		Sei Galuh Plasma	2023	Kampar District, Riau Province, Indonesia	-
Sei Pagar (PTPN V)	2019	Sei Pagar	2019	Kampar District, Riau Province, Indonesia	Certified
		Sei Pagar Plasma	2023	Kampar District, Riau Province, Indonesia	-
Sei Garo (PTPN V)	2019	Sei Garo	2019	Kampar District, Riau Province, Indonesia	Certified

		Sei Garo Plasma	2023	Kampar District, Riau Province, Indonesia	-
Terantam (PTPN V)	2019	Terantam	2019	Kampar District, Riau Province, Indonesia	Certified
		Terantam 2 (725.44 ha)	2022	Kampar District, Riau Province, Indonesia	
		Tamora	2023	Kampar District, Riau Province, Indonesia	
		Sei Kencana	2023	Kampar District, Riau Province, Indonesia	
		Sei Batu Langka	2023	Kampar District, Riau Province, Indonesia	
Rimbo Dua (PTPN VI)	2018	Rimbo Satu	2018	Jambi Province	Certified
		Rimbo Dua	2018	Jambi Province	Certified
		Batang Hari	2022	Jambi Province	
Bunut (PTPN VI)	2022	Bunut	2022	Jambi Province	
Ophir (PTPN VI)	2022	Ophir	2022	Sumatra Barat Province	
		Pangkalan 50 Kota	2022	Sumatra Barat Province	
Aur Gading (PTPN VI)	2023	Durian Luncuk	2023	Jambi Province	
Solok Selatan (PTPN VI)	2023	Solok Selatan	2023	Sumatra Barat Province	
Tanjung Lebar (PTPN VI)	2022	Tanjung Lebar	2023	Jambi Province	
		Bukit Cermin	2023	Jambi Province	
Bekri (PTPN VII)	2022	Bekri	2022	Lampung Province	Audited on February 2022
		Rejosari	2022	Lampung Province	Audited on February 2022
		Padang Ratu	2022	Lampung Province	Audited on February 2022
Betung (PTPN VII)	2022	Betung	2022	Lampung Province	Certified
		Bentayan	2026	Lampung Province	
Talang Sawit (PTPN VII)	2023	Betung Krawo	2023	Musi Banyuasin District, Sumatera Selatan Province	
Sungai Lengi (PTPN VII)	2023	Sungai Lengi	2023	Muara Enim District, Sumatera Selatan Province	
Kertajaya (PTPN VIII)	2022	Kertajaya	2022	Lebak District, Banten Province	
		Cisalak Baru	2022	Lebak District, Banten Province	
		Bojongdatar	2022	Lebak District, Banten Province	
Cikasungka (PTPN VIII)	2022	Cikasungka	2022	Bogor District, Jawa barat Province	
		Sukamaju	2022	Sukabumi District, Jawa barat Province	
Gunung Meliau (PTPN XIII)	2022	Gunung Meliau	2022	Sanggau District, Kalimantan Barat Province	

	Rimba Belian (PTPN XIII)	2023	Rimba Belian	2023	Sanggau District, Kalimantan Barat Province	
			Gunung Mas	2023	Sanggau District, Kalimantan Barat Province	
			Sungai Dekan	2023	Sanggau District, Kalimantan Barat Province	
	Parindu (PTPN XIII)	2023	Parindu	2023	Sanggau District, Kalimantan Barat Province	
	Luwu (PTPN XIV)	2022	Luwu	2022	Luwu Timur, District, Sulawesi Tengah	
			Keera-Maroon	2022	Luwu Timur, District, Sulawesi Tengah	
			Malili	2023	Luwu Timur, District, Sulawesi Tengah	
			Asera	2023	Luwu Timur, District, Sulawesi Tengah	
	1.10.2	Progress of Associated Smallholders and Out growers for Certifiable Standard				
	PTPN IV- Dolok Sinumbah POM does not have scheme smallholders.					

2.0	ASSESSMENT PROCESS
2.1	Assessment Team
ASA-3 (Remote Audit)	<ol style="list-style-type: none"> <li>1. <b>Hasiholan Sihombing (Lead Auditor)</b>. 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&amp;C Lead Auditor Course, RSPO Supply Chain Certification Lead Auditor Course, 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. During this audit, he assigned to verify legal aspect, land dispute and SCCS.</li> <li>2. <b>Afiffuddin (Auditor)</b>. Indonesian citizen, Diploma III majoring Palm Oil Plantation, Bogor Agricultural University. Five years working experience since 2010 at Oil Palm Plantation Company in Indonesia as agronomy operational staff and followed several trainings namely: Basic Plantation Management Program, Auditor Training Indonesian Sustainable Palm Oil (ISPO), Training of RSPO lead auditor, OHS General Expert, OHS System Management based on PP 50 2012 and Management System Certification (ISO 9001-2015/SNI 19011-9001:2015) ISO 17021, ISO 17065, SA 8000 training. He has been involved in several audit activities related to sustainable palm oil certification since 2016 covering Best Management Practices aspect, health and safety aspect and worker welfare aspect. During this audit, He conducted an assessment on OHS, BMP Agronomy and long-term budget.</li> <li>3. <b>Nurdin Chaeriana (Auditor)</b>. Associate Expert in 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 Lead Auditor, <i>Lead Auditor</i> ISPO, <i>Lead Auditor</i> RSPO, <i>Lead Auditor</i> ISO 9001-2015, <i>Lead Auditor</i> ISO 14001-2015, 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 verified the aspects of Environmental, HCV and GHG.</li> <li>4. <b>Samsul Rijal (Auditor Trainee)</b>. Holds a Bachelor Degree in Forestry from IPB University. He has 11 years working experience in palm oil industry specifically on sustainability. He also has the experiences as auditor for ISPO in this certification body. He completed the ISPO Auditor Training, Lead Auditor Training for ISO 14001:2015, High Carbon Stock Approach Practitioner Training, The Hazard Analysis Critical Control Point System Auditor Training. In this assessment, he assessed on the aspects of ethic, transparency and workers welfare. He is fluent in Bahasa Indonesia. During this audit, he assigned to verify transparency, social and worker welfare aspect under the supervision of the Lead auditor.</li> <li>5. <b>Ayu Lestari (Observer)</b>. Indonesian citizen. Diploma in Engineering and Environmental Management Skills Program. He has participated in General K3 Experts and Awareness ISO 14001 and 17025, Awareness of Construction Services in the field of Irrigation Network, Basic Fire Fighting, Basic First Aid, ISO 9001:2008, ISO 14001:2004, ISO 17021:2015, ISO 17065, ISO 19011. in this activity, the concerned acted as an observer under the supervision of the Lead auditor.</li> </ol> <p>Curriculum vitae (CV) of the members and the assessment team is available at the PT Mutuagung Lestari office.</p>
ASA-3 & ASA-4 (Onsite Audit)	<ol style="list-style-type: none"> <li>1. <b>Rizliani Aprianita Hasibuan (Lead Auditor)</b>. Indonesian Citizen. Bachelor and Magister of Agribusiness, Faculty of Agriculture. She had followed training such as RSPO Lead Auditor Training, SA 8000, Lead Auditor ISO 9001:2008, ISO 14001:2004, ISPO Auditor training and followed several IHT related to environment, BMP etc. She has been involved in several audit activities related to sustainable palm oil certification since 2015 covering social aspect, health and safety aspect, worker welfare and waste management aspect. During the assessment she assigned to verified Worker Welfare, and Transparency.</li> <li>2. <b>Asystasya Aishah Silalahi (Auditor)</b>. Indonesia Citizen, Bachelor of Economy, Major of Agribusiness, Faculty of Economic and Management. She has one year experience in consultancy. She has followed training such as ISPO Auditor Training, Lead Auditor ISO 9001:2015, OHS General Expert, RSPO lead auditor training course, SCCS, and several in house training related to environmental, BMP, SA 8000. Has been involved in several audit activities since 2016 related to sustainable palm oil certification covering waste management aspect, Social Aspect, Health and Safety Aspect, and Worker Welfare. During this audit, she verified legal aspect and SCC aspect.</li> <li>3. <b>Arief Tajalli (Auditor)</b>. Indonesian citizen, Bachelor of Forest Resources Conservation and Ecotourism, Faculty of</li> </ol>

	<p>Forestry, Bogor Agricultural University. Has been involved as a researcher at a wildlife laboratory, Faculty of Forestry, IPB. The trainings that have been attended include training for ISO 9001; 2008, ISO 14001; 2004, ISO 17021; 2015, ISO 17065, ISO 19011 and ISPO Auditor training by Mutu Institute and RSPO Auditor Training by Checkmark, also participating in several IHT in the field of environment, BMP, and so on. Has participated in several audit simulation activities related to the sustainable palm oil certification system since 2020 with social, environmental, GHG, and waste management aspect. During this assessment, he verified the Environmental, GHG, and Waste management aspects.</p> <p>4. Harry (Trainee Auditor). Indonesian citizen, Bachelor of Agricultural Technology, Department of Agricultural Engineering, Bogor Agricultural University. He has 8 years of working experience as a Field Assistant and Internal Audit Operational in a palm oil company and 3 years working experience as a Supervisor Internal Audit operational in a Industrial Forest Plantation Company. Has attended several trainings such as ISO 19011:2018, ISO 9001:2015, ISO 17021:2015, ISO 17065:2015, ISO 45001:2018, ISO 14001:2015 and OHS General Supervisor. During this audit, has verified best management practices and safety aspect under the supervision of the Lead Auditor.</p> <p>Curriculum vitae (CV) of the members and the assessment team is available at the PT Mutuagung Lestari office.</p>
2.2	Assessment Methodology, Assessment Process and Locations of Assessment
2.2.1	Figure of person days to implement assessment
ASA-3 (Remote Audit)	<p>Number of auditors: 3 auditors, 1 trainee auditor and 1 observer.</p> <p>Number of days for ASA-3 at site: 2 days</p> <p>Number of working days for ASA-3 at site: 6 Working days</p>
ASA-3 & ASA-4 (Onsite Audit)	<p>Number of auditors: 3 Auditors and 1 trainee auditor</p> <p>Number of days for ASA-3 &amp; ASA-4 Onsite audit: 4 days</p> <p>Number of working days for ASA-3 &amp; ASA-4 Onsite audit: 12 Working days</p>
2.2.2	Assessment Process
ASA-3 (Remote Audit)	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT Perkebunan Nusantara IV – Dolok Sinumbah POM to the requirements of Principles and Criteria for Sustainable Palm Oil Production 2018, The Indonesia National Interpretation, endorsed by the RSPO Board of Governors on 20 April 2020 and RSPO Certification Systems for Principles &amp; Criteria and RSPO Independent Smallholder Standard, Endorsed by the RSPO Board of Governors on 12 November 2020.</p> <p>For this section (ASA-3), the assessment was conducted in One method: document review, aiming to observe the sufficiency of types or substances from required documents. Improvement of findings from ASA-2 findings were observed by auditors at this assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of ASA-3 Remote Audit report.</p> <p>The opening meeting was held on 5 April 2021 at 08.00 am through a virtual meeting (using Zoom Application). 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 take place on 6 April 2021 at 16.00 pm attended by the same participants as the opening meeting. Commonly, the audit activities went smoothly with good support from the unit management. The presentation of documents is presented quite well using google drive.</p> <p>Improvement of findings from ASA-2 findings were observed by auditors at this ASA-3 assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of ASA-3.</p> <p>The assessment program please find Appendix 2.</p>
ASA-3 & ASA-4 (Onsite Audit)	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT Perkebunan Nusantara IV unit Dolok Sinumbah to the requirements of Indonesia National Interpretation of Principles and Criteria for Sustainable Palm Oil Production 2018, endorsed on 20th April 2020 and RSPO Certification Systems for Principles &amp; Criteria and RSPO Independent Smallholder Standard, Endorsed by the RSPO Board of Governors on 12 November 2020.</p>

	<p>The scope of certification of Dolok Sinumbah POM with FFB supplied by two (3) Estates: Dolok Sinumbah and Balimbing Estate. The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) interview, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site.</p> <p>Some opportunities for improvement of the results ASA-3 &amp; ASA-4 delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (Recert). Improvement of findings from ASA-3 findings were observed by auditors at this ASA-3 &amp; ASA-4 onsite assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of ASA-3 &amp; ASA-4.</p> <p>The opening meeting was carried out on 28 March 2022. As for the participants who attended the opening meeting included Estate and Mill Managers, Unit Head Sustainability, and other staff at Dolok Sinumbah POM, Dolok Sinumbah Estate and Balimbing Estate. Closing meeting was held on 7 April 2022 attended by the same participants as the opening meeting. Management PTPN IV Unit Dolok Sinumbah accept all the onsite surveillance 3 &amp; 4 audit results.</p> <p>The assessment program please find Appendix 2.</p>
2.2.3	Locations of Assessment
ASA-3 (Remote Audit)	Will be completed during the onsite audit
ASA-3 & ASA-4 (Onsite Audit)	<p>The sampling location consider the issue arose 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>PTPN IV (Dolok Sinumbah POM)</b></p> <ul style="list-style-type: none"> <li>• Security post. Interview with security related to work procedure, emergency response, worker welfare, OHS implementation in mill, and supply chain aspect.</li> <li>• Sorting Station. Observation of FFB sorting work practices according to SOPs, implementation of OHS and environmental aspects</li> <li>• Loading Ramp Station. Observations and interviews related work procedure, safety aspect, worker welfare etc.</li> <li>• Sterilizer Station. Observation of the FFB boiling process according to SOPs, implementation of OHS and environmental aspects</li> <li>• Press Station. Observation of the pulp compression process according to the SOP, the application of OHS and environmental aspects</li> <li>• Boiler Station. Observation of boiler work process according to SOP, implementation of OHS and environmental aspects</li> <li>• Engine Room Station. Observation of work processes in the Engine Room according to SOPs, implementation of OHS and environmental aspects</li> <li>• Clarification Station. Observation of the oil refining process according to SOP, implementation of OHS and environmental aspects</li> <li>• Empty Bunch Area. Observation related to waste management.</li> <li>• Land Application, Afdeling 1 Block 09B and 09C. Observation related to effluent handling.</li> <li>• Water Treatment Plant. Observations related work procedure, safety aspect, worker welfare, environment aspect etc.</li> <li>• Fat pit and WWTP. Observation related to effluent handling and potential for environmental pollution.</li> <li>• Water Intake. Observations related work procedure, safety aspect, worker welfare, environment aspect etc.</li> <li>• Hazardous waste storage. Observation about storage condition, hazardous waste stock, emergency response facility, and waste management.</li> </ul>



- Oil storage. Observation about storage condition, MSDS, OHS implementation, emergency facility, and material stock.
- General storage. Observation about storage condition, PPE stock, emergency response and OHS implementation.
- Chemical material storage. Observation about storage condition, MSDS, OHS implementation, emergency facility, and material stock.
- Workshop. Observation related to work procedure, OHS and workers welfare aspect.
- Oil Tank Station. Observation's safety aspect, environment aspect etc.
- Hydrant Test. Simulation related to fire emergency respond.
- Weighbridge station. Interview with workers related to supply chain aspect and worker welfare.
- CPO dispatch station. Interview with workers related to work procedure, worker welfare, OHS implementation in mill, and supply chain aspect.

#### PTPN IV (Dolok Sinumbah Estate)

- Harvest, Block JL Afdeling 4. Technical observation of work according to SOP and implementation of OHS aspects
- FFB transport, Block JL Afdeling 4. Technical observation of work according to SOP and implementation of OHS aspects.
- Pest Census, Block R Afdeling 4. Technical observation of work according to SOP and implementation of OHS aspects.
- Day care facility. Observation about facility and interview about worker welfare, gender committee, and facility for worker.
- PPE Storage. Observation about facility and PPE stock
- Rinse Room. Observation about condition, pollution potential, OHS implementation and work procedure.
- Hazardous waste storage. Observation about storage condition, hazardous waste stock, emergency response facility, and waste management.
- Firefighting storage. Observation about condition about the firefighting facilities and equipment.
- Fertilizer storage. Observation about storage condition, fertilizer stock, and OHS implementation.
- Oil storage. Observation about storage condition, MSDS, OHS implementation, emergency facility, and material stock.
- Landfill. Observation related to organic and an-organic waste handling.
- Workshop. Observation related to work procedure, OHS and workers welfare aspect.
- Boundary Stakes BPN 498, 498, and 500 (Afdeling 2). Observation related to see the management, geolocation, and condition of the stakes and coordinates.
- HCV area riparian Block 16I, Afdeling 2. Observation related to management of environmental aspect and boundaries to planted area.
- HCV area riparian Block 16O/21O and 16R/21Q, Afdeling 4. Observation related to management of environmental aspect.
- Replanting area Block 21O and 21 Q, Afdeling 4. Observe related to management of environmental aspect and zero burning procedures.

#### PTPN IV (Balimbingan Estate)

- Day care facility. Observation about facility and interview about worker welfare, gender committee, and facility for worker.
- Harvest, Block 96G, 96D Afdeling 2, Block CG Afdeling 4. Technical observation of work according to SOP and implementation of OHS aspects.
- FFB transport, Block CG Afdeling 4. Technical observation of work according to SOP and implementation of OHS aspects.
- Manuring, Block CG Afdeling 4. Technical observation of work according to SOP and implementation of OHS aspects.
- PPE Storage. Observation about facility and PPE stock

	<ul style="list-style-type: none"> <li>• Agrochemical storage. Observation about storage condition, agrochemical stock, OHS implementation and work procedure.</li> <li>• Hazardous waste storage. Observation about storage condition, hazardous waste stock, emergency response facility, and waste management.</li> <li>• Firefighting storage. Observation about condition about the firefighting facilities and equipment.</li> <li>• Fertilizer storage. Observation about storage condition, fertilizer stock, and OHS implementation.</li> <li>• Oil storage. Observation about storage condition, MSDS, OHS implementation, emergency facility, and material stock.</li> <li>• Landfill. Observation related to organic and an-organic waste handling.</li> <li>• Workshop. Observation related to work procedure, OHS and workers welfare aspect.</li> <li>• Boundary Stakes BPN 52A and 53A (Afdeling 4). Observation related to see the management, geolocation, and condition of the stakes and coordinates.</li> <li>• HCV area riparian Block 21E, 21F and 95BK, Afdeling 4. Observation related to management of environmental aspect and boundaries to planted area.</li> <li>• HCV area riparian Block 19D, Afdeling 3. Observation related to management of environmental aspect and boundaries to planted area.</li> <li>• Replanting area Block 21E and 21F, Afdeling 4. Observe related to management of environmental aspect and zero burning procedures.</li> </ul>
2.3	Stakeholder Consultation and Stakeholders Contacted
2.3.1	Summary of stakeholder consultation process.
	<p>Summary of stakeholder consultation process</p> <p>Consultation of stakeholders for PT Perkebunan Nusantara IV unit Dolok Sinumbah was held by:</p> <ul style="list-style-type: none"> <li>• Public Notification on website on MUTU Website on 10 March 2022</li> <li>• Public consultation with NGOs (by email) such as WALHI, WWF, and Sawit Watch on 23 March 2022</li> <li>• Public consultation meeting with government institution 1 April 2022</li> <li>• Public consultation meeting with communities on 1 April 2022</li> <li>• Public consultation meeting with internal stakeholders and contractor 1 – 3 April 2022</li> </ul>
2.3.2	Stakeholder contacted
	Please find appendix 1
2.4	Determining Next Assessment
	The next visit (RC) will be conducted eight (8) months to twelve (12) months after date of annual license.

### 3.0 ASSESSMENT FINDINGS

#### 3.1 Summary of Assessment Report of the RSPO Certification

MUTUAGUNG LESTARI has conducted an assessment of Dolok Sinumbah POM - PT Perkebunan Nusantara IV operation consisting of one (1) mill and two (2) oil palm estates.

During the assessment, there were five (5) Nonconformities were assigned against Major Compliance Indicators, no nonconformity were assigned against Minor Compliance Indicators; and nine (9) 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 actions that had been reviewed and accepted by Auditors in form of documentation evidences e.g. (document record/photographic) Those corrective action(s) taken that consist of five (5) Major non-conformities had been closed out shall be verified during next assessment.

MUTUAGUNG LESTARI found that Dolok Sinumbah POM – PT Perkebunan Nusantara IV Group/Holding complied with the requirements of Principles and Criteria for Sustainable Palm Oil Production 2018, The Indonesia National Interpretation, endorsed by the RSPO Board of Governors on 20 April 2020 and RSPO Certification Systems for Principles & Criteria and RSPO Independent Smallholder Standard, Endorsed by the RSPO Board of Governor on 12<sup>th</sup> November 2020.

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</b>	<p>The company has Circular Letter No. 04.01 / SE / 02 / II / 2018 dated February 27, 2018 concerning Management of Company Data / Document / Information Provision which explains that the request for data / documents / information can be done by visiting the website of PT Perkebunan Nusantara IV (<a href="http://www.ptpn4.co.id/kip/">www.ptpn4.co.id/kip/</a>) or by request letter to the Head of the Corporate Secretary Section (if the request is to the unit, the district / unit manager must coordinate with the Head of the Corporate Secretary).</p> <p>The company has a Decree of the Board of Directors of PT Perkebunan Nusantara IV No. 04.03 / KPTS / 02 / II / 2018 dated February 5, 2018 which was approved by the President Director. The decision states that there are 22 information (company profile, land permit, audited financial statements, licensing/permitting documents, etc.) that can be published and accessed in general. Other than that, 27 information (company articles of association, bonus formula / production services, formula selling price of commodities, etc.) which cannot be published publicly.</p> <p>Some general information about PT Perkebunan Nusantara IV can be accessed publicly through the website listed above, if related to information in each business unit, the information can be accessed by providing a request letter of information to the business unit. Based on the results of interviews with relevant stakeholders it is known that the stakeholders already know the procedure for requesting information such as by submitting a request for information and can be easily accessed.</p>	
<b>1.1.2</b>	<p>The Information provide in <i>Bahasa Indonesia</i>, how to submit an application can be oral, email, fax, telephone and a direct visit to the office. Based on the results of document review and interviews with agencies, it is known that the information presented by the certification unit has been presented in an appropriate language and can be accessed by the agency.</p>	

The company has also shown examples of providing information in the form of mandatory reports to stakeholders, for example:

- Mandatory Report of labor of Dolok Sinumbah Unit with reporting number 18/WLTK/2021 on March 10, 2021 obligation to re-registration on April, 9 2022.
- Mandatory Report of labor of Balimbingan Unit with reporting number 21181.20220324.0001 on March 24, 2022 obligation to re-registration on March, 24 2023.
- Evidence of the PTPN IV RKL-RPL Report for the Dolok Sinumbah Unit Semester 2, 2021, the Hazardous Waste Management Report for the Quarter 4, 2021 and the Liquid Waste Management Report for the Quarter 4 2021, which were reported to the Environmental Agency of Simalungun Regency on March 1, 2022.
- Evidence of the PTPN IV RKL-RPL Report for Semester 2, 2021, Hazardous Waste Management Report Quarterly, 4 in 2021 which was reported to the Simalungun Regency Environmental Agency on 21 February 2022
- And others.

Companies are encouraged to report environmental and hazardous waste management documents to the KLHK through SIMPEL as regulated in PermenLH number 87 of 2016 concerning the Electronic Licensing Reporting System for the Environmental Sector. (OFI).

### 1.1.3

The company has a SOP for Information Requests and Responses No. SPO 06, revision 03, effective August 1, 2017. The SOP describes the procedure description of the mechanism for requesting information and responses at the head office and business units and controlling the retention period of information request and response documents. There is also a flow chart of the mechanism for requesting information.

The process of controlling requests for information and responses is managed by the HR and General Assistant if the request for information is in the business unit. And if the request for information is at the head office, then the process of controlling requests for information and responses is managed by the secretary of the board of directors. Based on the SOP above, the time period for responding to requests for information to stakeholders is a maximum of 30 working days.

The company has shown documents related to requests and responses to requests for information contained in the Logbook of incoming and outgoing letters for the Dolok Sinumbah and Balimbingan unit. From the results of the verification of the incoming mail logbook, it is known that all incoming letters have been responded to by the company. For example:

- Letter of request for assistance with number 4126/415/MC/2021 dated August 31, 2021 and has been responded to on August 31, 2021
- Application letter for road opening with number 102/05/2011/TB/IV/2021 dated 15 April 2021 and has been responded to on 20 April 2021

### 1.1.4

The company has procedure of Information Request and SOP of Communication & Consultation have covered all the elements in indicator 1.1.1 above. The time period for responding to requests for information is 30 working days after the letter is received by management. For all records of requests will be stored in each business unit in accordance with the purpose of the request for information.

Based on the review of company documents, it has an information service procedure for stakeholders that is explained in SPO 03 (Communication consultation with the community) which was effective on January 2, 2017 which explains that communication and consultation for the community in the immediate plantation unit is recorded by HR assistants and the general representing managers to communicate with the Muspika, traditional religious leaders and the community around the operational area, if there is a direct request for information known to the directors then it will be conveyed to the manager then it will be relayed back to the Directors and will be followed up on.

Base on interview with representative stakeholder (regency government) and nearest community is known that the company has disseminated communication and consultation procedures to stakeholders.

### 1.1.5

The company has a list of stakeholders which was updated on January 2022, which provides the name of the name of agency, contact name, field of cooperation, address and contact number. Auditor team has contacted some stakeholders based on stakeholder list and it is reachable. The list of stakeholders consists of:

- Regency Government
- Village head
- Community leaders
- Contractor
- Supplier
- Labor union

Based on the verification of the stakeholder list, it is known that there are government agencies that have not been informed in the stakeholder list, for example the plantation agency, etc. Related to this, the company needs to re-assure that the stakeholder list has included all stakeholders. (OFI)

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 which is stated in the Joint Decree of the Board of Commissioners and Directors of PT Perkebunan Nusantara IV No. DK-03 /KPTSIV/ 2019, No. 04.01 / KPTS / 07 / IV / 2019 signed by the Board of Commissioners and Directors of PT Perkebunan Nusantara IV dated 11 April 2019 concerning the Enforcement of the Code of Conduct of PT Perkebunan Nusantara IV. The code of conduct describes the following:

- Vision, Mission, Values and Company Commitment
- Commitment and Attitude of Business People
- Obligations and Rights of Business People
- Prohibitions for Business Actors
- Ethics with Other Stakeholders
- Compliance and Violation of Guidelines

The company shows the socialization of company policies and the code of ethics, for example:

- The socialization on August, 18 2021 was attended 47 participants

Based on the results of interviews with contractor, known that the company has provided socialization regarding the company's code of ethics. From the results of the interview, it was also known that the contractor had understood the code of ethics applicable in the company.

### 1.2.2

The results of interviews with management obtained information that to monitor compliance and implementation of ethical business practice policies carried out by means of internal audits. The Company has an Internal Supervisory Unit that conducts audit activities covering all plantation and mill operational activities. The company also has an internal audit mechanism in order to implement the principles and criteria contained in the RSPO scheme. This is conducted to the company's internal and external (stakeholders and contractors). The internal audit that conducted by SPI and the RSPO internal audit, carried out annually covering all SPOs and all RSPO indicators. Based on the results of the internal audit that was conducted on March 2022, it was found that there were no violations of the company's code of ethics.

Status: Comply

## PRINCIPLE #2 OPERATE LEGALLY AND RESPECT RIGHTS

## 2.1

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

### 2.1.1

#### Compliance with Social and Environment Regulation:

The Dolok Sinumbah POM certification unit is under the company PT Perkebunan Nusantara IV, the company has complied a relevant regulation by having the following documents:

Dolok Sinumbah POM and Estate

- The results of the environmental assessment in the form of an Environmental Evaluation Document (DELH) in 2018 for the Oil Palm Plantation of PT Perkebunan Nusantara IV, the Dolok Sinumbah Business Unit with a scope of study for an oil palm plantation of 4,159.57 hectares referring to HGU, as well as a palm oil processing factory with a capacity of 4,159.57 hectares. 30 Tons of FFB/Hour, located in Simalungun Regency. The document has been approved based on the Decree of the Environmental Service of Simalungun Regency, North Sumatra Province Number 188.45/556/10.2/2018 dated April 18, 2018.
- Operational Permit for Management of Hazardous and Toxic Waste for Producers to PTPN IV Dolok Sinumbah business unit based on DPMP2TSP Decision of Simalungun Regency Number 503.26/00492/17.4/2021 dated 3 May 2021 and is valid for 5 years. The permit refers to the Recommendation Letter from the Environment Agency number 660/138/7.3/2021 dated March 12, 2021. The permit is valid for 1 warehouse location located in Dolok Sinumbah POM.
- Permit for Utilization of Palm Oil Industrial Wastewater on Soil for PT Perkebunan Nusantara IV business unit Dolok Sinumbah based on Simalungun Regency DPMP2TSP Decree Number 503/07/17.4/2021 which was ratified on January 29, 2021, which is valid for 5 years.
- The Water Resources Concession Permit indicates that the validity period of the permit has expired on March 1, 2022. In this regard, the company can show Memo Number DOS/04.01/eM-21/II/2022 regarding the permit extension application as of February 14, 2022 as well as evidence -Proof of payment of retribution every month in accordance with the volume of water use. Based on this, companies are encouraged to ensure the progress of the extension of the Water Resources Concession Permit. This has become an opportunity for improvement in indicator 7.8.4.
- The company already has the results of HCV identification conducted by CV Citra Cendekia led by an approved RSPO HCV Assessor in 2011 for the scope of PT Perkebunan Nusantara IV, Unit Dolok Sinumbah Estate. Based on the results of the HCV study, an HCV area of 345.49 Ha was obtained, all of which fall within the scope of certification.

#### **Balimbingan Estate**

- The results of the environmental assessment in the form of an Environmental Evaluation Document (DELH) in 2014 for the Oil Palm Plantation of PT Perkebunan Nusantara IV, Balimbingan Business Unit with a scope of study for an oil palm plantation of 3981.94 Ha which refers to the HGU, which is located in Simalungun Regency. The document has been approved based on the Decree of the Environmental Service Office of Simalungun Regency, North Sumatra Province Number 188.45/12.2/SEKRT-2014 dated January 23, 2014.
- Operational Permit for Hazardous and Toxic Waste Management for Producers to PTPN IV Balimbingan business unit based on Simalungun Regency DPMP2TSP Decree Number 503.26/00500/17.4/2021 dated 3 May 2021 and is valid for 5 years. The permit refers to the Recommendation Letter from the Environment Agency number 660/141/7.3/2021 dated March 12, 2021. The permit is valid for 1 warehouse location located in Balimbingan Estate.
- The company already has the results of HCV Identification conducted by Consultant PT Surveyor Indonesia led by an approved RSPO HCV Assessor in 2016 for the scope of PT Perkebunan Nusantara IV, Balimbingan Estate Unit. Based on the results of the HCV study, an HCV area of 88.48 hectares was obtained, all of which were included in the scope of certification.

#### **Compliance with Employment Regulation:**

Payment of wages at PTPN IV refers to the Provincial Minimum Wage based on Decree No. 188.44/528/KPTS/2020 dated October 30, 2020 regarding the Determination of the North Sumatra Province Minimum Wage in 2021. The North Sumatra minimum wage in 2021 is Rp. 2,499,423

#### **Compliance with Legality Regulation:**

In legality aspect, the company has had land title (HGU) and plantation business permit (IUP) described in more detail in criterion 4.4, for example:

- Plantation Business License of Dolok Sinumbah Unit Management based on Regent Decree No. 188.45/2769/K-PPT/2012 dated 08 August 2012, coverage area of 6,332.97 ha, and Mill's capacity of 30 ton of FFB/hour.
- Plantation Business License of Balimbingan Unit Management based on Regent Decree No. 188.45/4016/K-PPT/2012 dated 09 November 2012, coverage area of 3.981,94 ha.

#### **Compliance with BMP Regulation:**

- The company has submitted a report on the development of the plantation business on a regular, namely every semester to the relevant agencies.
- Using oil palm seeds from seed-producing companies that are recognized and certified by the authorized agency.



- The company has cleared or processed plantation land without burning.
- Have a list of Prohibited and Restricted Pesticides Active Ingredients and policies to reduce or prohibit the use of restricted pesticides such as paraquat.

#### Compliance with OHS Regulation:

- Provision of Personal Protective Equipment (PPE) from the company for all workers and regulate the use of PPE according to the type of work based on the pre-determined HIRAC. Provision of PPE from the company for all workers and regulate the use of PPE according to the type of work based on the pre-determined HIRAC.
- Occupational Health and Safety Committee (OHS committee): has a OHS committee organizational structure and emergency response that has been approved by the *Dinas Tenaga Kerja Kabupaten Simalungun*, has a OHS committee program, organizes Occupational Health and Safety training programs, quarterly OHS committee reports, has procedures related to OHS and Emergency Response, etc.
- Having a license/competence for several special jobs that require more expertise such as OHS experts, boiler operators, diesel engine operators, Electrical Technician's OHS, welders, wheel loader operators and others in accordance with the requirements contained in the legislation.

#### 2.1.2

The company has a list of regulations in document of Compliance Evaluation Report document against the Laws, Regulations and Other Requirements Related to the Implementation of RSPO and ISPO. The document informs the name of the regulation, subject or compliance, compliance status, evaluation results, and description. The last regulatory update was carried out in December 2021. Several regulatory updates were made to regulations related to employment and the environment, for example:

- PP 36 about wages
- PP 35 about Specific time work agreement (Contract Worker)
- PermenLHK No. 6 of 2021 concerning Procedures and Requirements for LB3 Management
- Presidential Regulation No. 13 of 2018 concerning the Application of Beneficial Ownership of Corporation
- And others

The company also has a procedure related to the regulatory update mechanism described in the SOP No 04.01/KOL/KOL/034. PIC who is responsible for identifying the regulation and for evaluating the regulations is Legal Corporate Staff and Investor Relations.

#### 2.1.3

Monitoring of HGU stakes is carried out every 6 months and the results are documented in the HGU Boundary Monitoring Evaluation Table document (Pillar). Based on these documents, it is known that all the stakes are in a well-maintained condition. In addition, based on a field visit to the HGU stake No. 495, 498, 499, and 500 in Dolok Sinumbah, it is known that the HGU stakes are in good condition and there is no oil palm plantation outside the HGU. However, there are 1 stake where its location is not accordance with the stake monitoring. Therefore, company needs to ensure that the points on the internal stake map match the position of the HGU stakes in the field. Also, from field observation to HGU stakes in Balimbangan, it is known that all stakes is there and in good condition. However, the number of stakes written in field and in the monitor, report is not synchronized. Therefore, the company needs to ensure the numbering of HGU stakes in accordance with the monitor report and also complete all the HGU maps for all division. (OFI)

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

#### 2.2

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

##### 2.2.1

The company shows list of contractors that work with the company. The cooperation is in the form of FFB transportation, upkeep, transport hazardous waste, activities of transporting empty fruit bunches fire extinguisher filling contractor, etc.

##### 2.2.2; 2.2.3

The company shows Work Agreements with contractors including FFB suppliers, for example:

- Agreement letter No. 04.04/SPKP/Angkut – TBS/757/VII/2021 dated October 23, 2021.
- Agreement letter No. 04.04/S.Per/665/VII/2021 dated July, 29 2021

In the agreement it is explained that:

- The second party (contractor) must comply with all applicable laws and regulations
- Not employ underage
- Not employ labor resulting from human trafficking
- Must provide PPE
- Must include employees in the BPJS program
- And others

The company has shown evidence of compliance with the law on contractor workers, for example:

CV Rio Mandiri (transport FFB) → 23 workers

- Salary slips for contractor workers with a wage already above the applicable minimum wage
- Evidence of BPJS employment payment paid on March, 23 2022
- BPJS card of worker, for example worker with initial RS with BPJS employment card No. 1208111309890003
- Monitoring the use and condition of PPE on February 2, 2022.

Status: Comply

### 2.3

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

#### 2.3.1

Based on interview with weighbridge operator and security in Dolok Sinumbah POM, it is known that POM receives FFB from third parties who are collectors (indirect suppliers) and from other PTPN plantations occasionally. The plantations of PTPN IV which occasionally supply FFB to POM include Marjandi, Marihat, Laras, Dolok Ilir, Bah Birung ulu, and Bukit Lima. The company able to show the information such as the geolocation, as well as the status of ownership.

#### 2.3.2

Based on interviews with security and weighbridge operators, it is known that the company regularly receives FFB from its own plantations and third parties. Company has identified FFB supplier data along with the geolocation of agents (collectors) and agent addresses. Identification of third-party supplier data is documented in FFB Supplier Data which informs about the name of the supplier, the address of the supplier, the coordinates of the agent (collector), and the area of the plantation and proof of land ownership. The land ownership showed is in form of land certificate. From these documents, there are 6 collectors who have supplied FFB to Dolok Sinumbah POM.

Based on interviews with management, not all farmers are willing to provide proof of land ownership, so the company has not been able to identify all the geolocations of supplying farmers. Related to this, the company has the opportunity to ensure to identify all geolocations of FFB suppliers and collect evidence related to land ownership status of FFB supplier growers/farmers along with their justification if the growers/farmers are not willing to provide a copy of the proof of land ownership. (OFI). Dolok Sinumbah POM has received FFB from third parties since August 2020.

Status: Comply

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

### 3.1

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

#### 3.1.1

The company has shown the document of the 5-year Long Term Plan of PT Perkebunan Nusantara IV, the Dolok Sinumbah and Balimbangan business units for the period 2020 – 2024 which was approved by the Director. The document contains FFB production from own and outside plantations, production of palm oil and palm kernel, yield of palm oil and palm kernel, production expenses, non-production expenses, other income, other expenses, sales of palm oil, sales of palm kernel, financial parameters, income and profit/loss. For example, some projections for the Dolok Sinumbah unit are shown in the table below:

2020	2021	2022	2023	2024
------	------	------	------	------

Own FFB production (ton)	90,148	92,256	93,963	96,771	93,273
CPO (ton)	22,357	22,879	23,303	23,999	23,132
OER (%)	24.80	24.80	24.80	24.80	24.80
PK (ton)	4,507	4,613	4,698	4,839	4,664
KER (%)	5.00	5.00	5.00	5.00	5.00

The company also evaluates the long-term plan carried out in January 2022 which is contained in the Dolok Sinumbah Monthly Management Report document which informs the discussion of the summary of operational activities, financial position report, cash flow report, production costs and cost of goods, list of accounts payable and news cash and bank reconciliation events.

### 3.1.2

The company shows a projected annual replanting/replanting program for at least the next five years, some of which are listed in the Dolok Sinumbah and Balimbingan Long-Term Palm Oil Area Plan for 2020 – 2024. The company also reviews the replanting plan and realization annually, which include: indicated in the Dolok Sinumbah Replanting Realization document for 2020 and 2021, with details:

Unit Names	Detail	2020	2021	2022	2023	2024
Dolok Sinumbah	Plan (Ha)	161	-	76	18	317
	Actual (Ha)	154	290	-	-	-
Balimbingan	Plan (Ha)	369	302	650	600	-
	Actual (Ha)	249	292	-	-	-

The company shows a review of replanting activities every year, including for 2021. For example, the Minutes of replanting activities carried out by the contractor PT. Amba Mozza Indo with number 01/LPPPB/XII/2021, dated October 19, 2021, with the location of Afdeling 4 covering an area of 97 ha in Dolok Sinumbah Estate with the completion time of work starting from July 11, 2021 - October 15, 2021.

### 3.1.3

The Company has conducted a management review within the planned time in accordance with the scale and nature of the activities carried out, which are shown in the Minutes of the Management Review Meeting of the Dolok Sinumbah Estate on April 04, 2022 and the Balimbingan Estate on March 14, 2022 which were approved by the Manager of the Plantation Unit. The document explanation includes the results of internal audits, customer satisfaction surveys, process performance, achievement of quality objectives, concern for the implementation of quality and environmental management systems, corrective actions, evaluation of laws and regulations, risk management, management review meetings, changes and adequacy of resources. man.

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 certification unit already has a system to improve existing practices, in accordance with the latest information and techniques as well as a socialization mechanism for all workers following current technological developments. The unit of certification also develops guidelines for farmers by providing systematic training for continuous improvement. Some of the evidence that has been applied for continuous improvement include:

#### Social and Environmental Aspect

- The company no longer uses pesticides with the active ingredient paraquat.
- The company has implemented biological pest control in this case by using host plants and barn owls to reduce the use of pesticides, especially insecticides and rodenticides.
- The use of renewable energy accordance to reduce the use of fossil fuels.
- Waste management and monitoring through WWTP pond management, testing the quality of the effluent and reporting it to the Environmental Agency.
- Air quality management and monitoring through several action like road maintenance, air quality testing, routine maintenance of vehicles and machines and vehicle upgrades.
- Management and monitoring of surface and groundwater through testing the quality standard.
- Green House Gas Management and using land clearing with mechanical and zero-burning policy.

### 3.2.2

Certification Unit already has an annual report document using the RSPO metric template format that has been provided to the auditor team at the time of the assessment. The summary in the report, for example, is as follows:

Name of RSPO Member	:	Dolok Sinumbah Palm Oil Mill PTPN IV
RSPO Membership Number	:	1-0082-09-000-00
Name of Certified Unit	:	Dolok Sinumbah Palm Oil Mill PTPN IV
Name of Certification Body	:	PT MUTUAGUNG LESTARI
RSPO PalmTrace ID Number	:	RSPO_PO1000005868
Number of Mills	:	1
Number of Certified Estates	:	2
Production Area (ha) - Estate	:	4,480.61
Certified Area (ha) - Estate	:	8,072
High Conservation Value (HCV) Area (ha)	:	274
Peatlands - Planted (ha)	:	0
Peatlands – Unplanted (ha)	:	0

Status: Comply

### 3.3

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

#### 3.3.1

The Business Unit has Standard Operating Procedures (SOPs) for Plants and Factories in the Basic Guidelines document and Work Instructions of PT. Perkebunan Nusantara IV (Persero) which was created and approved by the President Director in June 2013. The Basic Guidelines and Work Instructions, namely:

Plant SOP:

Basic Guidelines and Plant Work Instructions, including:

- Nurseries (No. Doc. Business units.A.01)
- Replanting (No. Doc. Business unit.A.02)
- Maintenance of Productive Plants (No. Doc. A.03)
- Maintenance of Immature Plants (No. Doc. A.04)
- Castration and Sanitation (No. Doc. A.05)
- Pollination of Assistance (No. Doc. A.06)
- Mutation of Immature Plant to Producing Plant (No. Doc. A.07)
- Control of Pests and Plant Diseases (No. Doc. A.08)
- Road and Bridge Maintenance (No. Doc.A.09)
- Fertilization Management (No. Doc. A.10)
- Harvest Management (No. Doc.A.11)
- Harvest Premiums, Loads, Fines and Harvest Supervision (No. Doc. A.12)
- Submission of Minutes of Promotion of TBM (No. Doc. A.13), and
- Transport of FFB (No. Doc.A.14).

Mill SOP:

Basic Guidelines and Factory Work Instructions, including:

- Weighbridge Station (No. Doc. C.01)
- Loading Ramp Station (No. Doc. C.02)
- Stew Station (No. Doc. C.03)
- FFB Cutting Station (No. Doc. C.04)
- Empty bunch Station (No. Doc C.05)
- Kempa Station (No. Doc. C.06)
- Oil Purification Station (No. Doc. C.07)
- Collecting Tank Station (No. Doc. C.08)
- Seed Mill Station (No. Doc. C.09)

- Steam Boiler Station (No. Doc. C.10)
- Water Purification Station (No. Doc. C.11)
- Engine Room Station (Do. No. C.12).
- How to produce Super CPO and Golden CPO (Do. No. C.13).
- Quality Guidelines (Do. No. C.14).
- Laboratory Work Guidelines, Equipment, Chemicals and Sample Analysis (Do. No. C.15).

Based on field observations and interviews with harvest workers at Kebun Dolok Sinumbah Estate, Afdeling 4 block JL, it is known that workers can explain their duties and responsibilities as harvesters, employees can also explain the criteria for ripe fruit harvest.

The results of field observations and interviews were also conducted with employees at the Dolok Sinumbah Mill stew station. It was found that workers could explain their duties and responsibilities.

### 3.3.2

The company shows a record of mechanisms to monitor the consistency of the implementation of procedures in the field, for example:

- Records of RSPO and ISPO internal audit results at the Dolok Sinumbah Unit which carried out on 8 -9 March 2022, which contains information on the positive component records of internal audit, findings of non-conformance of RSPO and ISPO internal audits and follow-up plans in the form of identification of root causes, corrective actions and preventive actions. For example, there is a follow-up plan for the absence of a management and monitoring program. Social impact analysis in 2022, such as identifying the root cause of the lack of a social impact analysis management and monitoring program. Corrective action is to create a social impact analysis management and monitoring program. The preventive action is to make a schedule. monitoring of the management program and monitoring of social impact analysis.
- Dissemination of several types of Work SOPs to related employees, such as socialization of Thursday work on February 28, 2022 and socialization of fertilization work on February 24, 2022.

### 3.3.3

The Dolok Sinumbah unit and the Balimbingan unit already have a routine inspection/monitoring mechanism for operational activities in the form of an internal audit that is carried out at least once a year, namely:

- Records of RSPO and ISPO internal audit results at the Dolok Sinumbah Unit which were carried out on 8 -9 March 2022, containing information on the positive component records of internal audits, findings of non-conformances to RSPO and ISPO internal audits and follow-up plans in the form of identifying root causes, corrective actions and precautions. For example, there is a follow-up plan for the absence of a management and monitoring program. Social impact analysis in 2022, such as identifying the root cause of the lack of a social impact analysis management and monitoring program. Corrective action is to create a social impact analysis management and monitoring program. The preventive action is to make a schedule. monitoring of the management program and monitoring of social impact analysis.
- Records of the results of internal operational audits carried out by the internal supervisory unit at the Dolok Sinumbah Unit which was carried out on 8 – 18 February 2021 and at the Balimbingan Unit which was carried out on 10 – 14 January 2022. The internal audit operational audits discussed, among other things, plantation performance, contractor performance, field audits agronomy, auditing in the field of Financial and General Administration. Based on the internal audit report, it can be seen the results of the examination consisting of conditions, criteria, causes, and impacts as well as recommendations.

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

The certification unit already has several documents related to social and environmental impact studies that are carried out independently or participatively by involving affected stakeholders in collaboration with accredited independent experts. Some of the documents held by the unit of certification are as follows:

#### Environmental Impact Assessment (EIA)

The Dolok Sinumbah POM certification unit is under the company PT Perkebunan Nusantara IV, the company already has an



Environmental Impact Assessment (EIA) document that has covered all areas that fall within the scope of certification and can be proven based on the following documents:

- **Dolok Sinumbah Estate**  
The results of the environmental study are in the form of an Environmental Evaluation Document (DELH) in 2018 for the Palm Oil Plantation of PT Perkebunan Nusantara IV, the Dolok Sinumbah Business Unit with a scope of study for an oil palm plantation of 4,159.57 hectares which refers to the HGU, as well as a palm oil processing factory with a capacity of 30 Tons of FFB/Hour, which is located in Simalungun Regency. The document has been approved based on the Decree of the Environmental Service of Simalungun Regency, North Sumatra Province Number 188.45/556/10.2/2018 dated April 18, 2018.
- **Balimbingan Estate**  
The results of the environmental study are in the form of an Environmental Evaluation Document (DELH) in 2014 for the Oil Palm Plantation of PT Perkebunan Nusantara IV, Balimbingan Business Unit with a scope of study for an oil palm plantation of 3981.94 Ha which refers to the HGU, which is located in Simalungun Regency. The document has been approved based on the Decree of the Environmental Service Office of Simalungun Regency, North Sumatra Province Number 188.45/12.2/SEKRT-2014 dated January 23, 2014.

In the document above, there is information related to environmental aspects and parameters that must be monitored and managed along with information on targets and implementation times contained in the UKL-UPL matrix. The document has also covered all aspects of plantation and mill activities and their changes throughout the operational activities. The sampling methodology used is also participatory involving external stakeholder groups for the purpose of identifying impacts. Based on the verification of these documents, it can be concluded that all environmental impacts from plantation activities have been identified and their management recommended with reference to relevant laws and regulations.

### Social Impact Assessment (SIA)

The certification unit has conducted a Social Impact Assessment (SIA) which is divided into 2 scopes, including:

- **Dolok Sinumbah Estate**  
Implemented in 2011 by CV Cintra Cendikia. The SIA study was conducted in July 2011 with the Dolok Sinumbah Afdeling Unit Scope 1 to 4. This study describes the impacts arising from plantation activities, including population, education, livelihoods, income, health, facilities and infrastructure, customs and culture of rural communities. villages around the company, efforts to manage the environment in the social, economic and cultural fields by PTPN IV Dolok Sinumbah Unit and community perceptions of the existence and benefits of the company. Social impact assessments are included as part of the complement of all environmental impact assessments. The assessment involves all affected parties, both internal and external stakeholders, including employees, trade unions, village heads around the plantation, local NGOs and farmer representatives of relevant stakeholders. Evidence of participation with affected parties is shown in the form of attendance at FGD meetings and photos during interviews with a total of 80 respondents from 8 villages. The report also contains a matrix of Social Management Plan and Social Monitoring Plan which contains recommendations for the management of identified social impacts.
- **Balimbingan Estate**  
Implemented in 2016 by PT Surveyor Indonesia. The SIA study was carried out in December 2015 – January 2016 with the Scope of the Afdeling Guidance Unit 1 to 4. This study describes the impacts arising from plantation activities, including population, education, livelihoods, income, health, facilities and infrastructure, customs and community culture. the villages around the company, efforts to manage the environment in the social, economic and cultural fields by PTPN IV Balimbingan Unit and community perceptions of the existence and benefits of the company. Social impact assessments are included as part of the complement of all environmental impact assessments. The assessment involves all affected parties, both internal and external stakeholders, including employees, trade unions, village heads around the plantation, local NGOs and farmer representatives of relevant stakeholders. Evidence of participation with affected parties is shown in the form of attendance at FGD meetings and photos during interviews with a total of 98 respondents from 10 villages. The report also contains a matrix of Social Management Plan and Social Monitoring Plan which contains recommendations for the management of identified social impacts.

Community representatives who became resource persons in this assessment were village heads, village officials, traditional leaders, and company employees. The types of data collected are primary data and secondary data. Primary data collection for monitoring the management of social impacts is obtained from relevant stakeholders as affected parties as well as local village officials who represent the community and as verifiers. Secondary data or indirect data collection is carried out by means of literature studies through various references such as environmental assessment documents, HCV assessment documents, local government literature, CSR implementation records, company internal data, correspondence between companies and affected parties, local news and news.



national and so on. All of these data sources are used as consideration for social impact management recommendations. Based on the verification of these documents, it can be concluded that all social impacts of plantation activities have been identified and their management recommended with reference to relevant laws and regulations.

#### High Conservation Value Assessment (HCVA)

The company already has a document on the results of the HCV assessment which is divided into 2 scopes, including:

- **Dolok Sinumbah Estate**  
HCV identification was carried out by a consultant Citra Cendekia led by an approved RSPO HCV Assessor in 2011 for the scope of PT Perkebunan Nusantara IV, Unit Dolok Sinumbah Estate. Based on the results of the HCV study, an HCV area of 345.49 Ha was obtained, all of which were included in the scope of certification.
- **Balimbingan Estate**  
HCV identification was carried out by Consultant PT Surveyor Indonesia led by an approved RSPO HCV Assessor in 2016 for the scope of PT Perkebunan Nusantara IV, Balimbingan Estate Unit. Based on the results of the HCV study, an HCV area of 88.48 hectares was obtained, all of which were included in the scope of certification.

The study explains the impacts arising from plantation activities on the environment, social, and protected flora and fauna. The HCV assessment also involves several affected parties, both internal and external stakeholders. Evidence of participation with affected parties is shown in the form of attendance at FGD meetings and photos during interviews. The report also contains a matrix of High Conservation Value Area Management and Monitoring Plans which contains recommendations for the management of all identified HCV areas.

Based on the results of the study of the HCV identification document, information was obtained that the impact assessment on HCV, biodiversity and RTE species carried out also included areas outside the concession boundary. The HCV area consists of protected areas for flora and fauna and river boundaries as well as protection of cultural values from the surrounding community. Based on the verification of these documents, it can be concluded that all areas with high conservation potential and protected areas have been identified and their management recommended with reference to the relevant environmental management guidelines.

#### 3.4.2

The certification unit has made efforts to manage and monitor social and environmental impacts that are carried out independently by involving affected stakeholders. Some evidence of documentation of activities that have been carried out are as follows:

##### Environmental Impact Assessment (EIA)

Based on the results of the verification of the RKL-RPL document for the scope of Dolok Sinumbah and Balimbingan Semester 2 of 2021, it can be concluded that all the management and monitoring parameters requested in the environmental document matrix have been implemented. The certification unit has also evaluated every parameter of significant impact monitoring carried out as required in KepmenLH 45 of 2005, which includes evaluation of trends, evaluation of critical levels, and evaluation of compliance. Based on the results of the evaluation, it is known that there are several parameters that are not in accordance with the applicable Quality Standards, but the results of interviews, document analysis and observations there are no indications of environmental pollution in the area around the company, this is explained in each related indicator. The effectiveness of environmental management and monitoring can be seen from the results of the analysis and the compatibility between the management and monitoring plans and their implementation in the field.

This can also be proven from the results of field visits to the EFB storage area, the WWTP area and the Land Application area. The results of interviews with the community around the company also stated that they did not feel any environmental impacts related to the company's operational activities. The company has also carried out environmental management in accordance with the environmental document guidelines it has.

The unit of certification has also made an RKL-RPL report every semester which refers to the environmental management and monitoring matrix. Environmental management reports are carried out every 6 months and submitted to the relevant agencies, for example the RKL-RPL Report for Semester 2 of 2021 which was sent to the Simalungun Regency Environmental Office on March 1, 2022. Based on the results of interviews with the Environment Agency regarding reporting on the implementation of RKL-RPL, confirmation regarding the delay in reporting for the 2nd semester of 2021 has also been submitted due to the delay in carrying out the new tests carried out in December 2021. In addition, there are no complaints or conflicts related to the environment from NGOs or local communities around the company.

### Social Impact Assessment (SIA)

The results of the SIA study in 2011 for the Dolok Sinumbah Estate and 2016 for the Balimbingan Estate are used as a guide in the preparation of social impact management programs that are used as references in the management of the annual SIA. In the document, in general there are several social issues that are recommended to be managed by the company, including:

- Availability of public facilities and social facilities
- Lack of job opportunities by the local community
- Conflict with livestock owners (cows)
- The level of quality of education in the environment is still low

Regarding this issue, it is recommended that several programs be implemented by the company based on stakeholder needs analysis and stakeholder mapping directly or indirectly. Thus, the planned program is directed as far as possible to strengthen the company's relationship, communication and cooperation with all stakeholders.

Based on the verification results of the 2021 Social Impact Monitoring and Management document, it can be concluded that all activities have been carried out. The company also conducts an internal evaluation of the SIA management activities every year. Based on the results of consultations with workers' representatives, there is no form of discrimination against workers, no underage workers were found, the company has also fulfilled the rights of its employees, several important facilities for employees have been provided by the company such as housing, water, electricity, places of worship, public facilities, educational infrastructure (schools), and other facilities. The company also allocates resources for the maintenance of the entire facility. The resource persons also stated that they can voice their views through their own representative institution or a spokesperson they choose in the evaluation activities to review and develop mitigation plans, as well as monitor the success of the implemented plans.

However, based on the results of field observations and external stakeholder interviews related to the management of social impacts, it can be concluded that there are several issues related to social impacts that have not been managed properly by the company which has become an opportunity for improvement in indicator 3.4.3.

#### 3.4.3

The unit of certification has made efforts in implementing the management and monitoring of social and environmental impacts as described in indicator 3.4.2. In addition, the certification unit also makes efforts to periodically update the management in a participatory manner. The company involves the Environment Agency and the Ministry of Environment to monitor the results of environmental management that has been carried out by the company in the form of presenting RKL-RPL reports and other environmental management documents that are sent every certain period which can be proven in indicator 1.1.2. The company also does not block access to all environmental agencies if they are going to carry out field verification to their management areas. It aims to obtain advice and advice in carrying out environmental management in accordance with the vision, mission and government programs so that they can run synergistically. This can be proven based on the results of interviews with the Simalungun Regency Environmental Service who conducted a field visit in early March 2022 to communicate regarding the management of POME. Based on the results of the verification of the RKL-RPL Semesters 1 and 2 of 2021, which are documents that can be accessed by the public, the company has conducted a trend analysis and critical level of the test results and management that has been carried out.

### Social Impact Assessment (SIA)

Based on the analysis of the 2021 Social Impact Monitoring and Management document for the scope of Dolok Sinumbah and Balimbingan Estate, the social impact assessment is carried out based on the perception of community representatives who represent the community. the company has analyzed the positive and negative impacts that arise from each activity specifically, for example physical assets for production activities that have positive and negative impacts on both external and internal levels. The Company conducts an annual evaluation of the Social Impact Monitoring and Management activities that have been carried out to harmonize data collection related to community perceptions regarding the SIA Management Plan and adjust it to the latest needs according to conditions in the field. The evaluation activity is also a reference in the preparation of the Social Impact Management and Monitoring Program for the 2022 period. Program planning is carried out based on the results of the Focus Group Discussion on January 25, 2022 for internal and stakeholders including the village community around the company as evidenced by the questionnaire document.

In the review activity, the company applied the 7 principles of the RSPO regarding the development of plantations that are responsible for social and environmental aspects by referring to the Free, Prior, Informed and Consent (FPIC) Principles. The principle of FPIC

that is the basis for the company in carrying out the process of developing oil palm plantations includes, among others, women's representatives, customary leaders, land owners around the company's area, independent smallholders, and all representatives of affected parties with a total of 12 respondents. Limitations in conducting reviews with external parties due to distance restrictions due to the covid-19 pandemic.

Based on the results of the verification of the document, no new impacts have been identified by the company, all social management and monitoring plans that have been implemented and monitored are then updated periodically in a participatory manner to accommodate the aspirations of stakeholders. The results of the meeting included:

- Opening up new job opportunities that prioritize local workers
- Additional funding for surrounding villages in the form of CSR or proposal submission
- Establish a mutually beneficial relationship between the company and livestock owners
- Improve communication with stakeholders around the company.

Based on the explanation above, it can be concluded that the company has made efforts to periodically update the social and environmental management program. However, based on the results of field visits, information was obtained that there are still some potential conflicts such as theft and cultivation of river borders. However, the results of interviews with stakeholders stated that they had been involved in socialization related to the company's social programs. Based on the results of the review of the Social Management Program document for the 2021 period, the company has not yet established a social management program related to the potential conflict. The socialization activities that have been carried out have also not been fully documented. Based on this, companies are encouraged to identify all potential impacts and develop social management programs based on these identifications, and document them comprehensively in the next social management report. (OFI).

Status: Comply

### 3.5

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

##### 3.5.1

Mechanism of recruitment, selection, hiring promotion, retirement and termination is presented in document of *Perjanjian Kerja Bersama (PKB)* or Collective Labor Agreement between PTPN 4 and SPBUN PTPN 4 for period 10 January 2020 to 09 January 2022 which approved by Manpower Agency of Sumatera Utara through Decree No. 560/04-6/DTK/II/2020 dated 13 January 2020. Summary of CLA related to human resources management is summarized as follows:

- Chapter II Article 10 mentioned about partnership.
- Chapter II Article 11 mentioned about employees' requirement, selection and recruitment authority.
- Chapter II Article 12 mentioned about promotion of permanent worker.
- Chapter II Article 13 mentioned about employees' evaluation for promotion in structural organization.
- Chapter II Article 14 mentioned about level in organization.
- Chapter II Article 15 mentioned about promotion and career development.
- Chapter II Article 16 mentioned about promotion opportunity without any discrimination.
- Chapter II Article 17 mentioned about demotion and degradation.
- Chapter II Article 18 mentioned about mutation.
- Chapter XII mentioned about termination and retirement.

##### 3.5.2

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

- Work Performance Assessment. For example, the assessment of the work performance of employees of grade IA to IID Dolok Sinumbah Estate No. DOS/04.07/II/2022
- The increase in the grade of all PTPN IV plantation units based on the Attachment to the Decree of the Board of Directors No. 04.07/Kpts/R/12/III/2021 dated March 8, 2021

The company has shown that employee recruitment, hiring, promotion and others are based on the ability of the employee. The recruitment documentation provided includes CV, application letter, ID card, health examination results and others. In addition, based on the Decree of the Directors of PTPN IV No. 04.07/Kpts/R/12/III/2021 dated March 8, 2021 explained that workers must be assessed for their work according to their skills, abilities and quality of work to be the basis for promotion.

The results of interviews with workers and labor unions revealed that labor procedures have been implemented by the company in accordance with applicable regulations. They also known that workers have already know about employment procedures such as termination, retirement or promotion. Based on that interview known that the company has provides equal rights to employees in accordance with applicable laws and regulations.

Status: Comply

### 3.6

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

#### 3.6.1

The company shows the Occupational Health and Safety Management System procedure document for risk management which is made and approved by OHS committee. The document describes procedures for hazard identification, risk assessment and risk control. The company also shows a recording of the results of the risk assessment as stated in the Risk Management Occupational Health and Safety Form Procedure document, document number FM-4.2.1-01, No. Revision 00 and FM-4.2.1-02, Revision No. 00, which are reviewed by the General OHS Expert and approved by the Manager. Such as the HIRAC assessment in the Dolok Sinumbah unit which is divided into two areas, namely Estate which was carried out on January 8, 2022 and PKS which was carried out on February 28, 2021. The document explains the results of the identification of each activity, hazard, risk, risk assessment (consequences, opportunity, risk level), risk control, risk control implementation plan and risk control review. For example, for the PKS section in the activity of Sorting FFB from trucks at the loading ramp, the danger of being pricked by FFB thorns, falling on FFB, getting hooked and slipping, for risk control including the use of PPE in the form of safety shoes, helmets, cloth gloves and dust glasses.

The verification results from OFI regarding the implementation of audiometry and spirometry medical checks on the Surveillance Audit 2 assessment, that during the Surveillance 3 +4 audit the company has carried out audiometric medical checks for Mill employees on September 9, 2021 with normal inspection results. Meanwhile, spirometry medical checks cannot be carried out because of the recommendation from the Indonesian society of respirology to postpone spirometry examinations during the COVID-19 pandemic.

Based on the review of HIRAC documents and monitoring of work plans and realization as well as field observations and interviews with workers, information was obtained that there are still jobs in the unit that have not been listed in HIRAC and also unsafe conditions, such as:

- For several operational works at Dolok Sinumbah Estate that are not yet included in HIRAC, among others: road maintenance, mixing of pesticide ingredients and application of empty bunches.
- From the results of internet searches and interviews with management representatives, it is known that there are other people who died due to falling trees during replanting activities at Balimbingan Unit. The Balimbingan Estate HIRAC has not analyzed the risks for replanting activities
- In addition, based on the results of field visits at the Wastewater Treatment Plant (WWTP), it was found that there was an unsafe condition, namely that there was a rotating machine that had no protection.

Based on the evidence obtained, it is concluded that not all activities have identified the risk analysis and ensured its implementation in the field. (NCR No. 2022.01)

#### 3.6.2

The company also shows the OHS plan, which is listed in the OHS Committee Work Program document of PT PN IV Dolok Sinumbah Unit and Balimbingan Unit in 2021. Based on the document, several activities are programmed, such as:

- OHS Committee Monthly Meeting which is planned once a month
- Risk Management planned once a year
- Routine OHS inspection planned once a month
- OHS Committee report planned every 3 months
- Management review meeting is planned once a year.
- Simulation of fire emergency response planned once a year

The realization of the work program will be monitored through regular OHS Committee meetings every month. This work program applies generally to all workers in the workplace. If the plan is not on target, it will be evaluated in regular meetings to assess

effectiveness. The following is an example of the realization by the Dolok Sinumbah unit in 2021, including:

- Discussion on the inspection of fire extinguishers, hydrants, PPE, workplaces and OHS signs as well as preparation for an ISPO external audit which will be held in December 2021 and attended by 9 members of the OSH advisory committee.
- Conduct monthly inspections, complete documents and carry out cleaning at the factory site which will be held in November 2021 and attended by 9 people from the OHS Supervisory Committee.

3.6.1 Status: Major Non-Conformance Report No. 2022.01

### 3.7

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

#### 3.7.1

The company showed the Training Program for each unit in 2021/2022 that cover all aspects of the P&C RSPO. The training also covers parties who need training such as staff, workers and contractors. As for planning team and HR department are responsible for the development of the training program scheduling and implementation of training. The training program document informs type of training, plan / timetable and attendance. The 2021/2022 training programs such as:

- Integrated pest management training
- HCV Monitoring and management training
- Fertilization Training
- Hazardous waste management
- Harvest training to increase production
- Firefighter training
- First aid training
- And others.

#### 3.7.2

Company has monitored training documentation for workers and has showed training record to the auditor team. The training documentation for example minutes of meeting, photo and attendance list, such as:

- Training documentation related Integrated Pest management on March 9, 2022
- Documentation of fertilization training on March 21, 2022 attended by 12 participants.
- Documentation of Harvest training to increase production on February 22, 2021 attended by 8 participants.
- Training documentation related Integrated Pest management on December 2022
- Etc

The results of interviews with workers such as maintenance stated that the company had provided training or socialization regarding work procedures for worker in *bahasa*. From the results of interviews with contractors, known that the company had provided socialization related company regulation.

#### 3.7.3

Based on interviews with weighbridge officers, it is known that officers have understood supply chain standards. The company also shows supply chain socialization documents to personnel related to supply chain implementation, including weighing, production, and delivery clerks. The socialization was carried out on March 16, 2022.

Status: Comply

### 3.8

**Supply Chain Requirements for Mills**

#### 3.8.1, 3.8.2

Dolok Sinumbah POM receive FFB from certified source (Dolok Sinumbah dan Balimbingan Estate) and also uncertified source (Dolok Sinumbah Estate uncertified area and third party). Therefore, mill implements Mass Balance module.

#### 3.8.3

Below is last year projected certified volume that submit in palmtrace, actual production of certified volume during licensed period and also projection certified volume for next 12 months. The projection certified volume is estimated based on last year production and it will be reported to palmtrace.



Product	Last Year Projected Certified Volume (Ton)	Actual production from April 2020 until February 2022 (Ton)	Projection certified volume (Ton) (12 months)
FFB	259,905	250,538.82	133,700
CPO	60,928	61,632.49	30,750
PK	10,604	10,779.85	6,020

Based on table above, there is overproduction of FFB, CSPO and CSPK. This is caused by the period of actual production is longer than the license production. The last year certified volume starts from July 2020; however, the actual production is taken from April 2020 – February 2022. If the actual production is calculated from July 2022, then there is no overproduction of certified product.

The actual production from July 2020 – February 2022 is:

- FFB: 213,159.43 MT
- CSPO: 49,997.27 MT
- CSPK: 8,784.61 MT

#### 3.8.4

The Mill has registered as RSPO member under PT Perkebunan Nusantara IV (No. 1-0082-09-000-00) and also registered in palm trace as Dolok Sinumbah Palm Oil Mill - PT Perkebunan Nusantara IV with License ID CB104035, and Member ID RSPO\_PO1000005868.

Dolok Sinumbah POM, PT Perkebunan Nusantara IV has been registered in IT platform palm trace RSPO <https://palmtrace.rspo.org/web/rspo/member-directory> which information as follows:

- Member Name: Dolok Sinumbah Palm Oil Mill - PT Perkebunan Nusantara IV
- License ID: CB104035
- Core Product: Palm Oil
- Member ID: RSPO\_PO1000005868
- Type of Business: Oil Mill
- Supply chain model: Mass Balance

#### 3.8.5

The Mill has had procedure related supply chain in the SOP of Basic Guidance and Work Instruction of Certified Palm Oil Product Handling (No. 04.03/KS/SUS/P/003 dated 1 August 2018, Revision 03 dated 1 January 2021). The procedure has covered all aspects in SCCS MB model, such as receiving and recording that identify the traceability of RSPO certified and uncertified source and products, FFB processing, the announcement in RSPO Palmtrace, key persons such as security, weight bridge clerk, dispatch/kernel officer, production clerk, Administration Head, as well as the training.

The personnel in charge are:

- Field assistant managed certified FFB in Estate.
- Mill Manager register the mill in RSPO IT platform and documented book-keeping.
- Weighbridge operator recapitulate amount of FFB received from certified/non certified area.
- Planning and Strategic Department Staff monitor the certification period and quota.

#### 3.8.6

Internal audit of RSPO SCCS conducted on 25 – 27 January 2022. All of SCCS indicators has been assessed and complied. Dolok Sinumbah POM also conduct Management Review of RSPO SCCS for 2021 on 25 February 2022. The management review discussion has covered the input from internal audit result last year, correction and corrective action, customer feedback, process Performa and product compliance, follow up of previous management review, and recommendation for improvement. The management review discussion has covered the input from internal audit result, correction and corrective action, customer feedback, process Performa and product compliance, follow up of previous management review, and recommendation for improvement.

#### 3.8.7



Dolok Sinumbah Mill record FFB received from certified and noncertified source for license period until February 2022, below the details:

Month	FFB Certified (kg)	FFB Un-certified (kg)
April – Dec '20	106,275,620	16,914,280
Jan – Dec '21	129,211,870	36,426,260
Jan '22	7,668,020	3,595,690
Feb '22	7,383,310	3,185,170
Total	250,538,820	60,121,400

There is overproduction of FFB. This is caused by the period of actual production is longer than the license production. The last year certified volume starts from July 2020; however, the actual production is taken from April 2020 – February 2022. If the actual production is calculated from July 2022, then there is no overproduction of certified product.

The actual production from July 2020 – February 2022 is FFB: 213,159.43 MT

### 3.8.8

Based on document verification its known that there's CSPK and CSPO transaction on licenses period. The company shows documentation of certified products, such delivery note, delivery order, details of selling product, and weighbridge ticket. These documents describe the names and contacts of the buyers and sellers, delivery dates, product descriptions, quality, quantity, member ID, and others. For examples: Delivery Receipt No. PMS/DOS/MS/PT.M.MAS/030288/III/2022 on 30 March 2022 for delivery of CSPO to PT Musim Mas for amount of 500 MT. Delivery order has informed the name and address of buyer and seller, description of the product supply chain model, The quantity of the products delivered, A unique identification number, certificate number, etc.

### 3.8.9

CPO and PK transportation is done by third parties, namely CV Karya Mandiri and CV Pelita Jaya. Company showed example of work agreement with contractor, among others work agreement with CV Karya Mandiri. Showed to auditor Agreement Letter between PTPN IV and CV Karya Mandiri about PK Transportation from Mills in District III to PPIS Pabatu No. 04.05-Peng/S.Perj/03/I/2022.

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

### 3.8.10

The Mill has the record of details of the contractors, covers the contractor's company profile, address, contact person, email, phone number, contract agreement and period, and list of vehicles. There are 2 contractors for CSPK and CSPO transporter.

### 3.8.11

There is no new contractor used for physical handling of RSPO certified oil palm products.

### 3.8.12

Dolok Sinumbah Mill has record and balance of all RSPO CSPO and CSPK, non-certified products produced, as well as presented in the Table bellows:

#### Crude Palm Oil

Period	CPO Production (mt)		CPO Delivery (mt)		
	Certified	Noncertified	MB	Another scheme	Noncertified
Opening stock	2,735.51	127.27	-	-	-
April – Dec '20	26,003.23	2,821.96	18,998.97	-	7,133.62
Jan – Dec '21	29,723.79	6,576.89	8,023.93	-	25,818.98
Jan 2022	1,653.87	605.30	1,500.00	-	2,165.04
Feb 2022	1,516.09	571.32	-	-	2,002.34
Total	61,632.49	10,702.74	28,522.90		37,119.98

License periode is from July 2020 – April 2022. All CPO delivery from March 2020 which is not claim as RSPO selling has been removed from palm trace.

### Palm Kernel

Period	PK Production (mt)		PK Delivery (mt)	
	Certified	Noncertified	MB	Noncertified
Opening stock	429.80	-	-	-
April – Dec '20	4,651.73	635.12	4,917.01	-
Jan – Dec '21	5,126.79	1,508.72	4,501.21	-
Jan 2022	290.93	138.30	-	-
Feb 2022	280.60	132.95	-	-
<b>Total</b>	<b>10,779.85</b>	<b>2,415.09</b>	<b>9,418.22</b>	<b>-</b>

License period is from 25 April 2020 – 24 June 2022. There is no PK selling using CSPK product.

#### 3.8.13

Mill has calculated the extraction rate for CPO and PK produced monthly. Based on last year actual production of CPO and PK, the average extraction rate for CPO is 21.72% and PK is 3.99%. The Extraction rate for production projections will be update annually based on the actual production of CPO and PK.

#### 3.8.14

The conversion rate of production of CPO (OER) and PK (KER) were based on actual daily, monthly and yearly production. The average of extraction rate follows the actual data for 12 months before audit, it was OER 21.70% and KER 4.64%. The update of monthly extraction rate is issued at next month, for example in February 2022, the OER is 20.26% and KER is 4.02% and it only can be calculated in early of March 2022.

#### 3.8.15

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

#### 3.8.16

RSPO IT Platform member registration number for Dolok Sinumbah Palm Oil Mill is RSPO\_ PO1000005868. The Mill carry out shipping announcement in the RSPO IT platform when RSPO certified products are sold as certified to refineries, crushers, and traders not more than three months after dispatch. For example:

Shipping announcement No TR-d58fd410-5d3b for CSPO Mass Balance 500 MT to PT Musim Mas Belawan, shipping date 9 January 2022 and shipping announcement confirmed on 3 February 2022.

Dolok Sinumbah POM also conduct CSPO sold as conventional. CSPO stock that claimed as noncertified has been removed from palmtrace.

#### 3.8.17

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

Status: Comply

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

#### 4.1

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

##### 4.1.1; 4.1.2

The company statement on Human Rights shown in document of *Kebijakan Sistem Manajemen Perkebunan*/Plantation Management System Policy (signed by Director PTPN IV dated 1 November 2020) which stated that the company respecting human rights in all unit operations. Furthermore, in Policy No. 07 (Human Rights Policy, dated 02 January 2015), explained:

*"The company in carrying out its business respects human rights and the dignity of all people in accordance with applicable legal requirements. The company treats all working people fairly and without discrimination. This policy mentions the form of respect for*

human rights, such as freedom of association (SP-Bun). The company respects the rights of the people in the communities affected by the company's activities"

The results of interviews with management obtained information that in the case of human rights defenders, the company is committed to preventing retaliatory attacks against human rights defenders.

The company has showed documentation of socialization of company procedures and policies including human rights policies. For example, Records of policy socialization on March 12, 2022. Minutes of the implementation of activities, photos and attendance of activities have also been shown to auditor team.

Based on interviews with stakeholders such as government agencies, local communities, labor unions and workers, it was found that there were no indications of human rights violations. Based on field visits it is also known that the company does not use mercenaries and paramilitaries in its 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

Unit management 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. in the procedure it is explained that, if necessary, management will protect the name of the employee who submits the complaint (anonim).
- Procedure of *Penanganan Keluhan Pelanggan dan Lingkungan* No. SPO 13 on 2 January 2015. The customer complaint management system (whistle blowing) can be submitted through the website [www.ptpn4.co.id/wb/](http://www.ptpn4.co.id/wb/)
- Procedure of *Penanganan Konflik Tanah dan Lahan* No. SPO 04, revision 03 on January 2, 2017. In the procedure, it is explained that one of the ways to handle conflicts is that the community is invited to negotiate with the Muspida (council for provincial and lower-level government) in attendance in an effort to resolve conflicts together.

As for Personnel that responsible to receive complaints and grievances is public relation department. Based on interview with management, known that if there is complaint from stakeholder, complaint can be brought to the RSPO complaint system by the stakeholder. In addition, the company has an SOP for Communication and Consultation with the community Number 03 dated January 02, 2017 Number Revision 04. In point 5.1 it is explained that communication and consultation with people who cannot read and write are carried out by conveying and introducing the problems to be resolved in the form of pictures, stories, videos, dialogues and case examples. Personnel that responsible to receive complaints and grievances is public relation department.

The company has showed documentation of socialization of company procedures and policies including grievance mechanism. For example, Records of policy socialization on March 12, 2022. Minutes of the implementation of activities, photos and attendance of activities have also been shown to auditor team. The results of interviews with internal and external stakeholders revealed that stakeholders already know the mechanism if there are complaints to be submitted.

### 4.2.3

The results of the verification of the complaint logbook document, incoming and outgoing letters, interviews with agencies, labor unions, workers and surrounding villages, known that there were no complaints or conflicts with the company.

### 4.2.4

The Company has a Land and Land Conflict Handling Procedure No. SPO 04, revision 03 dated January 2, 2017. In the procedure, it is explained that one of the ways to handle conflicts is that the community is invited to negotiate in the presence of the *Muspida* to resolve conflicts together. The results of the verification of the complaint logbook document, incoming and outgoing letters, interviews with agencies, labor unions and surrounding villages, known that there were no complaints or conflicts with the company.

Status: Comply

## 4.3

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

#### 4.3.1

The company conducts a social impact assessment review involving the surrounding community every 2 years, one of the objectives is to find out the needs and determine the company's social planning for the following year and the last review carried out in 2021. In addition, contributions to community development can also be seen in the CSR program determined annually based on proposals submitted to the company. Then the company demonstrated the 2022 CSR program for the Dolok Sinumbah and Balimbingan Units which consisted of:

- Construction of a flood barrier at the Huta Ujung of Maligas Nagori Maligas Bayu
- Construction of a flood barrier in Nagori Marihat Bandar
- Construction of a retaining wall for the road in Nagori Mancuk
- Providing assistance for elementary, middle, and high school levels around Balimbingan
- Assistance for fish cultivation in the nagori around the Balimbingan unit

The company also shows examples of the implementation of community development around the plantation in 2021, for example:

- Road repairs in Nagori Sitampulak, Balimbingan
- Assistance with road repairs at Simpang Bah Kisat, Nagori Balimbingan
- Dolok Sinumbah POM also received FFB from independent outgrowers around plantation area.

Based on interview with representatives of surrounding community in Dolok Sinumbah and Balimbingan, it is known that the company already gives contribution for community development regularly annually.

Status: Comply

#### 4.4

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

##### 4.4.1

The total of RSPO Certification Scope area amount of 8,071.51 ha, consist of Dolok Sinumbah Estate amount of 4,159.57 ha, and Balimbingan Estate amount of 3,911.94 ha. The detail usage of this area can be seen in Part 1.5.2 Area Statement of this report.

However, both Estate has had HGU (land title) and IUP (plantation business permit) with total area covered of 10,314.91 ha. The rest of 2,243.40 ha area (10,314.91 ha – 8,071.51 ha) are outside of RSPO Certification Scope, consist of area of Bah Jambi Estate (2,173.40 ha) that supplied the FFBs to other Mill, Balimbingan Hospital (21.00 ha), and Marihat Estate research area (49.00 ha) of IOPRI (Indonesian *Oil Palm* Research Institute, locally known as *Pusat Penelitian Kelapa Sawit* PPKS).

Based on information obtained from historical documents of the company, information in HGU, obtained information that PTPN IV is a nationalization company from Dutch Colonial which had long existed before Indonesia independence and has been nationalized. So that the acquisition of land is neither through the compensation against individuals nor from customary land.

The total HGU (10,314.91 ha) and IUP detail as follows:

**Dolok Sinumbah Estate (6,332.97 ha)**

- HGU Certificate No. 2 dated 13 November 2003 amount of 6,332.97 ha, valid thru 31 December 2026. The HGU Certificated issued based on HGU Decree No. 44/HGU/BPN/2003 dated 8 August 2003.
- IUP based on Regent Decree No. 188.45/2769/K-PPT/2012 dated 08 August 2012, coverage area of 6,332.97 ha, and Mill's capacity of 30 ton of FFB/hour.
- The usage of 6,332.97 ha HGU area of Dolok Sinumbah Estate as follows:
  - Dolok Sinumbah Estate amount of 4,159.57 ha area (within certification scope)
  - Bah Jambi Estate – PTPN IV amount of 2,173.40 ha area (outside of certification scope).

**Balimbingan Estate (3,981.94 ha)**

- HGU Certificate No. 1 dated 6 October 2006 amount of 939.79 ha, valid thru 31 December 2029. The HGU Certificate issued based on HGU Decree No. 14/HGU/BPN/2006 dated 22 August 2006.
- HGU Certificate No. 7 dated 12 November 2008 amount of 3,042.15 ha, valid thru 11 August 2043. The HGU Certificate issued based on HGU Decree No. 54-HGU-BPN RI-2008 dated 11 August 2008.
- IUP based on Regent Decree No. 188.45/4016/K-PPT/2012 dated 09 November 2012, coverage area of 3.981,94 ha.

<ul style="list-style-type: none"> <li>The usage of 3,981.94 ha HGU area of Balimbingan Estate as follows: <ul style="list-style-type: none"> <li>Balimbingan Estate amount of 3,911.94 ha area (within certification scope)</li> <li>Marihat Estate research area of IOPRI (Indonesian <i>Oil Palm</i> Research Institute) amount of 49.00 ha (outside of certification scope).</li> <li>Balimbingan Hospital amount of 21.00 ha (outside of certification scope).</li> </ul> </li> </ul>
<p>4.4.2, 4.4.3, 4.4.4, 4.4.5, 4.4.6.</p> <p>There is no area expansion/acquisition of new land. Based on interviews with stakeholders and representatives of local residents, it is known that there are no customary rights/ulayat lands in PTPN IV Dolok Sinumbah and Balimbingan. PTPN IV Dolok Sinumbah and Balimbingan are also companies that were nationalized from the Dutch Colonial (established since 1926). The history of land ownership is listed in the Law of the Republic of Indonesia Number 86 of 1958 dated December 27, 1958 concerning the Nationalization of Dutch-Owned Companies where PTPN IV- Dolok Sinumbah and Balimbingan Estate are included in the regulation.</p>
Status: Comply
<p><b>4.5</b></p> <p><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></p>
<p>4.5.1, 4.5.2, 4.5.3, 4.5.4, 4.5.5, 4.5.6, 4.5.7, 4.5.8</p> <p>Based on interviews with village representatives, it is known that there are no legal rights or customary rights or usufructuary rights at PTPN IV Dolok Sinumbah and Balimbingan. Based on information obtained from historical documents of the company, information in Land Use Title and clarification from stakeholder consultation, PTPN IV Dolok Sinumbah is a nationalization company from Dutch Colonial which had long existed before Indonesia independence and has been nationalized. So that the acquisition of land is not through the compensation against individuals or to customary land. The history of land ownership is listed in the Law of the Republic of Indonesia Number 86 of 1958 dated December 27, 1958 concerning the Nationalization of Dutch-Owned Companies where PTPN IV- Dolok Sinumbah and Balimbingan Estate are included in the regulation.</p>
Status: Comply
<p><b>4.6</b></p> <p><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></p>
<p>4.6.1, 4.6.2, 4.6.3, 4.6.4</p> <p>Based on information obtained from historical documents of the company, information in Land Use Title and clarification from stakeholder consultation, PTPN IV Dolok Sinumbah and Balimbingan is a nationalization company from Dutch Colonial which had long existed before Indonesia independence and has been nationalized. So that the acquisition of land is not through the compensation against individuals or to customary land. The history of land ownership is listed in the Law of the Republic of Indonesia Number 86 of 1958 dated December 27, 1958 concerning the Nationalization of Dutch-Owned Companies where PTPN IV- Dolok Sinumbah and Balimbingan Estate are included in the regulation.</p> <p>Based on interview with representatives of surrounding community, it was known that there is no new compensation and planting on local people's land. Furthermore, there is no customary right within estate operational areas. Hence, the company did not conduct any new land acquisition.</p>
Status: Comply
<p><b>4.7</b></p> <p><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></p>
<p>4.7.1, 4.7.2, 4.7.3</p> <p>Based on information obtained from historical documents of the company, information in Land Use Title and clarification from stakeholder consultation, PTPN IV Balimbingan and Dolok Sinumbah is a nationalization company from Dutch Colonial which had long existed before Indonesia independence and has been nationalized. So that the acquisition of land is not through the</p>



compensation against individuals or to customary land. The history of land ownership is listed in the Law of the Republic of Indonesia Number 86 of 1958 dated December 27, 1958 concerning the Nationalization of Dutch-Owned Companies where PTPN IV-Balimbingan and Dolok Sinumbah Estate are included in the regulation.

Based on interview with representative of surrounding community, it was known that there is no new compensation and planting on local people's land or any negotiations concerning compensation for loss of legal, customary or user rights. Furthermore, there is no customary right within estate operational areas. Hence, the company did not conduct any new land acquisition.

Status: Comply

#### 4.8

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

##### 4.8.1, 4.8.2, 4.8.3, 4.8.4

Based on interview with representative of surrounding community, it is known that there is no land dispute in operational area of PTPN IV Dolok Sinumbah and Balimbingan. Furthermore, there is no customary right within estate operational areas

And also based on information obtained from historical documents of the company, information in Land Use Title and clarification from stakeholder consultation, PTPN IV Dolok Sinumbah and Balimbingan is a nationalization company from Dutch Colonial which had long existed before Indonesia independence and has been nationalized. So that the acquisition of land is not through the compensation against individuals or to customary land. The history of land ownership is listed in the Law of the Republic of Indonesia Number 86 of 1958 dated December 27, 1958 concerning the Nationalization of Dutch-Owned Companies where PTPN IV- Dolok Sinumbah and Balimbingan are included in the regulation.

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

Based on document review, field observations and interviews with staff and management, it is known that the company obtains FFB supplies from third parties/FFB suppliers such as Group Plantation and FFB middleman suppliers. The price used in purchasing FFB uses the Plantation Office price which can be accessed openly by related parties for Group Plantation, while for pricing with outside FFB suppliers, it refers to the calculation results of fluctuations in CPO and PK prices. The company shows an example of a payment for the March 2022 period which was paid directly to the supplier's account at the current price. The company can also show the Minutes of Meeting Results of the FFB Purchasing Pricing Team for that period. The current and previous FFB prices are publicly available and can be accessed by farmers online.

The price of FFB is determined in the work agreement agreed by both parties, several considerations in determining the price of FFB such as the price of CPO, PK, transportation costs, and proposed prices from suppliers. Before making a payment, the verification of the correctness of the payment calculation has been checked by both parties in the FFB sale and purchase calculation document, so that all complaints and confirmations related to payments have been completed before the payment is made. The pricing mechanism has been explained in the FFB sale and purchase agreement signed by both parties. Interviews with the management unit and FFB suppliers on behalf of CV Riana Lim also stated that the predetermined FFB price can be accessed by suppliers, information on price changes is done via SMS, online communication media and telephone from the PIC to the supplier.

##### 5.1.2

For the period of 2022, based on the results of document review and interviews with management, there are no plasma plantations within the company. In addition, the company also does not obtain FFB supplies from independent smallholders. The company only purchases FFB from the middleman with a FFB purchase contract agreed by both parties, for example for CV Sauhur Jaya with the cooperation agreement number DOS/CV.SAUHUR JAYA/SP-TBS/01/XII/2021 which was made on December 21, 2021 and valid for 1 year. The price of FFB is determined in the work agreement agreed by both parties, several considerations in determining the price of FFB such as the price of CPO, PK, transportation costs, and proposed prices from suppliers. In addition, the unit of certification



periodically explains the price of FFB to suppliers whenever there is a change, the company also has a mechanism to convey the price. Based on the results of interviews with FFB suppliers, it was stated that the price set by the company was appropriate, where if there was an update on the price, the company immediately conveyed it through communication media and put it on the bulletin board.

#### 5.1.3; 5.1.4 and 5.1.5

For the period of 2022, based on the results of document review and interviews with management, there are no plasma plantations within the company. In addition, the company also does not obtain FFB supplies from independent smallholders. The company only purchases FFB from middleman.

#### 5.1.6

The Cooperation Agreement Letter explains the procedure/system for paying the net proceeds from the sale of FFB. Payment is made based on the Minutes of FFB sale and purchase which has been agreed and signed by all parties. As for examples of fruit payments for outside FFB suppliers, for example, proof of FFB payment to CV Sauhur Jaya dated March 14, 2022 for the FFB delivery period on March 10 and 11, 2022. The invoice is explained in the form of the amount of FFB received, the price applicable on the date of delivery, and total payment after withholding tax PPH 22. Each payment data has been equipped with weighing data, grading reduction data and proof of transfer. Based on this explanation, it is known that the management unit has made fruit payments to the middleman supplier FFB in accordance with the contract it has, either the payment period or the specified price.

#### 5.1.7

The company has tested the electronic weigh bridge which was carried out on August 25, 2021 for Dolok Sinumbah POM by UPTD Metrology, Simalungun Regency and valid until August 2022. The test Result proved by Certificate among others:

- Certificate number 510.3/1120/ML.1-PS for weigh bridge type AND-4329 with maximum capacity 40,000 Kg.
- Certificate number 510.3/1121/ML.1-PS for weigh bridge type GST-9700 with maximum capacity 50,000 Kg.

The results of observations and interviews with weigh bridge operators obtained information that the certification unit has routinely performed the calibration of weighing equipment by third parties.

#### 5.1.8

The company has conducted socialization related to RSPO certification to independent smallholders through regular meetings. Based on the results of interviews with collectors as FFB suppliers on behalf of CV Riana Lim stated that the company had conducted socialization related to RSPO, but the results of interviews with other suppliers stated that they had never received socialization related to RSPO from the company. This is an opportunity for improvement in indicator 5.2.1.

Based on the results of interviews with CV Riana Lim, which is a FFB supplier, it was concluded that the certification activities had not been realized. This is due to difficulties in establishing cooperatives and farmer groups to coordinate certification activities. Independent smallholders are quite interested in joining the RSPO certification because of the many benefits, apart from the increase in FFB prices, market demand will also be higher due to the status of the fruit that has been certified.

#### 5.1.9

The Company also has Procedures related to communication, consultation and coordination contained in the SOP document for Handling Customer and Environmental Complaints (external), Number 13 which has been effective since 02 January 2015 and the SOP for Communication and Consultation with the Community Number SPO 03, effective January 02, 2015. Procedures It explains technically the guidelines for receiving various complaints submitted by stakeholders or other parties and the process for resolving them. Companies through their respective departments have recorded requests for information and responses. Based on the results of the document review, it is known that for the 2021 period there were only requests for information and assistance, and there were no complaints from farmers or the surrounding community. The company has also appointed officers who act as communicators between the company and the community so that people who cannot read/write can be informed by the relevant communicators.

Based on the results of interviews with FFB workers and suppliers regarding the complaint handling mechanism, they stated that complaints can be submitted through letters or direct submissions through communication media and/or in regular meetings. The informant also stated that for the 2021 period there were no complaints, the entire cooperation process that had been going on so far was going well.

	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	<p>Based on the results of interviews with collectors as FFB suppliers on behalf of CV Riana Lim stated that the company had conducted socialization related to RSPO, but the results of interviews with other suppliers stated that they had never received socialization related to RSPO from the company. Based on this, companies are encouraged to ensure that efforts to support independent smallholders to participate in RSPO certification are comprehensive and documented. (OFI).</p> <p>Based on the results of interviews with CV Riana Lim, which is a FFB supplier, it was concluded that the certification activities had not been realized. This is due to difficulties in establishing cooperatives and farmer groups to coordinate certification activities. Independent smallholders are quite interested in joining the RSPO certification because of the many benefits, apart from the increase in FFB prices, market demand will also be higher due to the status of the fruit that has been certified.</p> <p>5.2.2; 5.2.3; 5.2.4 and 5.2.5</p> <p>For the period of 2022, based on the results of document review and interviews with management, there are no plasma plantations within the company. In addition, the company also does not obtain FFB supplies from independent smallholders. The company only purchases FFB from middleman. The company has also conducted socialization related to RSPO certification to independent smallholders through regular meetings. However, not all suppliers and supplier farmers have carried out the socialization. This is an opportunity for improvement in indicator 5.2.1.</p>	
	Status: Comply	
PRINCIPLE #6 RESPECT WORKERS' RIGHTS AND CONDITIONS		
6.1	Any form of discrimination is prohibited.	
6.1.1; 6.1.2	<p>Company already has an Equal Employment Opportunity Policy No. 04 Rev 02 dated 02 January 2015 as follows:</p> <ul style="list-style-type: none"> <li>PT. Perkebunan Nusantara IV (Persero) eliminates all forms of discriminatory practices of ethnicity, religion, race, gender, age, disabilities in work, control of the masses and between groups in all business processes / company management.</li> <li>PT. Perkebunan Nusantara IV (Persero) is actively and continuously implementing a systematic and modern business transformation policy in developing human resources.</li> <li>PT. Perkebunan Nusantara IV (Persero) is responsible for preventing legal violations of the equal employment opportunity policy, then immediately takes corrective action to stop discriminatory practices in every work process and work unit of the company.</li> </ul> <p>Based on verification of labor register documents and interviews with labor unions, known that the workers come from the surrounding areas of Javanese, Batak ethnicity etc. From the results of interviews with representatives of labor unions and workers, known that there is no indication of discrimination against workers.</p> <p>The results of interviews with surrounding villages also stated that there were no issues related to discrimination. The company has provided equal opportunities for the local community to find work.</p> <p>6.1.3</p> <p>The company has shown a record of the implementation of employment procedures, for example:</p> <ul style="list-style-type: none"> <li>Work Performance Assessment. For example, the assessment of the work performance of employees of grade IA to IID Dolok Sinumbah Estate No. DOS/04.07/II/2022</li> <li>The increase in the grade of all PTPN IV plantation units based on the Attachment to the Decree of the Board of Directors No. 04.07/Kpts/R/12/III/2021 dated March 8, 2021</li> </ul> <p>The company has shown that employee recruitment, hiring, promotion and others are based on the ability of the employee. The recruitment documentation provided includes CV, application letter, ID card, health examination results and others. In addition, based on the Decree of the Directors of PTPN IV No. 04.07/Kpts/R/12/III/2021 dated March 8, 2021 explained that workers must be assessed for their work according to their skills, abilities and quality of work to be the basis for promotion.</p>	

The results of interviews with workers and labor unions revealed that labor procedures have been implemented by the company in accordance with applicable regulations. They also known that workers have already know about employment procedures such as termination, retirement or promotion. Based on that interview known that the company has provides equal rights to employees in accordance with applicable laws and regulations.

#### 6.1.4

The company does not carry out pregnancy testing for female workers except for workers dealing with chemicals. Based on interviews with female workers, gender committee and labor union were conveyed that pregnancy testing was only carried out for female workers whose work was related to chemicals to avoid chemical exposure.

#### 6.1.5

The company already has a women's committee called gender committee to deal with women's issues, women's skills development and others related to women. The gender committee organization also consist of female and male workers and has development programs or work programs such as:

- Socialization
- Gymnastics
- And others.

The results of interviews with female workers, known that the workers already know the gender committee and the functions of the organization. Workers are also aware of gender committee representatives if there are complaints or complaints related to women's problems or issues. The results of interviews with representatives of women's committee and women workers, it was found that there were no complaints related to women's issues in the last 2 year.

#### 6.1.6

Payment of wages at PTPN IV refers to the Provincial Minimum Wage based on Decree No. 188.44/528/KPTS/2020 dated October 30, 2020 regarding the Determination of the North Sumatra Province Minimum Wage in 2021. The North Sumatra minimum wage in 2021 is Rp. 2,499,423

The auditor team has simulated the calculation of the salaries of workers of grade ID/01 with worker registration No. 4004161 and No. 4004145. Based on the simulations that have been carried out, it was known that the company has provided equal wages for the same scope of work in the same grade. The results of interviews with workers such as harvest and maintenance workers stated that the company has given the same salary for the same scope of work in the same grade.

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

### 6.2

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

#### 6.2.1; 6.2.2

Payment of wages at PTPN IV refers to the Provincial Minimum Wage based on Decree No. 188.44/528/KPTS/2020 dated October 30, 2020 regarding the Determination of the North Sumatra Province Minimum Wage in 2021. The North Sumatra minimum wage in 2021 is Rp. 2,499,423. The determination of the wage scale that applies at PTPN IV is based on the Decree of the Directors of PTPN IV No. 04.08/Kpts/32/IV/2020 concerning Adjustment of Basic Salary and Special Allowances for employees of Group IA to IV D in 2020. Based on the letter, it is known that the smallest salary scale is class IA/0 and the highest salary scale for employees is class IID /6.

The company shows list of the number of workers for the February 2022 as follows, Dolok Sinumbah unit (estate and mill): 436 workers, Balimbing Estate: 259 workers. The number of contractor workers such as CV Rio Mandiri is 23 workers.

The auditor team has simulated the calculation of the salaries of workers of grade ID/01 with worker registration No. 4004161 and No. 4004145. Based on the simulations that have been carried out, it was known that the company has given wages in accordance with applicable regulation. Based on the simulation also known that payroll documents give accurate information on compensation for all work performed. Based on interview with Labor Union and workers, said that wages paid are in accordance with applicable

regulations. Based on that interview also known that deduction for workers such as BPJS deduction tax and has been described in the CLA. Company can also show payroll document that give accurate information on compensation for work performance. Based on verification on payslip of contractor workers for example CV Rio Mandiri contractor, known that wages of contractor worker is in accordance with applicable regulation.

The company has a CLA for the period 2020 - 2021 between PTPN IV and SPBUN PTPN IV which has been legalized through the Letter of the Head of the North Sumatra Province Manpower Office no 560/04-6/DTK/I/2020 regarding the registration of the PTPN IV collective work agreement. The CLA regulates working hours, deductions, overtime, sickness, right to leave, reasons for dismissal, and others. As for temporary workers, the work requirements are regulated in a Work Agreement for a certain period of time which has been signed by both parties. The temporary workers agreement has been reported to the Manpower Agency at Simalungun Agency on March,2 2022.

#### NC 2022.02

- The results of field observations in block J/L afdeling IV Dolok Sinumbah estate, known that there are other people (family of workers) who are in the block. From the results of interviews with workers, information was obtained that the person helped harvest work in the area.
- The results of interviews with internal stakeholders, obtained information that there are still harvest workers who bring their families / other people who help with harvest work.
- The results of field observations in afdeling 2 block 96D Balimbangan estate, it is known that there are other people in the harvest area (inside the block). From the results of interviews with the foreman, information was obtained that the person was someone who helped harvest work.
- The results of field observations in Block 2021/I Afdeling 4 Dolok Sinumbah estate, known that there are workers doing maintenance work. The results of interviews with 2 workers obtained information that these workers are casual workers and there is no work agreement with the company.
- The results of field observations in block 3/4 Afdeling 4, Dolok Sinumbah estate, it is known that there are workers who carry out maintenance work. The results of interviews with 2 workers obtained information that these workers are casual workers and there is no work agreement with the company.
- The results of interviews with management, known that the casual workers are workers of CV Putera Rezeki Angkasa vendor.

However, from the list of wages and the list of workers provided by CV Putera Rezeki Angkasa, there is no information for workers found in the field. Based on the explanation above, it can be concluded that there are still people who carry out the company's operational activities without having a work agreement.

#### 6.2.3

Company shows evidence of employment legal compliance for working condition, for example:

- Employee pay slips and payroll that give accurate information on compensation for work performance. The auditor team has simulated the calculation of the salaries of workers, for example worker registration No. 4004161. From the simulation results it is known that the wages payment is in accordance with the applicable regulations
- Overtime. The auditor has simulated the calculation of overtime with worker registration No. 4004145. From the simulation results it is known that the overtime and overtime payment is in accordance with the applicable regulations
- Assistant's book that informs the number of normal working days, illness, absence, leave and others.

#### NC 2022.03

- Determination of the Minimum Wage for the Province of North Sumatra in 2022 no. 188.44/746/KPTS/2021 dated 19 November 2021 for Rp. 2,522,609.94.
- The results of field observations in Block 2021/I Afdeling 4 Dolok Sinumbah estate are known that there were workers doing maintenance work. The results of interviews with 2 workers obtained information that these workers are casual workers and receive a wage of Rp. 30.000/day or Rp. 600,000/month.
- The results of field observations in block 3/4 Afdeling 4, Dolok Sinumbah estate, known that there are workers who carry out maintenance work. The results of interviews with 2 workers obtained information that these workers are casual workers and receive a wage of Rp. 30.000/day or Rp. 600,000/month.
- From interviews with workers, information was obtained that workers work from 07.00 – 12.00/13.00. The wages are given every month and are given along with the payday of permanent workers by the foreman in cash.

- The results of interviews with management, obtained information that the casual workers are workers of CV Putera Rezeki Angkasa vendor. However, from the list of wages and the list of workers provided by CV Putera Rezeki Angkasa, there is no information for workers found in the field.

Based on the explanation above, it can be concluded that there is not enough evidence that compliance with the minimum wage to casual workers has been implemented.

#### 6.2.4; 6.2.5

The results of field observations in employee housing and interview with labor union are known that the company has provided proper welfare facilities for workers such as housing, availability of clean water, availability of electricity (PLN), availability of health facilities in the form of clinics managed by paramedics (nurses and midwives), worship facilities for workers and others. All of these facilities can be easily accessed by all workers and their families.

The results of interviews with employees and labor unions, obtained information that the nearest market is 10-15 minutes from the residential location. From the interviews, it is also known that there are workers or residents of housing who sell basic needs. In addition, there are also sellers of basic needs who enter the housing area on a regular basis.

#### 6.2.6.

Payment of wages at PTPN IV refers to the Provincial Minimum Wage based on Decree No. 188.44/528/KPTS/2020 dated October 30, 2020 regarding the Determination of the North Sumatra Province Minimum Wage in 2021. The company has carried out prevailing wage calculations for each group of employees based on actual and rational price at certification unit, consisting of: basic salary, special allowance, house rental allowance, electricity allowance, water allowance, school facility and others. As for the DLW calculation based on actual and rational price at certification unit location.

#### 6.2.7

Based on the results of interviews and verification of employment documents, it is known that there are temporary workers for harvesting activities. Based on the results of interviews with management, labor unions and the Manpower Agency, the use of the temporary worker is to carry out additional harvest work because the company is experiencing peak crop season. The agreement of temporary workers for the peak harvest period is carried out for 3 months (February - April 2022).

In addition, from the results of interviews with Manpower Agency, information was obtained that the company had reported the temporary worker agreement to the agency. The agreement has been reported to the Simalungun Regency Manpower Office on March 2, 2022.

Based on the temporary worker list document, it is known that the Dolok Sinumbah unit has 41 temporary workers for harvest activity. Meanwhile, based on the identification of harvesters' needs, in 2022, the company needs 46 harvest workers because there are areas that are included in the mature plantation area in 2022. Related to this, PTPN IV management has submitted an application for selection of harvest employees in 2022 to PTPN holding with letter no 04.07/ X/430/III/2022 dated March 9, 2022. The results of interviews with PTPN 4 management revealed that the selection will be carried out by prioritizing the results of the assessment of the temporary workers. Related to this, the company has the opportunity to ensure the proposal for the appointment of temporary workers who have met the requirements (OFI).

6.2.2	Status: Nonconformity No. 2021.2 with Major category
6.2.3	Status: Nonconformity No. 2021.3 with Major category

#### 6.3

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

#### 6.3.1; 6.3.2; 6.3.3

The company has a policy related to freedom of association in the Collective Labor Agreement between PTPN IV and the Plantation Workers Union, especially in articles 5, 6, 7, 8 and 9 which in this article explains:

- The company will not interfere with or obstruct anything related to the development of the workers' organization (*SP-BUN*) as long as it does not conflict with applicable laws and regulations.
- The company will not exert pressure, either directly or indirectly, on employees who are elected as union officers.



- In carrying out their duties, each union of workers and companies will try to avoid actions that can harm each party.
- The company provides lease-to-use space for offices along with equipment and facilities / infrastructure as well as other facilities and assistance for the smooth running of organizational tasks, according to their interests.

There are labor union in the unit certification, namely SPBUN. Labor union that has been registered in the Manpower Agency. The number of evidence of recording/reporting of the structure of the labor union management, as follows:

- Dolok Sinumbah → Number 560/108/23.4/2020 dated March 16, 2020
- Balimbingan → evidence of reporting on the structure of the labor union management dated March 2, 2022 through letter no. BAL/X/14/II/2022

The company shows the minutes of union meetings, for example:

- Minutes of Meeting on October 6, 2021
- Minutes of meeting on January 8, 2021
- Minutes of meeting on February 24, 2022
- etc

The documentation shown consists of minutes, photos of implementation and attendance.

The results of interviews with workers and labor unions known that the company gives freedom to every worker to form a union. There is no coercion or intervention in the selection of union officers. Labor union officials are elected by deliberation by labor union members.

Status: Comply

#### 6.4

**Children are not employed or exploited.**

6.4.1; 6.4.2; 6.4.3; 6.4.4

Company has a policy on child labor No. Policy 03 No. Revision 02, effective date January 2, 2015 which states that children under 18 years old may not work for the company. The policy on the prohibition of using child labor has been contained in the contracts with suppliers and contractors, which is shown through the agreement, for example:

- Agreement letter No. 04.04/SPKP/Angkut – TBS/757/VII/2021 dated October 23, 2021.
- Agreement letter No. 04.04/S.Per/665/VII/2021 dated July, 29 2021

The results of the verification of the labor list document, interviews with internal and external stakeholders, and field observations revealed that there was no indication of any workers under the age of 18. From the results of interviews with external stakeholders such as contractors, also known that the company has provided socialization about the prohibition of using workers under the age of 18 years. Based on interviews with HR staff, they will carry out an age screening process before recruiting new employees through personal identity checks (ID card or Certificate of birth).

Status: Comply

#### 6.5

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

6.5.1

Company has a Sexual Harassment Policy No. Policy No. 06 Revision 02 effective date January 2, 2015. The policy states that PTPN IV is responsible for preventing harassment in the workplace, taking corrective actions to prevent work-related sexual harassment. The company has shown socialization document of the sexual harassment policy on February 4, 2020 and October 20, 2021. The documentation shown consists of minutes, photos of implementation and attendance.

6.5.2; 6.5.3

Company has provided protection for reproductive rights listed in the CLA:

- Article 27 regarding Maternity Leave.  
Female employees are entitled to maternity leave for 1.5 months before giving birth according to the doctor or company midwife and 1.5 months after giving birth
- Article 28 concerning Menstrual Leave  
Female employees who feel pain during menstruation are not obliged to work on the first and second day of menstruation

The results of interviews with representatives of the gender committee and female workers revealed that the company gave



permission/maternity leave and menstrual leave. From the interviews also known that there are no female workers who are pregnant and breastfeeding.

The company has monitored pregnant and lactating women through recordings of menstrual leave/maternity leave. As for the results of monitoring these recordings in the last 2 years, there are no female workers who are pregnant or breastfeeding and there are also no new mothers giving birth. Due to the absence of new mothers, the company did not identify the needs of new mothers. From the results of interviews with the gender committee and female workers, information was obtained that although there were no new mothers giving birth in the last 2 years, the company always gave time/permission for breastfeeding mothers to breastfeed their babies in previous years.

#### 6.5.4

Unit management 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. in the procedure it is explained that if necessary, management will protect the name of the employee who submits the complaint (anonim).
- Procedure of *Penanganan Keluhan Pelanggan dan Lingkungan* No. SPO 13 on 2 January 2015. The customer complaint management system (whistle blowing) can be submitted through the website [www.ptpn4.co.id/wb/](http://www.ptpn4.co.id/wb/)

The company has showed documentation of socialization of company procedures and policies including complaint mechanism and whistleblower system. For example, Records of policy socialization on March 12, 2022. Minutes of the implementation of activities, photos and attendance of activities have also been shown to auditor team. The results of interviews with internal and external stakeholders revealed that stakeholders already know the mechanism if there are complaints to be submitted.

Status: Comply

#### 6.6

**No forms of forced or trafficked labour are used.**

##### 6.6.1 and 6.6.2

The results of the verification of the labor register document, the employment agreement document, the results of interviews with workers and labor unions as well as the results of field observations revealed that there was no migrant worker or forced laborers in the operational area. All workers have worked in accordance with the work agreement or appointment letter between the company and the worker.

Based on the results of interviews and verification of employment documents, known that there are temporary workers for harvesting activities. Based on the results of interviews with management, labor unions and the local Manpower Agency, the use of the temporary workers is to carry out additional harvest work because the company is experiencing peak crop season. The temporary worker agreement is carried out for 3 months (February - April 2022). In addition, from the results of interviews with the local Manpower Agency, known that the company had reported the temporary workers agreement to the agency.

Status: Comply

#### 6.7

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

##### 6.7.1

The company shows the document of the Decree of the Head of the Manpower Office of North Sumatra Province related to the ratification of the OHS committee organizational structure, namely:

- Number 566/213-7/DTK/SU/2022 concerning the Ratification of OHS committee PT PN IV Dolok Sinumbah Unit, dated August 6, 2021, which explains that the person in charge of Occupational Health and Safety (OHS) is listed in the OHS committee board of directors, including the Chairman and Secretary. The Secretary of OHS committee is a general OHS expert based on the OHS Expert Authority Card No. Reg. 74300/POHS/AJ/12/2019/P0 valid until 23 September 2022.
- Number KEP.043-7/DTK/SU/WIL III/2021 concerning the Ratification of OHS committee PT PN IV Balimbingan Unit, dated January 20, 2021, which explains that the person in charge of Occupational Safety and Health (OHS) is registered in the OHS committee board of directors, including the Chairman and Secretary. The Secretary of OHS committee is a general OHS expert based on the OHS Expert Authority Card No. Reg. 50177/POHS/AJ/12/2021/P0 valid until 30 September 2024.

The company also shows records of regular OHS committee management meetings, such as:

- Discussion on B3 labels and symbols at the chemical warehouse needs to be added, the contents of the medicine box in the central warehouse are incomplete as many as 21 items and limited access at the opaque General Workshop, which will be held in March 2022 and attended by 22 OHS advisory committees.
- Discussion on limited access at the loading ramp station is blurry, the fire extinguisher at the engine room station location is empty and the eye wash in the Hazardous Waste Warehouse is damaged, which was held in February 2022 and was attended by 22 OHS supervisory committees.

### 6.7.2

There are emergency response procedures and work accidents in Indonesian which are listed in the emergency handling procedures, namely SOP No.: 4.3.17, issued June 1 2015, the types of emergencies described in the SOP are fires, natural disasters and riots. The SOP has explained the initial stages of emergency control starting from reporting by every employee who sees and knows or experiences an emergency to the work unit team, implementation of the control plan by the work unit team, reporting and follow-up for repairs and post-emergency handling. In addition, there are also Occupational Health and Safety Management System Procedures for Handling Emergency Situations, document number DOS-4.3.16 Revision 04, effective April 8, 2019, which among others explains procedures for the early stages of control, implementation of control plans, reporting and follow-up improvements and handling post emergency. The procedure for handling work accidents is explained in the SOP for handling accidents and health checks no. document: 4.3.16 effective date of June 1 2015, the SOP describes the types of accidents, including: first aid injuries, moderate injuries, serious injuries, fatal and near misses. The handling procedure starts from handling the near miss, reporting, investigating the cause of the accident.

The company has conducted training for first aid workers, namely:

- The Dolok Sinumbah unit has conducted first aid training for workers on 18 – 20 July 2019 and the company already has a first aid officer license in accidents, including No. 366-7/P3K/DTK/2019 with a validity period until 25 July 2022.
- The Balimbingan Unit has conducted first aid training for 5 workers on 18 – 20 July 2019 and the company already has a first aid officer license in accidents, namely No. 370/P3K/DTK/2019, 372/P3K/DTK/2019, 373/P3K/DTK/2019, 369/P3K/DTK/2019, each with a validity period until July 2022.

The company also has a recording of a fire simulation and emergency response which was held on July 3, 2021, which was attended by 43 employees and a recording of the first aid socialization which was held on February 5, 2022 and was attended by 10 employees. In addition, first aid kits are also available in the workplace, for example based on the document Monitoring the contents of the first aid kit, which explains that the monitoring of the availability of the contents and the appropriateness of the contents of the first aid box is carried out on a monthly basis by a designated officer. Based on field observations at the Mill and Estate Offices, it is known that in the Mill and office areas there are already available evacuation routes to the muster point for workers when dangerous conditions occur.

Records of all Company work accidents are kept and reviewed periodically in the Work Accident Report Recapitulation document and sent to the local Manpower Office, while the documents include explaining the time of the incident, victim data, accident factors, estimated losses and causes of accidents.

### 6.7.3

The company shows a recorded document of the PPE Handover Names List which was distributed in March 2022 to Afdeling employees and Mill employees. Several types of PPE that have been distributed in 2022 for Afdeling employees, such as AP boots, glasses, chemical clothes, t-shirt gloves, rubber gloves, safety face shield helmets, ax gloves, egrek gloves, auto chemist, chemical masks, first aid kits. Several types of PPE that have been distributed in 2022 for Mill employees include safety shoes, helmets, ash masks, cloth gloves, dust glasses and ear plugs. The Dolok Sinumbah Unit has disseminated the use of PPE to employees, which was carried out on January 10, 2022. In addition, the mechanism that regulates the replacement of PPE if it is damaged before the scheduled replacement period is stated in the SE Manager (No. BAL/SE/Intern/11/1/ 2019 for the Balimbingan unit and No. DOS/SE/Intern/01/I/2019 for Dolok Sinumbah) which states that the identification of damaged PPE is carried out through monitoring the completeness of PPE which is carried out every month by technical assistants, reported to the HR assistant for PPE replacement, and distribution of PPE to employees. Based on the results of interviews with workers, it is known that the company has provided PPE once a year and replacement if the PPE is damaged in accordance with the damaged PPE replacement policy.

Based on field observations to the rinse room, it is known that the company has carried out procedures for bathing, washing PPE and

spray equipment, as well as storing work tools and PPE.

Based on this objective evidence, Plantation Business Actors provide adequate sanitation facilities and Personal Protective Equipment (PPE) in accordance with their designation for each worker.

#### 6.7.4

The company has a Collective Labor Agreement chapter VIII on Social Security and Labor Welfare which explains which workers are entitled to receive medical care and are covered by accident insurance companies. The company shows proof of *BPJS* payment. Payments are made every month with a percentage in accordance with the regulations. The last payment paid by the January 2022 dues payment company was January 20, 2022. Based on the document review, there were no work accidents and no claims related to work accidents to *BPJS*.

Based on interviews with workers at Dolok Sinumbah Estate and Dolok Sinumbah Mill, it was concluded that all employees are aware of medical service procedures in the event of an accident or illness. All permanent employees interviewed have *BPJS* health cards, in addition to workers who seek treatment at the Estate clinic for free. On the other hand, interviews with casual daily workers revealed that the workers did not have a *BJS* card and if they received treatment, they would be charged a fee.

#### 6.7.5

The company is still consistent in monitoring the recording of occupational accidents by calculating the lost time accident (LTA). Recapitulation of work accidents with a formula to find the level of severity and frequency of accidents. This document informs the time period, the number of working days, the number of no effective working days, overtime, hours of work in total, the number of accidents, the number of working days lost, hours of work a year, the number of accidents a year, lost days a year, Calculation of Severity Rate and Frequency Rate is reviewed regularly and monitoring will be evaluated at the monthly meeting of OHS Committee. For example, LTA recordings for the January – March 2022 period are:

Unit	Work Hours	Case	LTI	FR	SR
Dolok Sinumbah	119,896	0	0	0	0
Balimbingan	117,852	0	0	0	0

Based on the description above, the company records work accidents using Lost Time Accident (LTA).

Status: Comply

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

#### 7.1

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

##### 7.1.1

The company has a record of the implementation of pest monitoring and control, by showing evidence such as:

- Observation of Psychidae pests and setora nitens in March 2022 at the Dolok Sinumbah Unit was carried out in 3 stages, namely:
  - Phase 1, it is known that the total area of Psychidae attack is 118 Ha with an average number of caterpillars 11 caterpillars / midrib (above the threshold > 5 caterpillars / midrib) and the attack of Setora nitens is 19 Ha with an average number of caterpillars 15 caterpillars / midrib (above threshold > 5 caterpillars / midrib). The company demonstrated the eradication of caterpillars by chemical means using manthane (dose of 0.02 Kg/plant) and Delta (dose of 250 cc/Ha).
  - Phase 2, it is known that the total area of Psychidae attack is nil and the attack of setora nitens is 19 hectares with an average number of 9 caterpillars / midrib (above the threshold > 5 caterpillars / midrib). The company demonstrated the eradication of caterpillars by chemical means using Delta (250 cc/ha dose).
  - Phase 3, it is known that the total area of Psychidae and setora nitens attacks is nil and the company does not control it by chemical means.

Based on this data, it is known that the company only controls Psychidae and setora nitens pests by chemical means if the attack level is above the threshold of >5 caterpillars / midrib.

- Observations of rat pests in March 2022 in the Dolok Sinumbah and Balimbingan units found that the average percentage of rat attacks was nil.
- Planting beneficial plants, the company has planted beneficial plants by showing the beneficial plant monitoring documents.

based on the document review it is known that the company has planted beneficial plants in January – February 2022, namely: Planting *Turnera subulata* in Dolok Sinumbah as many as 942 plants and *antigonon leptopus* as many as 45 plants. Based on field observations at the Balimbangan Unit Block G96 Afdeling 2, D96 Afdeling 2, Block CG, CC, CB96 Afdeling 4, it is known that the area has been planted with beneficial plants.

Based on field observations, interviews, and document review, it is known that the company has and has implemented SOPs for pest observation and control in the field.

### 7.1.2

The company does not use the species mentioned in *Permen LHK No.P. 94/MENLHK/SEKJEN/KUM. 1/12/2016* concerning Invasive Types. This is based on the documents monitoring of planting/maintaining beneficial plants, such as *Turnera subulata*, and *Antigonon leptopus* both at Dolok Sinumbah and Balimbangan to deal with attacks of *Setora nitens* and *Psychidae*. The company has planted a beneficial plant by showing the beneficial plant monitoring document, based on a review of the document it is known that company has planted beneficial plants in January – February 2022, namely: Planting *Turnera subulata* in Dolok Sinumbah as many as 942 plants and *antigonon leptopus* as many as 45 plants. Based on field observations at the Balimbangan Unit Block G96 Afdeling 2, D96 Afdeling 2, Block CG, CC, CB96 Afdeling 4, it is known that the area has been planted with beneficial plants.

### 7.1.3

The company has shown its commitment to eco-friendly plantation management. Based on document review, field observation, as well as interview with the workers and external stakeholders, known that the company did not use fire for pest control.

Status: Comply

## 7.2

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

### 7.2.1

SOP on Handling Hazardous Chemicals with document number DOS-PRO 4.3.12 revision 3 dated August 1, 2016. The SOP describes the identification of hazardous materials, installation of warning signs, provision of MSDS, and how to handle them.

The company already has a Material Safety Data Sheet that explains the identification of hazards, first aid methods, PPE used to chemical compositions. The company can show the MSDS of all B3 materials owned, for example the pesticide Gempur 480SL, Marshal 48%.

In addition, the company has a policy document on the use of herbicides containing paraquat, namely a circular from the Head of the Plant Section of PT. Perkebunan Nusantara IV No.04.03, dated August 4, 2006 to Group Managers of Business Units I, II, III, IV and V, regarding Supervision and Socialization of Provisions for the Use of Paraquat Herbicides. The circular letter is a follow-up to the letter from the Director General of Plantations, Ministry of Agriculture No. 276/LB.330/EO.1/07/2006 dated July 21, 2006. The circular stated that:

- The use of paraquat herbicide is still limited due to its residual effects that are harmful to human health;
- In accordance with the Decree of the Minister of Agriculture No. 134.1/Kpts/TP.270/7/2001 (Article 7), that all users of limited pesticides (such as paraquat herbicide) must receive training from producers and must have a certificate.

The company has a commitment to reduce pesticides in plantation operations which is indicated in Memo No.04.03/04.04/eM104/II/2022 regarding the use of herbicides with an active ingredient paraquat which has been certified RSPO certified by the Head of Planning and Sustainability Section on 11 February 2022, the document explains about prohibition of the use of paraquat on the grounds that it has a negative impact on human health such as serious injuries to the eyes, skin, nose and throat.

Measures to avoid the development of resistance are to use pesticides selectively (for weeds) and develop biological control (for pests). The company shows a list of all types of pesticides used for the period 2022, for example in the Dolok Sinumbah Unit, namely:

Pesticides	Active Ingredients	No. Registration	Target
Gempur	<i>isopropil amina glifosat</i>	RI. 01030120041 971	Broadleaf weed <i>Ageratum conyzoides</i> , <i>Cilicadium surinamensis</i> , <i>Commelina diffusa</i> , <i>Mikania micrantha</i> , <i>Tetracera adscendens</i> , narrow leaf weed <i>Paspalum conjugatum</i> , <i>Ottocloa nodosa</i> , <i>Cynodon dactylon</i>

Metsulindo	<i>metil metsulfuron</i>	RI. 01030120124 374	Broadleaf weed Monochoroa vaginalis, Marsilea crenata, Ludwigia octovalvis, teki Fimbristylis miliacea, Cyperus iria
Capture	<i>sipermetrin</i>	RI. 01010120031 874	Metisa plana, Setothosea asigna, Oryctes rhinoceros
Elang	<i>isopropil amina glifosat</i>	RI. 010301199411 70	Broad leaf weed Ageratum conyzoides, Clidemia hirta, Mikania micrantha, narrow leaf weed Ischaemum timorense, Ottochloa nodosa

### 7.2.2

The company shows a record of pesticide use from January to December 2021, which is included in the monthly pesticide monitoring document containing information on the type of pesticide used, active ingredient, area used, amount used, usage units, period of use and LD-50, and class WHO. For example, at PT. PN-4 Dolok Sinumbah Unit for the period January - December 2021 as follows:

Pesticides	Active ingredient	LD50 (rat) (mg/kg)	Amount used (Ltr or Kg)	Area used (Ha)	Unit/Ha
Metsulindo	<i>metil metsulfuron</i>	>5,000	857.20	14,083	0.06
Capture	<i>sipermetrin</i>	250-4,150	704.15	14,083	0.05
Elang	<i>isopropil amina glifosat</i>	> 5,000	3,213.50	14,083	0.25

Based on field observations, it is known that workers understand the principle of selective weed control and the Buffer zone area such as a river border, around 2 trees along the river border, there should be no application of pesticide spraying.

### 7.2.3

The company has a commitment to reduce pesticides in plantation operations, such as:

- Issuance of Memo No.04.03/04.04/eM104/II/2022 concerning the Use of Herbicides with an active ingredient of RSPO certified paraquat which was approved by the Head of Planning and Sustainability on 11 February 2022, the document describes the prohibition of the use of paraquat on the grounds that it is bad for human health such as serious injuries to the eyes, skin, nose and throat.
- Data on Psychidae and setora nitens pest observation and control in March 2022 at the Dolok Sinumbah Unit were carried out in 3 stages, namely:
  - Phase 3, it is known that the total area of Psychidae attack is 118 Ha with an average number of caterpillars 11 caterpillars / midrib (above the threshold > 5 caterpillars / midrib) and the attack of Setora nitens is 19 Ha with an average number of caterpillars 15 caterpillars / midrib (above threshold > 5 caterpillars / midrib). The company demonstrated the eradication of caterpillars by chemical means using manthene (dose of 0.02 Kg/plant) and Delta (dose of 250 cc/Ha).
  - Phase 3, it is known that the total area of Psychidae attack is nil and the attack of setora nitens is 19 hectares with an average number of 9 caterpillars / midrib (above the threshold > 5 caterpillars / midrib). The company demonstrated the eradication of caterpillars by chemical means using Delta (250 cc/ha dose).
  - Phase 3, it is known that the total area of Psychidae and setora nitens attacks is nil and the company does not control it by chemical means.

Based on this data, it is known that the company only controls Psychidae and setora nitens pests by chemical means if the attack level is above the threshold of >5 caterpillars / midrib.

- Planting beneficial plants, the company has planted beneficial plants by showing the beneficial plant monitoring documents, based on the document review it is known that the company has planted beneficial plants in January – February 2022, namely: Planting Turnera subulata in Dolok Sinumbah as many as 942 plants and antigonon leptopus as many as 45 plants. Based on field observations at the Balimbangan Unit Block G96 Afdeling 2, D96 Afdeling 2, Block CG, CC, CB96 Afdeling 4, it is known that the area has been planted with beneficial plants.

### 7.2.4

The company shows a plan document for pest control activities consisting of detection and census of rats, leaf-eating caterpillars, and biological control, such as planting beneficial plants. The company monitors the effectiveness of biological pest control such as developing beneficial plants for oil palm leaf-eating caterpillars. The use of insecticides is carried out if the level of pest attack is above the threshold (> 5 caterpillars / midrib).



The company show Observation result of Psychidae pests and setora nitens in March 2022 at the Dolok Sinumbah Unit was carried out in 3 stages, namely:

- Phase 1, it is known that the total area of Psychidae attack is 118 Ha with an average number of caterpillars 11 caterpillars / midrib (above the threshold > 5 caterpillars / midrib) and the attack of Setora nitens is 19 Ha with an average number of caterpillars 15 caterpillars / midrib (above threshold > 5 caterpillars / midrib). The company demonstrated the eradication of caterpillars by chemical means using manthane (dose of 0.02 Kg/plant) and Delta (dose of 250 cc/Ha).
- Phase 2, it is known that the total area of Psychidae attack is nil and the attack of setora nitens is 19 hectares with an average number of 9 caterpillars / midrib (above the threshold > 5 caterpillars / midrib). The company demonstrated the eradication of caterpillars by chemical means using Delta (250 cc/ha dose).
- Phase 3, it is known that the total area of Psychidae and setora nitens attacks is nil and the company does not control it by chemical means.

Based on this data, it is known that the company only controls Psychidae and setora nitens pests by chemical means if the attack level is above the threshold of >5 caterpillars / midrib.

The company also show Observations result of rat pests in March 2022 in the Dolok Sinumbah and Balimbingan units found that the average percentage of rat attacks was nil. Based on rat pest census data, the company does not control rat pests by chemical means

#### 7.2.5

The company has shown documents on the use of pesticides for each estate during 2021. Based on these documents, it is known that the company does not use class IA/IB pesticides and the company has also not used pesticides with the active ingredient paraquat since 2018.

The company does not use pesticides listed in the World Health Organization (WHO) Class 1A or 1B or included in the Stockholm or Rotterdam Conventions, as well as paraquat. This is based on the results of field observations, interviews and review of the 2021 Dolok Sinumbah Business Unit Receipt/Use List document and the 2021 Balimbingan Business Unit Chemical Usage document, which was signed by the Unit Manager, who explained that during 2021 there were no pesticides listed in the World Health Organization (WHO) Class 1A or 1B or included in the Stockholm or Rotterdam Conventions, as well as paraquat.

#### 7.2.6

The company shows the Procedure for Handling Hazardous Chemicals (BKB) and Hazardous Toxic Materials (B3), document No. 4.3.12 which came into force on 23 April 2013.

- SOP Instructions for safe use of agricultural chemicals. Issued on January 15, 2006.
- Identification of materials (identification of the type of material and then seen by type and placement must be placed in one storage area if they do not react with each other according to the MSDS of each material.
- Installation of hazard warning signs. These hazardous materials are stored in a standard place in accordance with the provisions in the MSDS and the provision of hazard warning signs.
- Provision of MSDS
  - Every hazardous material that has been registered or will be used must have an MSDS if it is not there then the warehouse section must be reported to Kadin TU.
  - If the MSDS is still in an undefined format and in a language that is not understood, the OHS department can prepare it in an agreed format.

To ensure that the procedure runs, the company shows a certificate of limited supervision pesticide applicator training issued by the Fertilizer and Pesticide Commission of the North Sumatra Provincial Government, including:

Balimbingan Unit

- Ronal Sinaga Certificate No. 521.4/428.51/UPTTPH/X/2018 P2B Balimbingan Unit
- Mujirah Certificate No. 521.4/428.51/UPTTPH/X/2018 Chemist and Pest Officers of the Guidance Unit
- Miyati Certificate No. 521.4/428.51/UPTTPH/X/2018 Chemist and Pest Officers of the Guidance Unit
- Sri Herawati Certificate No. 521.4/428.51/UPTTPH/X/2018 Chemist and Pest Officers of the Guidance Unit

Dolok Sinumbah Unit:



- Safari Certificate No. 521.4/428.51/UPTTPH/X/2018 P2B Unit Dolok Sinumbah
- Sri Hayati Certificate No. 521.4/428.51/UPTTPH/X/2018 Dolok Sinumbah Unit Maintenance Officer
- Tumiran Certificate No. 521.4/428.51/UPTTPH/X/2018 Chemist Foreman and Dolok Sinumbah Pest Unit
- Hairul Hamdan Certificate No. 521.4/428.51/UPTTPH/X/2018 Chemist Foreman and Dolok Sinumbah Pest Unit
- Keliwon Certificate No. 521.4/428.51/UPTTPH/X/2018 Chemist Foreman and Pest Unit Dolok Sinumbah
- Rasikun Certificate No. 521.4/428.51/UPTTPH/X/2018 Chemist Foreman and Pest Unit Dolok Sinumbah

### 7.2.7

The results of the field visit in Afdeling 3 Dolok Sinumbah, it is known that the company already has sanitation facilities equipped with rinse rooms, showers, drainage channels, storage areas for work tools and PPE, milk drinking rooms, no pesticides were found in the building.

The results of the field visit at the chemical/pesticide storage warehouse, it is known that the chemical storage area has been equipped with closed containers, arranged on shelves equipped with MSDS and labeled hazardous items as well as warnings outside the building, cloth and other cleaning tools are available to anticipate spills from pesticides, the fertilizer storage area is equipped with ventilation and is lined with pallets.

Based on this explanation, it is concluded that the company has stored the chemicals in accordance with the applicable regulations.

### 7.2.8

The company already has a SOP for the Management of Hazardous and Toxic Waste Number 02 dated January 2, 2017. The SOP explains the mechanism for storing used pesticide packaging according to the recommendations, placing chemicals that have dissimilar characteristics, and preparing and releasing chemicals in a fast-paced manner. first out (FIFO), chemical containers must have labels, chemicals are only issued on request approved by the authorities and well-documented records of storage and release of agrochemicals (including pesticides) are documented. The company has also conducted socialization to employees regarding the prohibition on the use of hazardous waste packaging including used pesticide packaging on April 29, 2021.

The results of field observations in the POM and Estate Hazardous Waste warehouse areas show that all of the stored Hazardous wastes are in accordance with the types of waste listed in the permit. In addition, the company has also completed all components required in the permit, such as installing information boards for coordinate points, constructing irrigation canals around warehouses and constructing buildings that are free from flooding, far from water sources and settlements as well as protected areas. Based on this explanation, the company has implemented the management of used pesticide packaging in accordance with the permits given and the procedures they have.

### 7.2.9

Based on the results of a review of pesticide application documents and interviews with management, spray workers and the village heads, it was found that during ASA.3+4 the company did not apply airborne spraying.

### 7.2.10

The company has carried out periodic health checks for all workers and special health for pesticide operators, including:

- Medical checkup at the Balimbing Unit carried out on November 15, 2021. The examination includes cholinesterase, medical checkup (general). The number of employees who took part in the cholinesterase special medical examination was 7 workers with the results of the examination. For periodic medical checkups, 13 workers participated with normal results.
- Medical checkup at the Dolok Sinumbah carried out on September 9, 2021. The examination includes cholinesterase, medical checkup (general). The number of employees who took part in the cholinesterase special medical examination was 7 workers with the results of the examination. For periodic medical checkups, 25 workers participated with normal results.

Based on this explanation, it can be concluded that the company has carried out special annual medical checks for pesticide operators and documented evidence of follow-up on the results of the inspection.

### 7.2.11

The company shows the Internal Circular from the Plantation Manager no.: DOS/SE.Intern/05/II/2018, issued on January 3, 2018 at the Dolok Sinumbah Unit and the Manager's Letter no.: BAL/SE/Intern/III/2019 dated March 4 2019 in the Guidance Unit regarding

the prohibition of employing pregnant and lactating women to engage in activities related to chemicals and pesticides. Monitoring and early detection is carried out by the Dolok Sinumbah unit every month, inspections are carried out by assistants, regarding the Labor of Pregnant and Breastfeeding Women, which states that in connection with the regulation of Law No. principle 4 criteria 4.6, it is decided that pregnant and lactating women are prohibited from working as sprayers.

Based on the results of interviews with workers, it is known that there are regular 3-monthly pregnancy checks for pesticide applicators and no pesticide work is carried out by people who are not yet 18 years old, pregnant or lactating women,

Status: Comply

### 7.3

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

#### 7.3.1

The Company has identified the waste resulting from operational activities contained in the Hazardous and Toxic Waste Identification document for Gardens and Factories. The identification is grouped based on the activities that generate waste, the name of the waste, the type of waste, and its management. The determination and classification of waste codes uses the reference to Government Regulation number 101 of 2014. The company also has several procedures related to waste management and utilization which are listed in several documents, including:

- SOP for Hazardous and Toxic Waste Management, Number 2, revision 03 dated 2 January 2017
- SOP for Household Domestic Waste Management, Number 20, revision 03 dated 2 January 2018
- SOP for Utilization of Palm Oil Mill Waste Number 17, revision 02 dated January 2, 2015

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

#### Hazardous and Toxic Waste

In the management of hazardous and toxic waste, the company does not reuse it but only temporarily stores it in 2 locations, namely:

- Operational Permit for Management of Hazardous and Toxic Waste for Producers to PTPN IV Dolok Sinumbah business unit based on DPMP2TSP Decision of Simalungun Regency Number 503.26/00492/17.4/2021 dated 3 May 2021 and is valid for 5 years. The permit refers to the Recommendation Letter from the Environmental Service number 660/138/7.3/2021 dated March 12, 2021. The permit is valid for 1 warehouse location located in Dolok Sinumbah POM.
- Operational Permit for Hazardous and Toxic Waste Management for Producers to PTPN IV Balimbingan business unit based on Simalungun Regency DPMP2TSP Decree Number 503.26/00500/17.4/2021 dated 3 May 2021 and is valid for 5 years. The permit refers to the Recommendation Letter from the Environment Agency number 660/141/7.3/2021 dated March 12, 2021. The permit is valid for 1 warehouse location located in Balimbingan Estate.

The company has and can show documents for storing and handling hazardous waste in accordance with the SOP for Hazardous Waste Management and Government Regulation Number 22 of 2021. These documents include balance sheets, logbooks and manifests/Festronic. Based on the results of the comparison of balance and logbook data for the period January, February and March 2022, it can be seen that the submission of waste to the hazardous waste warehouse is appropriate and there is no difference in the amount submitted. Likewise, a comparison between the balance sheet and the official report on the transportation of hazardous waste carried out on January 10, 2022 shows that the logbook document shows the amount of hazardous waste on the date after transportation (11 January 2022) starting from empty. Thus, it can be concluded that there are no recording errors and discrepancies based on the Balance Sheet, Logbook and Minutes of Transport. This shows that the company has properly documented the storage and handling of hazardous waste.

The results of field observations in the POM and Estate hazardous waste warehouse areas also show a relatively empty condition because the transportation will be carried out in January 2022. Based on the logbook and balance sheet as well as the results of interviews with management, it is stated that the transportation is carried out every full condition or at least once a year. The results of the field visit also showed that the data recorded in the logbook was in accordance with the conditions of hazardous waste stored in the warehouse. The company has and can show documents that can prove that hazardous waste is only sold/transferred to a licensed party, namely PT Veronica Tannaga with a cooperation agreement letter Number 04.03/S.perj/36/XI/2021 drawn up on 26 November 2021 and is valid until May 25, 2022. PT Veronica Tannaga has obtained a permit to transport hazardous waste based on the Decree of the Minister of Environment and Forestry of the Republic of Indonesia number S-913/MENLHK-PSLB3/VPLB3/PLB3/6/2021 dated June 3, 2021. In the management, utilization and/or waste management, PTPN IV Balimbingan Unit has collaborated with PT Universal Ecopacific with a Cooperation Agreement Letter Number 04.03/S.perj/36-1/XI/2021 dated 26 November 2021 which is valid until 25 may 2022. PT Universal Ecopacific already has a Management permit Hazardous Waste from

the Indonesian Ministry of Environment and Forestry Number S.619/MENLHK/SETJEN/PLB.3/9/2020 dated September 14, 2020.

#### Non-hazardous and toxic waste

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

The results of field observations via video in the landfill and emplacement area showed that there were no traces of combustion, all domestic waste was disposed of in waste collection tanks scattered throughout the building with the classification of organic and inorganic waste types. The results of interviews with residents of the emplacement also stated that the company routinely carried out socialization related to domestic waste management, either directly through meetings, or indirectly by installing signboards prohibiting burning trash and littering.

#### Liquid, Solid and Air Waste

Solid waste from the FFB processing process in the form of shells and fiber is reused by the company as a substitute for fossil fuels (Solar) for power generation in boilers, while for empty fruit bunches, it is used to substitute fertilizer applied to plantation land. Some of the solid waste in the form of shells is also shipped or sold, while the whole empty bunch is applied to the land. Data on solid waste utilization is explained in more detail in indicator 7.9.1. In domestic waste management, the company has also arranged for a Permit for Disposal of Domestic Wastewater to Surface Water but until the time of the audit, the permit has not been obtained. The company can show evidence of the results of the field review conducted by the Environment Agency in the form of minutes of activities.

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

#### 7.3.2

Based on interviews with the Dolok Sinumbah Hazardous Waste Warehouse Manager and POM and Balimbingan Estate, it is known that they have an understanding of handling waste disposal, especially hazardous waste and domestic waste, as well as hazardous waste management in accordance with company procedures. The results of interviews with workers living in the company's area also stated that the waste management carried out by the company was very good and regular. Trash cans are provided properly, all waste disposal facilities have also been provided by the company such as organic and non-organic waste bins that will be replaced if damaged, hazardous waste warehouses and landfills. The resource persons also understand very well how to separate the types of waste they produce and what types of waste should not be reused. The respondent's understanding of waste management is the result of socialization and socialization of hazardous waste management which is carried out regularly and consistently as evidenced by the minutes that have been carried out on September 10, 2021 to all staff and employees. Field observations in the Balimbingan and Dolok Sinumbah Estate residential areas also showed that the housing conditions were quite clean and there was not a lot of scattered garbage.

#### 7.3.3

The company does not carry out open burning to destroy waste, this can be proven from field observations via video in residential areas and the Dolok Sinumbah and Balimbingan Estate Landfills, no traces of burnt waste were found. The results of interviews with employees also stated that they had never burned waste, because they were aware of the prohibition on burning activities and the sanctions they would receive if they burned them. Organic waste from housing and inorganic waste is disposed of in the bins provided, then transported once a week and disposed of in landfills and then buried when it is full. The results of field observations in employee housing areas also show many warnings to prohibit waste burning activities as well as the dangers that can arise from burning activities. Interviews with management also explained that the regulations regarding the prohibition of burning have been understood by all workers and strict action would be taken if they violated them.

Status: Comply

#### 7.4

**Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.**
**7.4.1**

There are SOPs for managing soil fertility so that harvest yields are optimal and have minimal impact on the environment, which are listed in Fertilization Management, document number A.10, which was made and approved by the President Director in June 2013. In addition, the company has a SOP document for Utilizing Coconut Mill Waste. Palm Oil, SPO document number 17 dated January 02 2015, which explains the procedure for utilizing Empty Fruit Bunch Waste, utilization of Palm Oil Liquid Waste (LCKS), utilization of Oil Palm Shells, utilization of Solids derived from PKS waste and utilization of Fiber Waste.

There is a record of the implementation of good cultivation practices, as stipulated in the SOP, to manage soil fertility so that yields are optimal and have minimal impact on the environment, including the following:

- Leaf sample analysis results for 2021
- Soil sample analysis results for 2020
- Fertilization activities that prioritize the principles of being on time, on target, at the right dose and on application. In addition, marginal soils (sandy) are given extra fertilization in the form of empty bunches.
- The company's commitment to no longer use pesticides with the active ingredient paraquat or those belonging to the WHO Class 1A and 1B groups.
- Application of palm oil effluent (POME) to increase soil fertility. For example, the POME application at Dolok Sinumbah Unit.
- Maintenance of cover crops to reduce evaporation (maintain soil moisture). For example, planting legumes (*Mucuna bracteata*) and maintenance of soft ferns (*Nephrolepis bisserata*). To all employees, spraying is always conveyed at morning apples not to spray the plants.
- Monitoring the implementation of SOPs, among others, is carried out through an internal audit mechanism.

**7.4.2**

The company has a document of Basic Work Guidelines, namely Fertilization Management (No. Doc. A.10 dated January 01, 2013) which includes Work Instructions (IK) for soil analysis and leaf analysis. Soil sampling for testing is carried out every 1-5 years. Leaf analysis is carried out annually and simultaneously with visual observations by taking Leaf Sample Sets.

For soil fertility management, the company fertilizes plants according to fertilizer recommendations based on the results of leaf and soil analysis. The results of the analysis of leaves and soil are used as monitoring material for changes in nutrient status.

The company shows a leaf tissue analysis document including an examination of the content of the elements N, P, K, Mg, Ca and B. conducted by the Indonesian Oil Palm Research Institute in August - September 2021, including:

- Sampling of Dolok Sinumbah leaves was 91 samples.
- Sampling of Balimbingan leaves was 35 samples.

The company shows soil analysis documents including soil texture, pH, content of Carbon (C), Phosphorus (P), Potassium (K), Magnesium (Mg) and Nitrogen (N) cation content carried out by the Indonesian Oil Palm Research Center. Institute in September – October 2020, including:

- Soil sampling in Dolok Sinumbah on September 8, 2020 as many as 7 samples.
- Soil sampling in Balimbingan on September 8, 2020 as many as 11 samples.

Based on the explanation above, it is concluded that the company records the activities of analyzing leaf tissue and soil samples on a regular basis.

**7.4.3**

Nutrient recycling strategies are available, some of which are listed in the SOP document for Utilization of Palm Oil Mill Waste, SPO document number 17, dated January 2, 2015. The document, among other things, explains that the unit implements nutrient recycling through the application of empty bunches and factory liquid waste applications. palm oil through Land Application.

The company shows the application documents for the application of empty lanjang and PKS liquid waste, which are shown as follows:

- Dolok Sinumbah Unit Dolok Empty Acceptance Documents for the period January – March 2022, namely:

Location	Empty Bunch	
	Tonage Jan – Dec 2021	Tonage Jan – March 2022

	Plan	Actual	Plan	Actual
Dolok sinumbah	39,028	12,877	2,900	2,728

- Dolok Sinumbah Unit Land Application Documents for the period January – March 2022, namely:

Location	Solid			
	Tonage Jan – Dec 2021		Tonage Jan – March 2022	
	Plan	Actual	Plan	Actual
Dolok sinumbah	7,840	619	8,880	-

#### 7.4.4

The company shows records of fertilizer use in 2021. For example, records of fertilizer use from January - December 2021 are as follows:

Fertilizers	Dolok Sinumbah (Kg)
NPK 12.12.17	1,570,553.75
NPK 18.10.15	51,307.55
Dolomite	753,968.43
MOP	20,473.50
Urea	6,138.90
Rock Phosphate	10,323.25

Based on the data above, it is known that the company has a record of the actual of the use of fertilizer every month in accordance with the recommendations that have been set.

Status: Comply

#### 7.5

Practices minimize and control erosion and degradation of soils.

##### 7.5.1

The company shows recorded maps of documents that identify that there is no peat soil, some of which are listed in the Soil Type Map – Dolok Sinumbah Plantation Unit PT. Perkebunan Nusantara IV Scale 1:35,000 and Soil Type Map – Balimbingan Plantation Unit PT. Perkebunan Nusantara IV Scale 1: 50,000. In addition, maps are also available which identify that there is no land with steep slopes, some of which are listed in the Slope Class Map of the Dolok Sinumbah Business Unit with a scale of 1: 35,000. Based on the map, it can be seen that the slope of the soil in Afdeling I to Afdeling V is 2 – 8% (flat). There are no areas where the slope of the slope exceeds the allowable limit for planting oil palm (> 40%). For Balimbingan Gardens, it has a topographic map and river distribution with a scale of 1:50,000, which includes explaining the slope class 0-8% with a percentage of 94.36%, gentle slope 5.94%, slightly steep 0.14% and steep 0.01%.

##### 7.5.2

Oil palm replanting is not carried out in steep areas. Based on the results of field visits to the replanting area in block 2021 O, 2016 O, 2021 Q, 2016 R Afdeling 4 Unit Dolok Sinumbah and block 20C 2020 Afdeling II-unit Balimbingan, it is known that the planted area is a flat area.

##### 7.5.3

Based on interviews with company management and onsite visits, no new planting was found on steep sloped land.

Status: Comply

#### 7.6

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

##### 7.6.1, 7.6.2 & 7.6.3

Based on document review, interviews and field observations, it is known that no new plantings have been carried out by the company.

Status: Comply

#### 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, 7.7.2, 7.7.3, 7.7.4, 7.7.5, 7.7.6 & 7.7.7



Based on the results of the study of the Dolok Sinumbah Estate and Balimbingan Estate Soil Type Map document, it is known that there is no peatland in the Dolok Sinumbah Estate and Balimbingan Estate. The types of soil found in Dolok Sinumbah Estate are Alluvial, Brown Podsol, Red Yellow Podsol, and Latosol. Meanwhile, the types of soil found in Balimbingan Estate are Andic Dystrypep and Typic Dystrypep.

Based on document review, interviews, and field observations during the RSPO ASA 3 + 4 audit, there were no land clearing and new planting activities carried out by the company.

Status: Comply

## 7.8

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

#### 7.8.1

In the management of surface water, the Dolok Sinumbah POM unit is divided into 2 areas, namely Dolok Sinumbah Estate and Balimbingan Estate. The following is information related to each scope, including:

- Scope of Dolok Sinumbah Estate. Based on the 2018 DELH document, the monitoring of surface water quality that is required to be tested every semester is at 4 sample points which are divided into 2 rivers for the entire scope of the company's operational areas, namely upstream and downstream of the Hatongguran and Bah Bolon rivers. The last test was carried out by the KAN Accredited Laboratory (LP-1284-IDN) on October 29, 2021.
- Scope of Balimbingan Estate, based on the 2014 DPLH document, the monitoring of surface water quality which is required to be tested every semester is at 8 sample points which are divided into 4 rivers for the scope of the company's entire operational area, namely upstream and downstream of the Bah Kasinder, Bah Tongguran, Bah Kisat, and the Mangjom River. The last test was carried out by the KAN Accredited Laboratory (LP-1284-IDN) on December 9, 2021.

The company conducts river water testing with 36 indicators conducted every 6 months and drilled wells every 1 year. Based on the verification of the test results document, it shows that in the 2014 DPLH document there are no specific obligations in fulfilling the quality standards, but overall, the test results are in class 3. Based on this, it can be concluded that there is no test result value that is not in accordance with the standard. The quality used is PP No. 22 of 2021. In addition, the company has also implemented the management and maintenance of water sources and quality in accordance with its SOP. This is evidenced by the fact that there are no traces of chemical and fertilizer applications on the river border. The results of interviews with fertilizer workers revealed that the workers already knew that the river border area was not allowed to apply chemicals.

The company also does not limit access to clean water, and all workers also have access to adequate clean water. Based on the results of field observations in the residential area of Dolok Sinumbah and Balimbingan Estate as well as interviews with fertilizer workers, spraying workers, and harvest workers, information was obtained that clean water facilities for housing were obtained from drilled wells. Related to this, the company has an obligation to test the quality of drinking water. The company cooperates with the KAN Accredited Laboratory (LP-1284-IDN) using the reference to the Minister of Health of the Republic of Indonesia number 32 of 2017. Based on the verification of test results documents, it can be concluded that all test results are in accordance with the quality standards used. Based on this information, it can be concluded that the company already has all water management documents, as well as maintains water sources and performs required water quality measurements and meets all established quality standards and standards.

#### 7.8.2

The company already has SOP Number 05 regarding River Border Management Mechanisms which refers to several regulations such as RI Law Number 18 of 2018 and RI Law Number 32 of 2009. The SOP explains the determination of river border protected areas, returning the fortunes of river borders into protected areas, prohibition of chemical application, rehabilitation of border areas and others. In addition, the RSPO also has guidelines related to border management which are contained in the "RSPO Manual on BMPs for the management and rehabilitation of riparian reserves" (2017) or "Simplified Guide Management and Rehabilitation of Riparian Reserves" (2018) which explains the area boundaries riparian protection that adapts to the width of the river.

However, based on the results of field visits in several locations, the following information was obtained:

- There are no boundary markings or signs prohibiting the application of chemicals and other forms of riparian management in the river border area of Dolok Sinumbah Afdeling Plantation 2 and 4 and Balimbingan Afdeling Plantation 3 and 4.
- There are replanting activities in the river border area at Dolok Sinumbah Afdeling 4 Blocks 16O/21O and 16R/21Q and Balimbingan Afdeling 4 Blocks 21E and 21F.



- There are traces of chemical application in the riparian areas of the Balimbingan plantations Afdeling 3 Block 19D and Afdeling 4 Block 21F.

This has become a discrepancy in the surveillance-2 audit related to replanting activities and chemical application in river border areas. The company has taken corrective and preventive actions to fulfill non-compliance, such as oil palm tree removal activities, marking of chemical application boundaries, marking of HCV areas, as well as local forestry plant planting activities at the Balimbingan Plantation, Aek Moyam, Afdeling 3, block 19A (currently a block 19D). However, based on field observations at these locations, it shows that there is no form of riparian management as stated in the corrective and preventive actions to fulfill these non-conformities.

Based on this evidence, it is concluded that the company has not been able to demonstrate and implement riparian management consistently which refers to the "RSPO Manual on BMPs for the management and rehabilitation of riparian reserves" (2017) or the "Simplified Guide Management and Rehabilitation of Riparian Reserves" (2018), company procedures and applicable laws and regulations. (Non-conformity Number 2022.04).

### 7.8.3

The unit of certification has facilities for the management of POME produced from palm oil processing with a capacity of 30-ton FFB/hour using WWTP. POME that has been managed in WWTP is then disposed of in the Land Application. Before being distributed to LA, all POME is fed into WWTP with a single-feeding system which is then processed to reduce pollutant elements so that it is suitable for application to LA. Waste treatment facilities owned are 1 Acidification Pond, 2 Algae Pond, 1 Facultative Pond and 2 Anaerobic Pond where the outlet is at Anaerobic Pond number 1. The total volume of the pond is 73,975 m<sup>3</sup>.

The company also has a Wastewater Disposal Permit to the Land Application in the form of a Palm Oil Industry Wastewater Utilization Permit on Soil for PTPN IV Dolok Sinumbah business unit based on the Simalungun Regency DPMP2TSP Decree Number 503/07/17.4/2021 which was ratified on January 29, 2021, which applies for 5 years. There is an obligation in the permit document, namely to monitor the potential environmental impacts on a regular basis and ensure that the quality of the POME to be disposed of is in accordance with the applicable quality standards.

To determine the feasibility of POME quality, the company conducts monthly testing using quality standards that refer to the Ministry of Environment Decree No. 28 of 2003. The company can show evidence regarding the results of POME quality measurements in the form of test results documents carried out by a laboratory accredited by KAN (LP-1284 -IDN). Based on the results of the analysis of the test results for the period January - December 2021, it shows that all parameters are in accordance with the applicable quality standards. This shows that the POME generated from FFB management activities is feasible to be channeled to the Land Application. The results of field observations in the Land Application Area Blocks 09B and 09C Afdeling 1, Dolok Sinumbah Estate showed no indication of pollution to the environment, all waste was channeled using a Long Bed system consisting of 10 to 15 lines for each block.

In addition, the company also has procedures related to liquid waste management based on the SOP for liquid waste management-Land Application number Unit.Usaha.C.18 which was ratified in June 2013 regarding the management of liquid waste so that it complies with applicable quality standards and is suitable to be used as a substitute for fertilizer in plantation land. The company has also reported the results of liquid waste management which can be proven based on the receipt of the PTPN IV Liquid Waste Management Document Dolok Sinumbah Unit Quarter IV, 2021 which was submitted to the Simalungun Regency Environmental Service on March 1, 2022.

### 7.8.4

The company already has a water resource exploitation permit based on DPMP2TSP Decree Number 610/285/DIS PM PPTSP/5/XI.1/III/2019 dated March 1, 2019 which is valid for 3 years. The company has an obligation to collect water with a maximum quota of 98,509.85 m<sup>3</sup>/month. The location for taking water is at a spring, Dolok Sinumbah Village. The permit document has expired since March 1, 2022. In this regard, the company can show Memo Number DOS/04.01/eM-21/II/2022 regarding the permit extension application as of February 14, 2022 as well as proof of monthly retribution payments. according to the volume of water used. Based on this, companies are encouraged to ensure the progress of the extension of the Water Resources Concession Permit. (OFI).

The company can also show documents for recording daily water use, as well as the results of the recapitulation of water use for palm oil processing units every month. For example, for the period January - December 2021, based on surface water utilization data, the

average use of water for FFB processing is 26,225 m<sup>3</sup>/month or equivalent to 1.89 m<sup>3</sup>/ton FFB. However, when calculating the overall water use, the total water use is 43,360 m<sup>3</sup>/month. The results of interviews and document review obtained information that the high volume of water use is because it is not only used for FFB processing but also for water use in office areas and employee housing.

The company can also show proof of payment of the water levy to the Regional Revenue Service for the period January, February, and March 2022 with the payment period being made every month. The last example of proof of payment of water levies is based on proof of payment made on February 13, 2022 for total water use in January 2022, the water tax paid is not only for the FFB processing process but for all water uses.

The results of field observations in the Water Treatment Plan (WTP) and Water Intake also show that the flowmeter used is still functioning properly, for the water used for FFB processing, washing and housing is located in each of these locations and is not incorporated into the WTP area. The results of interviews with officers responsible for WTP also show that operators are very understanding about how WTP work and recording flowmeter data. Officers can also show the data of incoming and outgoing water which is recorded every day.

Status: Non-conformity Number 2022.04 at indicator 7.8.2

## 7.9

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

#### 7.9.1

The Certification Unit has made efforts to increase the efficiency of the use of fossil fuels and optimize renewable energy, these efforts are also monitored and documented in the form of documents for the use of Diesel Fuel for Operational Plants and Gardens for the period 2020 - 2021. The biofuel in question is solid waste in the form of shell and fiber used for substitution of fossil fuels (diesel) as a producer of electrical energy using a boiler. The recapitulation of solid waste utilization for the period January – December 2021 shows that from 165,638 Tons of FFB processed, it can produce biofuel in the form of 10,826 Tons of shells and 23,189 Tons of fiber, all of which are used for the combustion process in boilers or equivalent to 20.5% of the total FFB processed.

Based on the data analysis of the use of diesel fuel for FFB processing, information on the estimation of diesel fuel needed to generate electricity in the factory area is 1,775,895 liters/year or 10.72 liters/ton of FFB. However, due to the efficient use of diesel fuel which is substituted with biofuel, it can reduce the use of diesel to only 14,000 liters/year or the equivalent of 0.09 liters/ton of FFB. This shows that the use of biofuels can reduce the use of diesel by 99% for 2021.

The results of interviews with the company stated that this efficiency is very beneficial because it can reduce diesel consumption. Currently it is needed only to turn on the generator as the initial power plant. Energy efficiency is also applied to all operational activities of the company by minimizing the use of fuel by contract workers, including all machinery and transportation operations. The total utilization of diesel for 2021 is 47,040 liters where there is an increase in the use of diesel from 2020 of 46,650 liters, this is due to an increase in the use of diesel for the use of wheel loaders. Currently, the company has not utilized methane gas to produce electricity.

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 minimize GHG emissions.

#### 7.10.1

The Certification Unit has carried out an inventory of GHGs contained in the Greenhouse Gas Emissions Mitigation Program document for the period 2021, based on document analysis, it can be concluded that the company has identified the source of GHG produced by the Dolok Sinumbah POM unit and its suppliers. Identification of significant sources of GHG emissions are identified and mitigation plans have been developed by the company covering mills and plantations. Significant GHG emissions include land use change, POME processing, use of fertilizers and pesticides, use of fossil fuels for operations and transportation. The mitigation plans include, among other things, the correct dosage and application of fertilizers as recommended, reducing reuse and recycling, limiting the use of electricity, transportation and machine maintenance, as well as periodic air quality tests. The company has also reported the results of the GHG calculation to the public which was submitted to the RSPO GHG website.

Efforts to reduce fossil fuels in Dolok Sinumbah POM are carried out by using fiber and shells as fuel substitutes. The company also uses POME to be applied to land with test results from the monitoring period January – December 2021 which show that all wastewater testing parameters have met the applicable quality standards. Based on a review of documents such as pesticide use monitoring,

diesel fuel monitoring, HCV identification and others it was found that accurate data has been entered into the RSPO GHG Calculator version 4.0. The summary of GHG emissions for the period January – December 2021 is as follows:

#### General Information

Association	No. of Estates/Plantations	FFB Processed (t)	Planted Area (ha)
Own Plantation	2	121,261.10	6,728.17
Group Plantation	9	16,457.22	33,446.00
3rd Party	7	27,919.81	0.00
<b>Total</b>	<b>18</b>	<b>165,638.13</b>	<b>40,174.17</b>

#### Summary Emissions

Description	Value	Unit	Description	Value	Unit
CPO	2.33	tCO <sub>2</sub> e/tProduct	Oil palm planted on mineral soil	40174.17	Ha
PK	2.33	tCO <sub>2</sub> e/tProduct	Oil palm planted area on peat	0.00	Ha
PKO	0	tCO <sub>2</sub> e/tProduct	Total oil palm planted area	40174.17	Ha
PKE	0	tCO <sub>2</sub> e/tProduct	Conservation area (Forested)	0.00	Ha
OER	21.92	%	Conservation area (non-Forested)	88.48	Ha
KER	4.01	%	FFB Production per hectare	4.12	t/ha

#### Mill Emissions and Credits & Emissions from Palm Kernel Crusher

Mill Emissions and Credits			Emissions from Palm Kernel Crusher	
Emission Source and Credits	tCO <sub>2</sub> e	tCO <sub>2</sub> e/t FFB	Emission Source	tCO <sub>2</sub> e
POME	99382.88	0.20	PK from own mill	0.00
Fuel Consumption	146.76	0.00	PK from other sources	0.00
Grid Electricity Utilization	0.00	0.00	Fuel Consumption	0.00
Export of Excess Electricity to Housing & Grid	0.00	0.00	Total Crusher Emissions	0.00
Sale of PKS	0.00	0.00		
Sale of EFB	0.00	0.00		
<b>Total</b>	<b>99529.64</b>	<b>0.20</b>		

#### Estate / Plantation Field Emissions and Sinks

Description	Emission (tCO <sub>2</sub> e)			TOTAL
	Own	Group	3rd Party	
<b>Emission Source</b>				
Land Conversion	60031.83	324710.96	0.00	384742.79
CO <sub>2</sub> Emissions from Fertilizer	3449.60	26593.98	0.00	30043.58
N <sub>2</sub> O Emissions from Peat	0.00	0.00	0.00	0.00
N <sub>2</sub> O Emissions from Fertilizer	1639.29	17946.26	0.00	19585.55
Fuel Consumption	513.99	3400.70	0.00	3914.69
Peat Oxidation	0.00	0.00	0.00	0.00
<b>Sinks</b>				
Crop Sequestration	-41464.71	-299113.93	0.00	-340578.64
Sequestration in Conservation Area	0.00	0.00	0.00	0.00
<b>Total</b>	<b>24169.99</b>	<b>73537.97</b>	<b>2233.58</b>	<b>99941.55</b>

#### FFB Supplier

Supplier Name	FFB Production by Estate/Plantation (t)	FFB Supplied by Estate/Plantation (t)	Percentage of FFB supplied by Estate/Plantation (%)
Kebun Dolok Ilir	1413.14	1413.14	100.00
Kebun Laras	2786.03	2786.03	100.00
Kebun Marjandi	988.91	988.91	100.00

Kebun Balimbingan	38523.88	38523.88	100.00
Kebun Marihat	2982.00	2982.00	100.00
Kebun Tanah Itam Ulu	246.94	246.94	100.00
Kebun Gunung Bayu	90.27	90.27	100.00
Kebun Dolok Sinumbah	82737.22	82737.22	100.00
Kebun Bukit Lima	2131.13	2131.13	100.00
Kebun Bah Jambi	213.41	213.41	100.00
CV Rianalim	10261.45	10261.45	100.00
PT. Pehulisa	7421.72	7421.72	100.00
Tani Mandiri	3744.74	3744.74	100.00
PT Hot Abadi Lestari	4592.48	4592.48	100.00
CV. Putra Doge	649.96	649.96	100.00
CV. Sauhur Jaya	1114.11	1114.11	100.00
PT. Maura Doge	135.35	135.35	100.00
Kebun Bah Birong Ulu	5605.39	5605.39	100.00

#### Palm Oli Mill Effluent Treatment

Description	Unit	Value
POME Produced	t/yr	99382.88
Diverted to Compost	%	0
Diverted to anaerobic digestion	%	100
POME to anaerobic pond	%	100
POME to methane capture (flaring)	%	0
POME to methane capture (electricity generation)	%	0
COD value before anaerobic digestion	mg/l	2,413
COD value after anaerobic digestion	mg/l	963
COD removed during digestion	tCOD/tPOME	0
POME Produce	t/yr	99382.88
CH <sub>4</sub> (Total)	t/yr	0
Applied N in POME	t/yr	44.72
Total N <sub>2</sub> O emission from POME	tCO <sub>2</sub> e/yr	0.30

\*POME is only processed in WWTP

Based on the results of the above data analysis, it can be seen that the emission value from CPO and PK production is quite low at 2.33 tCO<sub>2</sub>e/tProduct. Likewise, when compared to the emission values of the previous period, it shows that there was an increase in CPO and PK emissions from 0.78 tCO<sub>2</sub>e/tProduct to 2.33 tCO<sub>2</sub>e/tProduct. The results of interviews with management stated that the increase in emissions was due to differences in the area data entered in 2021.

#### 7.10.2

The Certification Unit did not carry out new developments after 2014, but the company continues to manage GHG by conducting an inventory of emission sources. They can show identification documents of activities that generate emissions for the period 2021 for Mills and Plantations. This is done to estimate carbon stocks in the management area along with potential sources of emissions that can occur directly as a result of the management, and a plan to minimize these emissions is drawn up and implemented.

The GHG emission reduction mitigation plan developed by the company is the use of renewable fuels in the form of shells and fiber as a substitute for diesel, performing maintenance on operational equipment on a regular basis, and utilizing POME in Land Applications. Companies can show records of GHG mitigation for Estate and Mill units, for example the use of fertilizers according to the dose, routine maintenance of operational vehicles, socialization of the prohibition of burning waste, implementation of efficient use of electricity and integrated pest control to minimize the use of pesticides.

#### 7.10.3

The certification unit has identified the source of pollution and the mitigation plan contained in the SOP document for Inventory and Mitigation of Greenhouse Gases No. 10 revision 2 which was ratified on January 2, 2015. The company has also carried out

management and monitoring related to the results of the identification and mitigation plan as evidenced through RKL-RPL document for semester 2 of 2021 and has reported it to the Simalungun Regency Environmental Service on March 1, 2022.

Based on the verification of the document, it shows that in the management of air pollution, the certification unit has tested air emissions on boilers and generators as well as ambient air. The test was carried out by a KAN accredited laboratory (LP-1284-IDN) on July 14, 2021. Based on the analysis of the value of the test results, it can be concluded that there is no emission value that is above the applicable quality standard, namely PermenLH Number 07 of 2007 for Boilers, PermenLH Number 13 of 2009 for Gensets and PPRI Number 22 of 2021 for ambient air.

In addition, the company has also carried out management for interference from immovable sources. The test was carried out by a KAN accredited laboratory (LP-1284-IDN) on July 14, 2021. The tests carried out by the company included testing for odor, vibration, and noise in the work area and housing. Based on the results of document verification, it shows that all test results are in accordance with the quality standards set for each applicable statutory regulation, namely KepmenLH No. 48/1996 for noise, KepmenLH number 49/1996 for vibration, and KepmenLH No. 50/1996 for odors.

However, for the results of noise measurements, based on Permenakertrans Number 5 of 2018 for several FFB processing areas in the Mill and generator room area, it shows that they are above the required quality standard values. Under these conditions, to reduce the potential for harm to hearing, the company has prepared several control actions plans to reduce the impact on the health factors of operators working in the workplace. Efforts that have been made by the company include:

- Regular maintenance program for tools/machines to keep them awake.
- Setting the working time by means of job rotation so that the amount of noise exposure to workers can be controlled (should not be >8 hours/day for a noise level of 85 dBA).
- Preparation of HIRARC (Hazard Identification Risk Assessment & Risk Control) documents for all activities in the Factory and socializing it to all related employees
- Conduct periodic socialization and training of SOPs to related operators.
- Installation of "Noise Zone" warning boards and mandatory use of PPE.
- Inspection and evaluation of the health of the workforce and the routine work environment at stations with a potential level of noise hazard.
- Examination of the use of PPE by safety officers related to the discipline of using PPE.
- Provide PPE in the form of earplugs and earmuffs and conduct audiometric health checks for factory employees.

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

Status: Comply

#### 7.11

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

##### 7.11.1

The Dolok Sinumbah POM certification unit can show the procedures for preventing and overcoming land fires in the SOP document for Overcoming Land Fires No. 01 revision 02 which was ratified on January 2, 2015. The scope of the SOP includes planning, prevention, mitigation, post-fire management and reporting and coordination of firefighting work. and Land Preparation, where the procedure explains that land clearing is done by mechanical means and Zero Burning. The land clearing procedure is carried out by not burning but doing it mechanically.

The company also has a SOP for New Land Clearing which shows the work process on land preparation by not burning in land clearing activities. The company can also show documentation of replanting activities using mechanical (heavy equipment) and chipping methods not by burning.

Based on the results of field observations in the replanting area of Dolok Sinumbah Estate Afdeling 4 block 21Q and Balimbingan Estate Afdeling 4 block 21E and 21F, information was obtained that there were no signs of land clearing by burning, all land clearing activities used mechanical. Based on interviews with management and the Environment Agency, it was also stated that the company is committed to not burning for land clearing.



### 7.11.2

The company has procedures related to fire prevention and control which are contained in the SOP document for Overcoming Land Fires No. 01 Revision 02 dated January 2, 2015. Based on the review of the document, it is known that the fire control techniques owned by the company have referred to the prevailing laws and regulations in Indonesia, including Government Regulation Number 4 of 2001, Minister of Environment and Forestry Regulation Number 10 of 2010 and Minister of Agriculture Number 11 of 2015. Fire control and prevention programs have been included in the Monitoring of Firefighting Facilities and Infrastructure for the 2021 period, for example, monitoring fire extinguisher, monitoring firefighting equipment and fire simulation. The company has also managed, monitored, prevented and controlled land and forest fires, including the following:

- Establishment of a firefighting team equipped with the necessary equipment.
- Training on Land Fire Fighting Simulation and fire extinguisher Simulation for the emergency response team and employees
- Provide firefighting equipment that refers to the Regulation of the Minister of Agriculture Number 05 of 2018.
- Monthly fire extinguisher monitoring with inspection results at the location of fire extinguisher installation with powder, foam and CO2 types in plantations and factories in a ready-to-use condition.

The company can also show a list of facilities and infrastructure owned by referring to the standardization of equipment in Ministry of Agriculture 05 of 2018. The results of field observations via video at the Fire Department Warehouse show that all facilities and infrastructure are in good condition and well maintained, firefighting simulation activities are also running well and the tools used can function optimally. The company already has complete facilities and infrastructure as shown in the document List of Fire Extinguishing Equipment and Other Equipment with the latest update on January 2, 2022. Based on field observations at the Hydrant location, it shows that the company manages these facilities and infrastructure well, the results of interviews with several employees also stated that the company had made efforts to prevent and control fires through the installation of signboards, socialization, and fire simulations by the factory and estate firefighting teams.

The results of interviews with the Plantation Service and the Environment Service stated that the firefighting equipment owned by the company was sufficient for fire control. The company has a fire control system which is described in the Report on the Preparedness Report of Plantation Land Fire Control Systems, Facilities, and Infrastructure for the First Semester of 2021. The provision of fire prevention infrastructure refers to the Ministry of Agriculture Number 05 of 2018. The company also sends a Semester Fire Monitoring and Prevention Report. 2 of 2021 which was sent to the Plantation Office of Simalungun Regency on March 16, 2022. Based on the report for semester 2 of 2021, it was concluded that there were no land fires in the company's management area.

### 7.11.3

Based on document review, interviews with management units and workers accompanied by simulations of fire extinguishers, it can be seen that the company has human resources capable of preventing and dealing with fires. This is also supported by adequate equipment and routine activities in conducting emergency response team simulations. Emergency Response Team members are employees selected by the company and trained to participate in simulations who are expected to be able to handle emergency conditions, and master the role and security measures.

Based on the results of field observations, it shows that the company's operational locations are around densely populated settlements. However, based on the results of field visits and interviews, information was obtained that there are Afdeling communities that do not yet have a community that cares about fire, but based on records of fire incidents for the last 2 years there has never been a fire in the company area. Based on this, companies are encouraged to make efforts to involve the community around their management areas to anticipate and deal with fires as well as complete fire prevention facilities throughout Afdeling. (OFI).

Status: Comply

### 7.12

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

#### 7.12.1 and 7.12.8

Based on management information and a review of the area statement, it was found that there were no new plantings and land clearing above 2005. The results of interviews with management showed that the latest land clearing activities were only for replanting activities. The company can also show the Disclosure of Zero Liability document which was sent to the RSPO Compensation panel in 2016, in the document stating that PTPN IV Unit Dolok Sinumbah POM is free from non-compliant land clearance. Based on this



information, it can be concluded that the RACP procedure is not applicable.

### 7.12.2

Based on the verification of land clearing data, there is no indication of new land clearing after 15 November 2018, therefore the company has no obligation to conduct a High Carbon Stock (HCS) study. The HCV assessment for the Dolok Sinumbah POM Unit is divided into 2 scopes, including:

- Dolok Sinumbah Estate**

For the scope of Dolok Sinumbah Estate, it was carried out on 11 – 12 July 2011 with final documents in 2011. The HCV assessment was carried out by CV Citra Cendikia, chaired by Kunkun J Gurmaya using the 2008 HCV toolkit. The HCV identification assessment was carried out for the scope of PTPN IV Dolok Sinumbah business unit which consists of 4 Afdeling with a total study area of 4,211.89 Ha. A peer review of the HCV identification report has been carried out by Rudy Ready Lumuru as the RSPO registered HCV Assessor. A public consultation was also held on October 3, 2011 and was attended by 80 participants who are relevant stakeholders. Based on the results of the HCV identification, the HCV area was 345.49 Ha. The HCV areas identified in the PTPN IV area of the Balimbingan plantation unit are as follows:

Criteria	Afdeling	Kawasan konservasi	Luas (Ha)
NKT 1	Afd 1 – 4 Afd 1 & 3	Bah Kasindir, Bah Bolon, and Bah Mancok Riparian River Springs Riparian	326.5
Potential NKT 1.1	Afd 1 & 2	Emplacement	14.5
NKT 4	Afd 1 – 4 Afd 3 Afd 1	Bah Kasindir, Bah Bolon, and Bah Mancok Riparian River Springs Riparian The springs of the Bah Bolon River	328
NKT 6	Afd 1 Afd 2	Public cemetery Janakun Public cemetery Bumirejo	2.05
<b>Total</b>			<b>345.49</b>

*\*Data based on the 2011 HCV assessment document*

- Balimbingan Estate**

For the scope of Balimbingan Estate, it was carried out on 16 – 17 November 2015 with final documents in 2016. The HCV assessment was carried out by PT Surveyor Indonesia, chaired by Hendry Marpaung using the 2008 HCV toolkit. The HCV identification assessment was carried out for the scope of PTPN IV Balimbingan business unit consisting of: 4 Afdeling with a total study area of 3042.15 Ha. This area is different from the scope of management of the Balimbingan plantation, which is 3981.94 hectares. However, when referring to the map in the document the results of the HCV assessment show that the study has covered the entire operational area of the company. A peer review of the HCV identification report has been carried out by Kunkun J Gurmaya as the RSPO registered HCV Assessor. A public consultation was also held on November 16, 2016 and was attended by 18 participants who are relevant stakeholders. Based on the results of the HCV identification, the HCV area was 88.48 Ha. The HCV areas identified in the PTPN IV area of the Balimbingan plantation unit are as follows:

Kriteria	Afdeling	Kawasan konservasi	Luas (Ha)
NKT 1 and 4	Afd 1 Afd 2 Afd 3 Afd 4	Bah kasinder and Bah Manigom Riparian River Bah kisat, Bah Tongguran, and Gila Riparian River Bah tongguran, Bah boluk, and Aek Moyam Riparian River Bah Birong, and Anak Bah Birong Riparian River	14.06 17.78 15.23 16.71
NKT 5	Afd 1	Water catchment forest	22.71
NKT 6	Afd 1 Afd 2 Afd 3 Afd 4	Public cemetery 1 and 2 Public cemetery Public cemetery Opung Odam Public cemetery	0.41 0.43 0.32 0.83
<b>Total</b>			<b>88.48</b>

*\*Data based on the 2016 HCV assessment document*

Based on the data above, it can be concluded that the entire scope of the Dolok Sinumbah POM certification unit already has a document on the results of the HCV assessment with a total area of 433.97 hectares of HCV owned. The management of the HCV area is carried out by each Estate due to the remote location and different area management. So that in the form of reporting, it is carried out separately even though the management program is relatively the same.

### 7.12.3

Indicator 7.12.3. currently irrelevant to Indonesia, until further decisions from the RSPO.

### 7.12.4

Based on the results of HCV identification, it is known that there is an HCV area within the scope of the certification unit, which is 345.49 Ha for the Dolok Sinumbah Estate and 88.48 Ha for the Balimbingan Estate in the form of HCV 1, 4 and 6 as well as several types of RTE species consisting of mammals, aves and herpetofauna identified as HCV 1.2. The company also has a map of the HCV area and topography with a scale of 1:50,000, the map is also equipped with information about: map title, cardinal directions, map legend, map update date, and map source.

The company already has procedures for managing HCV areas which are contained in several documents, including:

- SOP Number 08 concerning Management and Monitoring of High Conservation Values (2 January 2018) which refers to several regulations such as the RI Law Number 32 of 2009 and the 2008 HCV Toolkit. The SOP describes the management and monitoring of HCVs such as making boundary markings, setting buffer widths zone, reviewing documents resulting from planning and management of HCVs, as well as preparing improvement plans based on the results of the review.
- SOP Number 09 concerning Identification and Protection of Flora and Fauna (1 August 2017) which refers to several regulations such as the RI Law Number 5 of 1990 and Number 32 of 2009. The SOP describes protective measures such as prohibiting the application of chemicals in the area protection and river borders, as well as socializing, placing warnings and activities for the protection of flora and fauna.

However, based on the results of document verification, interviews and field observations, the following information was obtained:

- In residential areas, offices, and strategic areas (often traversed by the community/workers) in the Dolok Sinumbah and Balimbingan plantations, it shows that there are no indirect forms of socialization such as installation of information boards and warning warnings related to conservation areas, the existence of protected rare plants and animals, prohibition of hunting, and prohibition of burning.
- No marking of HCV area management boundaries was found, especially for HCV areas 1 and 4 (Riparian area).
- The company can show the HCV Area Management Program document for the 2021 period, but not all programs listed in the document can be proven to be realized.
- The company has been able to show the Protected Areas and Flora Fauna Report document for 2021. However, it has not included an evaluation to determine the follow-up of these programs.
- The company has not been able to show the integrated management plan document based on the results of the review involving the relevant stakeholders.
- There are replanting activities in the river border HCV area in the Dolok Sinumbah Afdeling 4 plantations Blocks 16O/21O and 16R/21Q as well as the Balimbingan Afdeling 4 plantations Blocks 21E and 21F.

This has become a discrepancy in the surveillance-2 audit related to replanting activities and chemical application in river border areas. The company has taken corrective and preventive actions to fulfill non-compliance, such as oil palm tree removal activities, marking of chemical application boundaries, marking of HCV areas, as well as local forestry plant planting activities at the Balimbingan Plantation, Aek Moyam, Afdeling 3, block 19A (currently a block 19D). However, based on field observations at these locations, it shows that there is no form of riparian management as stated in the corrective and preventive actions to fulfill these non-conformities.

Based on the evidence obtained, it is concluded that the company has not been able to fully implement HCV management, develop programs based on reviews that have been carried out and document comprehensive management activities. (Non-conformity Number 2022.05.

### 7.12.5

The company has identified the needs of the community as well as the areas needed by the affected community to meet their basic needs, taking into account the potential positive and negative changes in their livelihoods as a result of the company's operational activities. This can be proven by the existence of HCV 6 areas in the form of public graves and springs. The company has identified and carried out activities to minimize risks and impacts both for the community and for the environment, for example by providing regular socialization to the community not to apply chemicals in river areas to avoid pollution, not to clear land by burning, and so on, which can be proven based on the minutes of socialization conducted on October 28, 2021 to the surrounding village government. In

addition, the PTPN IV Group as the parent of the Dolok Sinumbah POM unit has collaborated with local stakeholders such as the Environmental Service, Police, Fire Department, local NGOs, traditional groups and community leaders around the area under its management. The company has also approached relevant stakeholders, including:

- Submit a list of protected species found in their area to BKSDA.
- Provide executive summary to relevant parties such as local government and local communities.
- Socialization on HCV is carried out regularly to surrounding villages.
- Make an agreement with the surrounding village to maintain the HCV area in the company area.

The unit of certification has also considered various land tenure and management options to protect the HCV area in a way that also protects the rights and livelihoods of local communities. Since the area managed by the company is entirely an oil palm planted area which is directly adjacent to the settlement, the level of potential conflict between the HCV area and the community is quite high. Potential conflicts identified when the audit was conducted were that many livestock (cows) belonging to the community were released in the company area for grazing. The results of interviews with management stated that the company allowed livestock to enter their area to avoid potential conflicts that might arise if the ban was carried out, besides that the company also provided access to people who wanted to find grass for their livestock feed.

The results of field observations in the HCV 6 area in the form of a public cemetery in Afdeling 4 also show that the company continues to provide access for the community to carry out cultural activities in the area. Potential conflicts that may arise from the provision of access for the public to enter the company's area are the high rate of theft of FFB and facilities owned by the company. The management stated that it is difficult to control this potential, because if access is closed it will cause unrest in the community, but if access is still given, the company often suffers losses due to theft.

The company can also show the Minutes of Consultation and Evaluation of the Management and Monitoring of the HCV area on 28 October 2021 by involving the local village government. In this activity, it was discussed related to the existence of the HCV area in the company's area as well as the expectations and suggestions from the local village government, among others, it is hoped that the company will continue to monitor the existence of the HCV area, complete the HCV warning board and conduct periodic socialization to the surrounding community regarding the presence of HCV. as an important area to protect the existence of biodiversity.

#### 7.12.6

Disciplinary measures for workers who catch, harm or collect RTE species are regulated in the Internal Office Memo which is updated annually, such as the latest document Number DOS/SE/intrn/01/I/2022 published on January 3, 2021 regarding Zero Tolerance Policy. against hunting activities for RTE species. This memo explains that all workers are not allowed to catch, harm, collect or kill protected animals. Violation of this matter will be subject to sanctions by the company until it is reported to the authorities with reference to Law of the Republic of Indonesia Number 5 of 1990.

In addition, the company has also conducted socialization about the existence of endangered plants and animals to employees and the surrounding community which is shown in the socialization report document which is accompanied by photo evidence of activities and attendance list with details of activities. The socialization period carried out by the company is 2 times a year. The company has implemented the socialization to workers and the public with evidence of the following minutes:

- Outreach to workers in Afdeling 1 and 2 areas, which was held on 2 February 2022 and was attended by 37 participants.
- Outreach to local village heads, which was held on 28 October 2021 and was attended by 4 participants.

However, based on the results of field observations to residential areas and HCV areas, it shows that no indirect forms of socialization such as the installation of information boards and brochures of warning signs related to conservation areas and the presence of endangered plants and animals are protected and others in strategic locations such as offices, entrances, around the HCV area and other public facilities. This has become a non-compliance with indicator 7.12.4 regarding the management of the HCV area.

#### 7.12.7

Monitoring of protected areas in the 2021 period is carried out regularly every semester to ensure the security of the area. Monitoring activities are carried out in several river border locations and all areas of the company's management. This monitoring is carried out to see the progress of the results of HCV management from the initial stage to the current condition. The company also monitors the diversity of flora and fauna which is routinely carried out every year by showing the results of HCV monitoring carried out in 2021. The results of observing fauna in the plantation area still found several protected animal species that are included in the protected status

according to IUCN, CITES and Regulations Government No. 7 of 1999 includes Tiger roots (*Felis bengalensis*), Weasel (*Cynolgale benetti*), Ground squirrel (*Lariscus insignis*) and Hedgehog (*Hystrix Bancana*).

However, the company has not been able to show the annual evaluation of HCV area management, follow-up to improve the HCV area management plan which is made every 5 years, reviews related to management and monitoring activities in 2021 and other supporting documentation. Based on this, it has become a non-conformity with indicator 7.12.4.

Status: (Non-conformity Number 2022.05 at indicator 7.12.4)
---

## 3.2 Conformity Checklist of Certificate and Trademark Use

1.	Evidence of permission or approval certificate and trademark from Certification Body which submitted by Client	X or ✓
ASA-3 + ASA-4	During documents review, unit of certification did not use RSPO logo/trademark	✓
	Status: Comply	
2.	Implementation of certificate and trademark used by Client comply with size and type (shape) against Guideline of trademark Use	X or ✓
ASA-3 + ASA-4	During documents review, unit of certification did not use RSPO logo/trademark	✓
	Status: Comply	
3.	Implementation of Certificate and Trademark is not used on product	X or ✓
ASA-3 + ASA-4	During documents review, unit of certification did not use RSPO logo/trademark	✓
	Status: Comply	
4.	Controlling of Certificate and Trademark, including withdrawing inappropriate trademark.	X or ✓
ASA-3 + ASA-4	During documents review, unit of certification did not use RSPO logo/trademark	✓
	Status: Comply	

### 3.3 Summary of RSPO Partial Certification.

Compliance of the uncertified management units of PT Perkebunan Nusantara (PTPN) III 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) III Time Bound Plan (TBP) is explained in point 1.10. PT Perkebunan Nusantara (PTPN) III 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 January 2021.

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

MUTU Auditor has verified company partial certification and concludes that:

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

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?	PT Perkebunan Nusantara III has carried out self-assessment (i.e internal audit) against uncertified management units dated on 1 December 2020 by PT Perkebunan Nusantara III, PT Perkebunan Nusantara III has submitted some self-assessment reports year 2021 on behalf PTPN III, PTPN V, PTPN VI, and PTPN VIII. It has support- ed evidence of the self-assessment against each requirement such as self assessment reports
2.1.2	No replacement after dates defined in NIs Criterion 7.3 of: <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 III</p> <p>Based on document verification sighted that all uncertified unit has conducted LUCA and submitted to the RSPO:</p> <ul style="list-style-type: none"> <li>- KRBTN dated 20 August 2021, there are raw non-compliant land clearance with area 489.83 Ha.</li> <li>- KBDY dated 20 August 2021, there are raw non-compliant land clearance with area 116.20 Ha.</li> <li>- KKINO dated 18 August 2021, there are raw non-compliant land clearance with area 477.85 Ha.</li> <li>- KJLRS dated 18 August 2021, there are raw non-compliant land clearance with area 3,823.91 Ha.</li> </ul> <p>The KBDBY and KRBTN has conducted HCV-HCS assessment by CV Greenera dated 19 to 23 October 2021. While the KNINO and KJLRS will be assessed on June 2022 by ALS- HCV. The company to be consider to realization this plan on June 2022.</p> <p>PTPN III's development of a new planting area (Muara Upu at South Tapanuli – Hapesong Estate) and there is a conversion area from crumb rubber to oil palm at Batang Toru Estate, Hapesong Estate, Rambutan Estate dan Bandar Betsy Estate.</p> <p>For the new planting at Muara Upu – Hapesong Estate, the</p>



Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<p>company has carried out applying NPP in accordance with this clause and the progress under reviewing of Compensation Task Force. Based on communication with PT PN III. The company still waiting for Head of District decision response, for land exchanged process since the land was included on peat moratorium area according to President of Republic of Indonesia decree letter no. 6 year 2013.</p> <p>While for a conversion area, the company has arranged the plan for conducting the NPP. The objective evidenced as follow:</p> <ol style="list-style-type: none"> <li>Internal Memo from Head of Management System for approval a purpose of NPP project for 4 (four) estates (Batang Toru Estate, Hapesong Estate, Rambutan Estate dan Bandar Betsy Estate) dated January 25, 2018. This internal memo issued based on the initial gap assessment has conducted in January 2018.</li> <li>Form of Request Budget (No. 3.16/PPAB/07/2018) dated January 29, 2018.</li> </ol> <p><b>PTPN V</b></p> <p>Based on document review, there was no evidence that the company (PTPN V) has changed any primary forest and/or HCV area into palm oil plantation since November 2005 except Part of Sei Berlian estate (Sei Berlian-2) within forest areas based on Ministry of Forest decree No.SK.878/Menhut-II/2014 jo SK.903/MENLHK/SETJEN/PLA.2/12/2016). The organization has got Land Use Right (HGU) from government before the regulation above was issued so that the organization still coordinating with government about case it. Whereas, Sei Buatan estate, Tanjung Medan estate and Sei Galuh estate still in-process review of disclosure liability by RSPO secretari-at so they has not been ensured that no replacement to any identified as HCV areas or required to maintain or enhance HCVs. All planted areas after November 2005 are from re- planting process without NPP replacement. This company is considered old company under State Owned (Ministry of BUMN).</p> <p><b>PTPN VI</b></p> <p>Uncertified management units has conducted HCV assessment such as :</p> <ul style="list-style-type: none"> <li>Unit of Batanghari Business (Batanghari Estate), Unit of Bunut business (Bunut Estate &amp; POM), Unit of Tanjung Lebar business (Tanjung Lebar Estate &amp; POM) &amp; Unit of Durian Luncuk (Aur Gading POM &amp; Durian Luncuk Estate) : Date on 1 January to 11 November 2018 by Samsul Ulum (license : ALS15013US) as lead assessor and some assessor members i.e R.Sukasmianto, Moh.Yasin, Bahrun, Pemi Aprilis, Devis Rachman, Ihwan Rafina, Roland Sinulingga and Endra Gunawan on behalf PT Fodec Khatulistiwa. It has carried out public consultation</li> </ul>

Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<p>dated on 20 February 2018 (initial public consultation) &amp; 4 June 2018 (public consultation for the result of HCV assessment). There are some evidences that public consultations has involved stakeholders. Current condition that HCV assessment report has been satisfactory category on 23 March 2021.</p> <ul style="list-style-type: none"> <li>During audit, other the uncertified management units has not been carried out HCV assessment such as Unit of Ophir business (Ophir POM &amp; estate), Unit of Pangkalan 50 Kota business (Pangkalan 50 Kota estate), Unit of Solok Selatan business (Solok Selatan POM &amp; estate), Bukit Cermin Estate, PT Bukit Kausar &amp; PT MAJI but PTPN VI have budget &amp; the allocation activity plan year 2020 for HCV assessment in Unit of Ophir business, Unit of Pangkalan 50 Kota business and Unit of Solok Selatan business. Allocation Activity Plan year 2020 is postpone because any reduction operational cost in pandemic covid-19. PTPN VI have action plan and estimating cost for HCV assessment include of the review by HCV RN, HCS, LUCA &amp; SIA. Bunut estate &amp; POM, Batang Hari estate and Tanjung Lebar estate have estimate for finalization of HCV RN and LUCA document in year 2021. Whereas, the remain of uncertified management unit is Triwulan I and IV year 2022. Before HCV assessment will doing by RSPO ALS assessor and has review by HCV-RN so uncertified management units has carried out assessment of protected areas refer to Indonesian regulation by internal assessor.</li> </ul> <p>Batanghari Business Unit (Batanghari Estate) &amp; Bunut Business Unit (Bunut Estate &amp; POM) has submitted disclosure liability, LUCA &amp; shp file to RSPO and RSPO has responded email from auditee on 29 January 2020 where RSPO is requesting some clarifications and auditee has not been submitted email to RSPO for some clarifications which needed. It is still waiting finalization of LUCA document.</p> <p>Auditee has been submitted reporting template for disclosure of areas cleared without prior HCV assessment since Nov 2005 file on behalf other uncertified management units i.e Unit of Tanjung Lebar Business (Tanjung Lebar estate &amp; POM), Unit of Durian Luncuk Business (Aur Gading POM &amp; Durian Luncuk Estate), Unit of Ophir Business (Ophir Estate &amp; POM), Unit of Pangkalan 50 Kota Business (Pangkalan 50 Kota estate), Bukit Cermin estate, PT Bukit Kautsar &amp; PT MAJI.</p> <p>Some management units has carried out land clearing activities (replanting or conversion activities) since November 2005 without processed by HCV identification/assessment. Based on RaCP tracker (per November 2019) in RSPO website and the</p>

Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<p>result of correspondence with RSPO compensation panel that the management units under PT Perkebunan Nusantara VI have 0 management unit with potential liability because information inside of disclosure liability form &amp; LUCA still revised by auditee on behalf Unit of Batanghari Business and Unit of Bunut Business and other uncertified management units has not been submitted disclosure liability. LUCA and shp file.</p> <p>Following up one of resolution from 35<sup>th</sup> BHCVWG meeting year 2017 are pushing certified management unit to submit annex 7 &amp; 8 (compensation concept note &amp; compensation plan) to RSPO compensation panel in annual surveillance audit by each certification body according time frame which has decided in meeting. The progress of the concept note approval can be saw in indicator of 7.12</p> <p>There are some land clearing areas above year 2010 until 18 October 2016 (auditee join with RSPO) under PT Perkebunan Nusantara VI areas but New Planting Procedure (NPP) was not implemented. Based on information of NPP document that it will ensuring compliance with new planting requirement at the time of certification. After join to RSPO, there is conversion of plant type (from rubber to oil palm) year 2017 in Pangkalan 50 Kota estate and it have potential as sanction areas.</p> <p><b>2<sup>nd</sup> partial audit was conducted on 24-25 November 2021</b>  The Tanjung Lebar Business Unit postponed to February 2022, due to single membership consolidation and approval process by RSPO Secretariat and the Disclosure &amp; Liability of Tanjung Lebar is still pending. While the Disclosure &amp; Liability of Batang Hari Business Unit has approved by RSPO secretariat with Zero Liability dated 20 June 2020; the audit planned on 22 December 2021. Therefore the Disclosure &amp; Liability of Bunut Business Unit is still on process, the latest email from Indrawan Suryadi (RSPO Secretariat) dated 23 November 2021. For the Bunut Business Unit certification plan is on schedule (December 2021).</p> <p>There are also letter for SEVP Operation from Head of Planning &amp; Sustainability with number: ND-312/06.08/XI/2021 dated 25 November 2021 about RSPO certification preparation in Bunut &amp; Batang Hari Business units and also awareness criteria 7.12 RSPO P&amp;C and Risk Analysis for six business units (Ophir, PLK, Solse, BKC, B. Kausar, and MAI) by Consultant Inovasi Sejahtera Berkelanjutan.</p> <p><b>PTPN VII</b>  Bentayan Estate, Sungai Lengi Estate, Sinabing Estate and Talopino Estate were not conducted new planting after November 2005. However the HCV identification document was not available. The HCV assessment will conducted by</p>

Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<p>consultant (Bentayan Estate: 2026; Sungai Lengi Estate: 2022; Senabing Estate: 2025 and Talopino Estate: 2024).</p> <p>Senabing Estate was conducted Conversion from year of 2005 to 2010 with area 408 Ha. The LUCA assessment will be conducted by Consultant in the year of 2025.</p>
2.1.3	Any new plantings since January 1 <sup>st</sup> 2010 must comply with the RSPO New Plantings Procedure.	<p><b>PTPN III</b></p> <p>PTPN III's development of a new planting area (Muara Upu at South Tapanuli – Hapesong Estate) and there is a conversion area from crumb rubber to oil palm at Batang Toru Estate, Hapesong Estate, Rambutan Estate dan Bandar Betsy Estate.</p> <p>For the new planting at Muara Upu – Hapesong Estate, the company has carried out applying NPP in accordance with this clause and the progress under reviewing of Compensation Task Force. Based on communication with PT PN III. The company still waiting for Head of District decision response, for land exchanged process since the land was included on peat moratorium area according to President of Republic of Indonesia decree letter no. 6 year 2013.</p> <p>While for a conversion area, the company has arranged the plan for conducting the NPP. The objective evidenced as follow:</p> <ul style="list-style-type: none"> <li>c. Internal Memo from Head of Management System for approval a purpose of NPP project for 4 (four) estates (Batang Toru Estate, Hapesong Estate, Rambutan Estate dan Bandar Betsy Estate) dated January 25, 2018. This internal memo issued based on the initial gap assessment has conducted in January 2018.</li> <li>d. Form of Request Budget (No. 3.16/PPAB/07/2018) dated January 29, 2018.</li> </ul> <p><b>PTPN V</b></p> <p>Auditee has been submitted reporting template for disclosure of areas cleared without prior HCV assessment since Nov 2005 file on behalf other uncertified management units i.e Unit of Tanjung Lebar Business (Tanjung Lebar estate &amp; POM), Unit of Durian Luncuk Business (Aur Gading POM &amp; Durian Luncuk Estate), Unit of Ophir Business (Ophir Estate &amp; POM), Unit of Pangkalan 50 Kota Business (Pangkalan 50 Kota estate), Bukit Cermin estate, PT Bukit Kautsar &amp; PT MAJI.</p> <p>Some management units has carried out land clearing activities (replanting or conversion activities) since November 2005 without processed by HCV identification/assessment. Based on RaCP tracker (per November 2019) in RSPO website and the result of correspondence with RSPO compensation panel that the management units under PT Perkebunan Nusantara VI have 0 management unit with potential liability because information inside of disclosure liability form &amp; LUCA still revised</p>

Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<p>by auditee on behalf Unit of Batanghari Business and Unit of Bunut Business and other uncertified management units has not been submitted disclosure liability. LUCA and shp file.</p> <p>Following up one of resolution from 35<sup>th</sup> BHCVWG meeting year 2017 are pushing certified management unit to submit annex 7 &amp; 8 (compensation concept note &amp; compensation plan) to RSPO compensation panel in annual surveillance audit by each certification body according time frame which has decided in meeting. The progress of the concept note approval can be saw in indicator of 7.12</p> <p>There are some land clearing areas above year 2010 until 18 October 2016 (auditee join with RSPO) under PT Perkebunan Nusantara VI areas but New Planting Procedure (NPP) was not implemented. Based on information of NPP document that it will ensuring compliance with new planting requirement at the time of certification. After join to RSPO, there is conversion of plant type (from rubber to oil palm) year 2017 in Pangkalan 50 Kota estate and it have potential as sanction areas.</p> <p><b>PTPN VII</b> Bentayan Estate, Sungai Lengi Estate, Sinabing Estate and Talopino Estate were not conducted new planting after November 2005. However the HCV identification document was not available. The HCV assessment will conducted by consultant (Bentayan Estate: 2026; Sungai Lengi Estate: 2022; Sinabing Estate: 2025 and Talopino Estate: 2024). Sinabing Estate was conducted Conversion from year of 2005 to 2010 with area 408 Ha. The LUCA assessment will be conducted by Consultant in the year of 2025.</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><b>PTPN III</b> <b>KRBTN</b> There are several area in Afdeling VII were occupied by communities and overlap with PT KAI. The unit management have made persuasive efforts to resolve it, however no agreement has been found. Currently was nothing significant land conflict.</p> <p><b>PTPN V</b> There was land conflict between PT PN V with community in Senama Nenek village, located in Sei Kencana Estate and Terantam Estate for approximately <math>\pm 2,800</math> Ha (<math>\pm 550</math> Ha under Terantam Estate and <math>\pm 2,250</math> Ha under Sei Kencana E tate). During this initial audit, this area has been released in accordance with a court decision.</p> <p><b>PTPN VI</b> PT Perkebunan Nusantara VI have SOP of implementing FPIC, SOP of communication and consultation with community, SOP</p>

Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<p>of handling land conflict including procedure of calculation and compensation.</p> <p>Land compensation process has done a few time ago for some areas in uncertified management units (Unit of Bunut Business, Unit of Tanjung Lebar Business, Unit of Batanghari Business, Unit of Durian Luncuk Business, Unit of Ophir Business). The record and document of land compensation on behalf PT Bukit Kautsar has provided by auditee as example photograph of hand over land compensation payment, land compensation letter date on 21 October 2009, letter date on 21 October 2009 from head of village, statement letter date on 21 October 2009 that land owners has agreed land to acquired, measure note date on 21 October 2009, receipt note of land compensation payment, ID card and land owner letter from head of village. Whereas, PT MAJI and Unit of Bukit Cermin Business has provided sample of land compensation i.e payment receipt, photograph of land compensation activity, copy ID card, agreement of payment, statement letter of hand over and legal land.</p> <p>Community who lose access and land right for plantation areas has given the opportunity to benefit (direct and indirect) from plantation development as sample in form of scheme smallholder areas, as employee, as contractor (transportation, supplier for daily food, etc), as FFB supplier, etc.</p> <p>Refer to case tracker or status of complaints under PT Perkebunan Nusantara VI period of February 2011 to during audit that any 1 cases and it has closed based complaint panel decision (since year 2019). Further details on this case are available here:  <a href="http://www.rspo.org/members/complaints/status-of-complaints/view/26">http://www.rspo.org/members/complaints/status-of-complaints/view/26</a>. Unit of Bukit Cermin Business has provided some evidences relate of land compensation record and document from dispute/conflict areas.</p> <p>2<sup>nd</sup> partial audit was conducted on 24-25 November 2021  Based on document log book of external letter verification on the uncertified units sighted that there were no land dispute claim from the communities during period January to October 2021.</p> <p><b>PTPN VII</b>  The Senabing Estate has not been able the land use historical for the area 2,355.72 Ha. Currently also the Senabing Estate not obtained HGU from the related Agency. There are land conflict resolution in Senabing Estate (Lahat District), the land dispute was started on 14 August 1986. It has resolved dated 9 June 2011 by Minute of Land Measurement number</p>



Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		SENA/BA382/2001 in Tanjung Makmur Village for area 1.25 Ha.
2.1.5	Any Labour disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.	<p>PTPN III</p> <p>Based on self assessment in KRBTN, KBDSY, KKINO and KJLRS and desk study on internet sighted that there are no labour dispute issues, since last year period until the partial audit conducted on 8-9 November 2021.</p> <p>PTPN V</p> <p>There is no labour issue/dispute found during this initial certification audit.</p> <p>PTPN VI</p> <p>There is a mechanism of resolving grievance and compliant from employee and industrial action. It has covered in the collective labour agreement between PT Perkebunan Nusantara VI and SP- BUN PTPN VI (labour union) period of 2020 to 2021 (article 76 – sub section XIV) and SOP of internal communication and handling employee complaint. Scope of collective labour agreement is all company employees and as a normative reference for subsidiaries. Collective labour agreement has signed by both parties and any evidence of registration about collective labour agreement from Ministry of Man Power has been shown by auditee.</p> <p>Based on self-assessment against uncertified management units, there is no identified labor disputes ongoing at subsidiary companies of PT Perkebunan Nusantara VI. Based on website date on 3 October 2017 that any labour dispute between Mr M.Dasuky Hajar Nasution and PT MAJI. Based on communication with representative of PTPN VI that it has followed up both parties. SP-Bun (labour union) have vital position because based on SOP of internal communication and handling employee complaint that employee's grievance &amp; complaint can be informing to labour union (SP-BUN) and organization will try to resolve complaints at the labour union level and any mechanism solving grievance and compliance from employee on collective labor agreement (PKB)</p> <p>2<sup>nd</sup> partial audit was conducted on 24-25 November 2021</p> <p>The renewable of collective labor agreement period of 2022-2023 is still on process, that the final meeting in Yellow Hotel will be conducted on 25 to 26 November 2021.</p>

Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<p><b>PTPN VII</b></p> <p>There are no labour dispute during internal audit assessment, the company will be follow up the regulation of PP 50 of 2012, PP 38 of 2011, PP 101 of 2014, and Permenaker 19 of 2012.</p>
2.1.6	Any Legal non-compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.	<p><b>PTPN III</b></p> <p><b>KRBTN</b></p> <p>Letter from Sumatera Utara Governor with number 520.33/145/DISPMPPTSP/5/I.5/I/2018 dated 25 January 2018 about Revision of commodity from rubber to oil palm plantation in Rambutan Estate. Revision from Rubber: 2,253.35 Ha &amp; Oil Palm 546.41 Ha to Rubber: 1,156.95 Ha and Oil Pal 5,158.33 Ha.</p> <p>There are several HGU certificate with HGU number 1 year of 1996 in Sei Bamban Village (569.32 Ha), Sei Priok Village (780.45 Ha), Paya Bagas Village (4,373.78 Ha); and also Sei Simujur Village (1) number 18 year of 2009 with area 793.15 Ha.</p> <p><b>KBDBY</b></p> <p><i>Surat Pendaftaran Usaha Perkebunan</i> with number HK.350/530/Dj.Bun.5/VII/2001 Bandar Betsy Estate with area 5,348.90 Ha with commodity rubber. Therefore conversion license from rubber to oil palm with number 503.35/271/17.42018 dated 12 February 2018 with area 116.2 Ha.</p> <p>HGU on process, the latest process are Nota Dinas number 419/ND-300.HP.03.01/VII/2021 from KANWIL BPN Sumatera Utara Province dated 1 July 2021 about Renewal of HGU Bandar Betsy with area 5,348.90 Ha dated 2 July 2021.</p> <p><b>KJLRS</b></p> <p>IUP on process due to revision of AMDAL document. However there are HGU number 03 year of 1994 with area 2,318.87 Ha.</p> <p><b>KKINO</b></p> <p>IUP on process due to revision of AMDAL document. However there are HGU number 122 year of 1999 with area 4,632.60 Ha. Based on Self-assessment there are some conditions not yet compliance with RSPO criteria 2.1 such as:</p> <ol style="list-style-type: none"> <li>HGU on process (Sei Simujur-2, KRBTN): There are letter from Senior Executive Vice President PTPN III dated 22 September 2020 with number BUMU/X/44/2020 to the BPN of Asahan District for Cadastral process. During the audit, the progress of this matter still opened.</li> <li>There is a land conflict (Batang Toru Estate) not yet resolved.</li> </ol>

Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<p><b>PTPN V</b></p> <p>There has been no significant legal non-compliance in PTPN V and its subsidiary. The company is not in the process of any litigation. PT PN V has acquired HGU (land title) for all of its subsidiaries except the part of Sei Berlian estate (Sei Berlian-2) because the organization still in-process to get Land Use Right (HGU).</p> <p><b>PTPN VI</b></p> <p>Uncertified management units has complied with applicable legal requirement which supported by some evidences such as :</p> <ol style="list-style-type: none"> <li>1. Some uncertified management units (Ophir Estate &amp; POM, Solok Selatan Estate &amp; POM, Pangkalan 50 Kota Estate, Ba- tanghari Estate, Bunut Estate &amp; POM, Tanjung Lebar Estate &amp; POM, Bukit Cermin Estate, Pinang Tinggi POM, Aur Gading POM, Durian Luncuk Estate &amp; PT Bukit Kautsar) have Plantation Business Permit (Izin Usaha Perkebunan) so they has complied with Minister of Agriculture Regulation no.98/permentan/OT.140/9/2013 article 8 or 10 or 13.</li> <li>2. Some uncertified management units (Ophir Estate &amp; POM, Solok Selatan Estate &amp; POM, Pangkalan 50 Kota Estate, Batanghari Estate, Bunut Estate &amp; POM, Tanjung Lebar Estate &amp; POM, Bukit Cermin Estate, Aur Gading POM, Durian Luncuk Estate, PT MAJI &amp; PT Bukit Kautsar) have land use right (Hak Guna Usaha) so they has complied with law no.5 year 1960 article 28. One of land use right owned by Durian Luncuk es- tate still renewal process and one of Bukit Kautsar areas still in-process to get land use right.</li> <li>3. Some uncertified management unit (Sei Bahar II Bunut POM, Solok Selatan POM, Tanjung Lebar Estate &amp; POM, Pinang Tinggi Estate &amp; POM, Bunut Estate, Batanghari Estate, Durian Luncuk Estate &amp; PT Bukit Kautsar) have environment document so they has complied with Minister of Environment Reg- ulation no.05 Year 2012 jo Minister of Environment &amp; Forestry Regulation no.P.38/MENLHK/SETJEN/KUM.1/7/2019 or Min- ister of Environment Regulation no.13 Year 2010 or Minister of Environment Regulation no.14 Year 2010.</li> <li>4. Bunut POM and Tanjung Lebar Estate &amp; POM have storage temporary for hazardous &amp; toxic materials waste and their permit so they has complied with Minister of Environment Regulation no.30 year 2009 article 5.</li> <li>5. Bunut POM and Solok Selatan POM have land application permit so they has complied Minister of Environment Decree no.29 year 2003.</li> <li>6. Unit of Tanjung Lebar Business, Unit of Bunut Business, Unit of Batanghari Business and Unit of Durian Luncuk Business have permit of release for forest areas from government (Minister of Forestry Decree no.260/KPTS-</li> </ol>

Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<p>VII/1988 and no.418/KPTS-II/1990). Whereas, PT Bukit Kautsar have permit of release for forest areas from government too (Minister of Forestry Decree no.69/Kpts-II/1997 &amp; no.443/Kpts-II/1999 and letter from Head of Forestry Agency in Jambi Province no. S.6.802/Dishut/BIPH.1.2/XII/2015). PT Mendahara Agro Jaya Industri have permit of release for forest areas from gov- ernment too (Minister of Forestry Decree no.954/Kpts-II/1999).</p> <p>7. Plantation Business Permit (Izin Usaha Perkebunan) on be- half PT MAJI (Head of Tanjung Jabung Timur decree No.30 year 2005) and PT Bukit Kautsar - Pengabuan POM (Governor of Jambi decree No.564/KEP.Gub/Disbun/2011).</p> <p>8. Environment Document on behalf Ophir Estate &amp; POM (letter no.213/II/DAR-3/1999), Solok Selatan Estate (head of Solok Selatan District decree No.660/152/KLH-2011), Pangkalan 50 Kota Estate (head of capital investment and integration ser- vice decree no.007/IL/DPMPTSP-LK/II/2020), Aur Gading POM &amp; Durian Luncuk estate (Governor of Jambi Province decree No.171/Kep.Gub/BLHD/2009), Bukit Cermin Estate (approved by No.100.A year 2011 on 3 October 2011) and PT MAJI (approved by No.76 year 2007 on 23 March 2007) was available.</p> <p>A documented system relate of law requirements and mechanism to ensuring compliance with legal compliance and a system to tracking changes to the law and regulation has covered in procedure of updating law and regulation and evaluation of compliance. All uncertified management units has provided the list of relevant law and regulation and the status of compliance because the mechanism to ensuring compliance with legal compliance has been implemented.</p> <p>Auditee has provided a legal land, map of legal land and a procedure of boundary monitoring where boundary monitoring shall be conducting every month and reporting in report of boundary monitoring result. Uncertified management units has provided the report of boundary monitoring result such as Unit of Tanjung Lebar business, Unit of Batanghari business, Unit of Solok Selatan business, Unit of Pangkalan 50 Kota business, Unit of Ophir business, PT MAJI, Unit of Durian Luncuk business, Unit of Bunut business, Unit of Bukit Cermin business and PT Bukit Kautsar.</p> <p><b>PTPN VII</b> The company will be follow up the regulation of PP 50 of 2012, PP 38 of 2011, PP 101 of 2014, and Permenaker 19 of 2012. The Senabing Estate has not been able the land use historical for the area 2,355.72 Ha. Currently also the Senabing Estate</p>

Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		not obtained HGU from the related Agency. There are land conflict resolution in Senabing Estate (Lahat District), the land dispute was started on 14 August 1986. It has resolved dated 9 June 2011 by Minute of Land Measurement number SENA/BA382/2001 in Tanjung Makmur Village for area 1.25 Ha.

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

#### 3.4.1 Identification of Non-conformity at ASA – 2 Onsite

NCR No.	:	2020.01	Issued by	:	Dwi Haryati
Date Issued	:	07 <sup>th</sup> March, 2020	Time Limit	:	Next Surveillance
NC Grade	:	Non-Critical	Date of Closing	:	8 <sup>th</sup> April 2021 (Remote Audit ASA-3)
Standard Ref. & Requirement	:	2.2.2 All contractors providing operational services and supplying labour, and Fresh Fruit Bunch (FFB) suppliers, comply with legal requirements.			
Evidence observed & Non-Conformance Description (filled by auditor):					
<p>Not all legal obligations have been stipulated in work agreements with third parties, and not all of them have been implemented in the field. This is known based on the following evidence:</p> <ul style="list-style-type: none"><li>a. Review of the Contract document between PTPN IV - Kebun Dolok Sinumbah and the contractor, for example the FFB Transport contract (No.GMD-I / TAN / S.Perj-PY / 121 / ANGKUT-TBS / I / 2020, valid from 9 January until 9 April 2020), the contract has not yet been stated in a separate clause regarding the fulfillment of applicable legal obligations, for example relating to the minimum age of workers, minimum wages, work accident insurance, and the provision of PPE to contractor employees.</li><li>b. Field observations and interviews with FFB loading workers (contractors) in Block AG 96 Division II Balimbingan Estate, it is known that workers do not use PPE boots and gloves, in accordance with the risk analysis and regulations set by the company (workers only use PPE helmets when working).</li><li>c. Interviews with contractor workers in Division I Balimbingan Estate explain the working conditions such as the availability of PPE provided by the workers themselves, as well as the absence of work safety guarantees.</li></ul> <p>Also based on the Memo from the Head of Strategic Planning Section (No. 04.03 / Kol / M-09.A / XI / 2019, dated November 6, 2019) regarding vendor evaluation. This memo explains that the unit is bound by work agreements with third parties to make vendor evaluations including: PPE monitoring, BPJS membership, proof of payment of BPJS, salary slips, track record assessments, and other evaluations if needed. However, the company has not shown an overall assessment in documentation every month in accordance with the Memo.</p> <p>The list of contractors managed by the Dolok Sinumbah unit consists of 6 partners (immature plant maintenance, FFB transport, palm kernel transportation, wheel loader rental, and CPO transportation) and Balimbingan unit there are 5 partners (loading and unloading FFB).</p>					
Root Cause Analysis (filled by organization audited):					
<ul style="list-style-type: none"><li>1. Lack of understanding of the Functional and District Sections in drafting contracts regarding the addition of clauses according to Memo Number 04.03/Kol/M-09/XI/2019 dated November 6, 2019 regarding Addition of Clauses in the RKS and Contracts or Agreements.</li><li>2. Lack of understanding of the unit on the obligation to evaluate Vendor performance, especially related to OSH and labor regulations.</li></ul>					
Correction (filled by organization audited):					
<ul style="list-style-type: none"><li>1. Disseminate the Memo Number Memo Number 04.03/Kol/M-09/XI/2019 dated November 6, 2019 regarding the Addition of Clauses in the RKS and Contracts or Agreement Letters in the District and Functional Section</li><li>2. Conduct socialization of obligations to evaluate the performance of Vendors.</li><li>3. To assess the effectiveness of the provision of socialization, evaluation is carried out no later than 1 month after the socialization to measure the level of understanding of the participants in the socialization, in accordance with the Decree of the Board of Directors of PT Perkebunan Nusantara IV Number 04.12/Kpts/52/V/2012 concerning Provisions for the Implementation of Internal Education and Training.</li></ul>					



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

1. Monitoring the preparation of the Contract or Letter of Agreement
2. Monitoring vendor performance
3. Evaluation is carried out with documented discussion and question and answer

**Assessor Evaluation and Conclusion (filled by auditor):**
**Auditor Verification on 7<sup>th</sup> May 2020**

The company shows evidence of improvement in the form of:

- Letter Number BAL/SE/Intrn/59/III/2020, dated March 9, 2020 regarding the use of PPE in carrying out work activities. The letter explains that the Company imposes sanctions on employees and vendors who do not wear PPE when carrying out work activities. Garden workers and workers from vendors are required to use PPE provided by the company or the vendor.
- Minutes of socializing the use of PPE on March 16, 2020.
- Example of evaluation of training/socialization participants which consists of components of increasing knowledge and understanding of work after workers have participated in the presentation of the socialization theme.
- Monitoring the use of PPE for afdeling workers and vendors.
- Monitoring the requirements of work performed by vendors.

Based on the proof of improvement above, the form of the Company's Contract Agreement with a third party (contractor) has not yet been shown which includes a clause on fulfillment of legal obligations and has been implemented by a third party. Thus the discrepancy cannot be fulfilled (Open).

**Auditor Verification on 26<sup>th</sup> May 2020**

The company shows evidence of improvement:

- Contract from one of the vendors (UD Kasih) with PTPN IV regarding the Procurement of FFB Transportation Works from Afdeling IV Area of Dolok Sinumbah Plantation to Dolok Sinumbah/Bah Jambi/Gunung Bayu/Dolok Ilir/Pabatu Factory. The Contract Number GMD-I/TAN/S.Perj-PY/121/ANGKUT-TBS/I/2020 explains several articles related to compliance with regulations/laws, for example, described in Article 6 (Specifications of FFB Transport Vehicles) and Article 7 (Materials for Transporting FFB), Tools and Labor). The two articles explain the fulfillment of regulations related to vehicle legality, fulfillment of PPE obligations, minimum age and work accident insurance for third-party workers. The validity period of the agreement starts from the date of signing which is January 9, 2020. until April 9, 2020. (The Contract has expired on the date of verification of non-conformance by the auditor, which is May 26, 2020).

Based on the evidence of improvement shown above, it is tentatively concluded that:

- The discrepancy has not been met (Open), because the auditor still needs supporting evidence, namely:
- Example of a valid contract, because the proof of the contract shown has expired on the verification date.
- Examples of implementation related to the provision of PPE, registration of work accident insurance, minimum age of workers from one of the vendors that can be shown to the auditor.

**Auditor Verification on 8<sup>th</sup> April 2021 (Remote Audit)**

The company shows evidence of improvement as follows:

- Contract Agreement between PTPN IV and CV Rio Mandiri regarding FFB Transport Works Afdeling I Balimbingan Plantation (Number: 04.04/SPKP/ANGKUT-TBS/30/I/2021, 13 January 2021 – 13 April 2021). In the sampled contract agreement above has mentioned in Article 5 that contractors are required to include all of their workers in the BPJS program (point 4), prohibited used of child labor as well as human trafficking (point 5) and provide PPE (point 7).
- Letter of Agreement between PTPN IV and PT Pehulisa Jaya Pratama regarding Sale – Purchase of Oil Palm FFB, (Number: DOS/PT.PHL/SP-TBS/03/II/2021, dated January 13, 2021 – April 13, 2021). In Article 3 points it is stated that the contractor must comply with the applicable provisions/regulations from the Ministry of Manpower, comply with the K3 regulations/stipulations in accordance with the Regulation of the Minister of Manpower and Transmigration, including:
  - Not use child labor
  - Do not use forced labor /worker from human trafficking
  - Mandatory to provide PPE for workers

The company shows evidences of compliance with legal requirements by a sampled contractor (CV Rio Mandiri):

- CV Rio Mandiri Social Security (BPJS) Membership Certificate Number: 100000000680351 dated 27 March 2019.
- Commitment Letter of CV Rio Mandiri's has committed to use child labor according to regulations in PTPN IV Balimbingan business unit (Signed by the Director in January 2021 and PTPN IV General HR and Security Assistant).
- Pay list of CV Rio Mandiri employees period March 2021 signed by the Director of CV Rio Mandiri for 31 employees consisting of Drivers and Loaders.
- BPJS membership card for 31 employees of CV Rio Mandiri.
- The Document of PPE Monitoring for Truck Drivers for CV Rio Mandiri Drivers dated 4 January 2021. Monitoring is carried out by Internal Team of PTPN IV Balimbingan Unit in monthly basis to ensure that the contractors are consistent with contract clausal on OSH.
- Document of Vendor Feasibility and Evaluation for CV Rio Mandiri (Agreement No: BAL/04.04/27/III/2021 dated 16 March 2021), contains information on the evaluation results of vendor assessments in terms of quality and performance.

Based on the results of the root cause analysis submitted, the evidence of improvement shown and the preventive actions taken, this discrepancy is declared comply and will be observed in the next assessment.

Verified by : Dwi Haryati / Samsul Rijal

NCR No.	:	2020.02	Issued by	:	Dwi Haryati
Date Issued	:	07 <sup>th</sup> March, 2020	Time Limit	:	Next Surveillance
NC Grade	:	Non-Critical	Date of Closing	:	8 <sup>th</sup> April 2021 (Remote Audit ASA-3)
Standard Ref. & Requirement	:	6.2.6 A DLW is paid to all workers, including those a piece rate/quotas, for whom the calculation is based on achievable quotas during regular work hours.			
Evidence observed & Non-Conformance Description (filled by auditor):					
<p>The company has not been able to show the results of the calculation of applicable wages and benefits in the form of goods given to workers in accordance with RSPO guidelines in the implementation of Living Wages (UHL), such as housing, water, electricity, health facilities, children's education, food, etc. etc., even though minimum wages have been paid to workers in accordance with regulations.</p> <p>This is not in accordance with the instructions of the RSPO Secretariat in the document "Statement From The RSPO Standards Committee Regarding Indicator 6.2.6 on Decent Living Wage" Endorsed by the RSPO BoG 7 November 2019, it states that: For countries where no living wage standard is set , until such time as the benchmark adopted by the RSPO for that country exists, the national minimum wage must be paid to all workers. In addition to the payment of the minimum wage, the certification unit must carry out an assessment of the RSPO guidelines to apply for a Living Wage (UHL).</p>					
Root Cause Analysis (filled by organization audited):					
<ul style="list-style-type: none"><li>• Lack of understand about DLW because currently the company is based on the UMP which is based on KHL according to the Minister of Manpower Regulation Number 21 of 2016</li><li>• Previous calculations have not been appropriate or have not referred to the guidelines for calculating the prevailing wage issued by the RSPO in November 2019.</li></ul>					
Correction (filled by organization audited):					
<ul style="list-style-type: none"><li>• Make the calculation of DLW in accordance to the guidelines for calculating the prevailing wage issued by the RSPO in November 2019.</li><li>• Shows salary components based on KHL.</li></ul>					

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

- Conducting socialization of DLW where in Indonesia it is still based on related regulation on Decent Living Components.
- Appointed a dedicated staff to calculating DLW which refers to the guidelines for calculating the prevailing wage issued by the RSPO in November 2019.

**Assessor Evaluation and Conclusion** *(filled by auditor):*
**Auditor Verification on 7<sup>th</sup> Mei 2020**

The company shows proof of improvement in the form of calculating the salaries of employees of class IA/00 with details of their income and the minutes of socialization of salary components on March 18, 2020.

Based on the evidence of improvement shown, it is not possible to show the calculation of the prevailing wage and a detailed explanation of the components included in it.

Thus the discrepancy cannot be fulfilled (Open).

**Auditor Verification on 26<sup>th</sup> May 2020**

The company shows proof of improvement in the form of an example of calculating the prevailing wage in the 2019 Salary Scale document for employees of Group IA to IID PTPN IV (According to the Decree of the Board of Directors No. 04.11/Kpts/59/IV/2019 dated April 30, 2019). Explained the elaboration of calculations for group IA/0 (lowest) to group IA/14 (highest). Some of the components that are included in the salary scale are: Basic Salary, Self-Employed Value of Rp. 9,500/Kg, Special Allowance, House Rent, Electricity 25% of House Rent, Water 15% of House Rent, Electricity + Water 40%, Transport 35% of Basic Salary. In addition, it also explains the amount of allowances, the amount of salary outside of overtime and the value of overtime per hour. During audit activities, the company still applies the determination of the Minimum Wage based on the 2019 UMP, which is Rp. 2,303,403, -. While the amount of wages earned by an employee with class 1A/0 is detailed as follows:

Basic Salary : IDR 1,842,772, - + Rice Supply Value: IDR 142,500, + Special Allowance IDR 303,181, + Electricity Allowance IDR 115,170, - = Total wages of IDR 2,403,573, - (2019 minimum wage is IDR 2.303.403, -). So the wages earned are Rp. 100,170 more than the 2019 UMP).

However, this is still not enough to meet the demand for indicators, because there are several things that are still unclear and we need to confirm regarding the explanation:

- Basic Calculation of Water 15% and Transportation 35%
- What about the calculation component for Education Facilities and Child Care?

So that the discrepancy has not been met (open).

**Auditor Verification on 1<sup>st</sup> June 2020**

The company shows evidence of improvement:

- Explanation of the calculation of compensation for housing, electricity, water and city transportation based on the Decree of the Directors of PTPN IV No.04.13/Kpts/78/VII/2016 concerning Personnel Regulations, PKB for the period 2018-2019.

Based on the evidence of improvement shown, additional information is still needed regarding the type of income earned by employees based on company obligations and employee income which is another benefit that can be obtained by employees beyond the obligations imposed by the company.

So that the non-conformity has not been met (open).

**Auditor Verification on 8<sup>th</sup> April 2021 (Remote Audit ASA-3)**

The company shows prevailing wage calculation in the document of "Skala Gaji Tahun 2020 Karyawan Golongan IA/0 (lowest grade) to IID (highest grade) PTPN IV/Salary Scale Year 2020 for employees of Grade IA to IID PTPN IV (According to the Director Decree No. No.04.08/Kpts/39/IV/2020 dated 27 Januari 2020). Explained the elaboration of calculations for group IA/0 (lowest) to group IA/14 (highest). The components include in the calculation such as basic salary, rice ration, allowances (i.e special allowances, house rent, electricity, water, transportation) and other benefits (i.e school facilities, child care facilities, extra food and work clothes). The DLW value given to workers from the lowest to the highest class based on this calculation ranges from Rp 4,695,032 – Rp 4,696,032. The minimum wage regulation for North Sumatra Province in 2020 is Rp. 2,499,423.06/month.

Based on the results of the root cause analysis submitted, the evidence of improvement shown and the preventive actions taken, this discrepancy is declared comply and will be observed in the next assessment.

Verified by : Dwi Haryati / Samsul Rijal

NCR No.	:	2020.03	Issued by	:	Dwi Haryati
Date Issued	:	07 <sup>th</sup> March, 2020	Time Limit	:	08 <sup>th</sup> June, 2020
NC Grade	:	Critical	Date of Closing	:	07 <sup>th</sup> June, 2020
Standard Ref. & Requirement	:	6.7.3 Workers use appropriate personal protective equipment (PPE), which is provided free of charge to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, land preparation and harvesting. Sanitation facilities for those applying pesticides are available, so that workers can change out of PPE, wash and put on their personal clothing.			
Evidence observed & Non-Conformance Description (filled by auditor):  The company has provided PPE for workers in the workplace, but has not shown sufficient evidence of monitoring the use of PPE to all workers in the workplace. This is known from field observations, such as : a. Field observations and interviews with 2 employees harvesting the Dolok Sinumbah block in 2007 B and 1 census officer division stated that PPE replacement is done once a year and if the PPE provided by the company has been damaged, then workers take the initiative to provide PPE themselves. During interviews with auditors, workers use PPE that is provided by themselves. b. Field observations and interviews with loading FFB workers (contractor) in Block AG 96 Division II of Balimbing Estate, workers do not use PPE boots and gloves (workers only use PPE helmets when working). This is not in accordance with the results of the company's risk identification, which stipulates that loading FFB workers using PPE boots, gloves and helmets.  This is not in accordance with applicable regulations, for example, Article 50 of the Collective Labor Agreement which states that the Company provides work equipment in accordance with SNI standards as a company inventory for companies working in work units. This also includes third party workers who have been listed in the employment contract clause.  Also in the mechanism governing PPE replacement if damaged before the scheduled replacement period is listed in the SE Manager (No. BAL / SE / Intern / 11/1/2019 for the Guidance unit and No. DOS / SE / intern / 01 / I / 2019 for Dolok Sinumbah) which states that the identification of defective PPE is carried out through monitoring the completeness of PPE that is carried out monthly by a technical assistant, reported to the HR assistant for PPE replacement, and distribution of PPE to employees.					
Root Cause Analysis (filled by organization audited): 1. Lack of understanding of the mechanism of PPE replacement, work risks and the importance of using PPE. 2. Lack of understanding of work risks and the importance of using PPE.					
Correction (filled by organization audited): Conducting socialization of PPE replacement, introducing work risks, using PPE and evaluating a maximum of 1 month after the implementation of the socialization and continues to be conveyed periodically every morning briefing.					
Corrective Action (filled by organization audited): 1. Monitor the usage and condition of PPE that is used regularly.					

2. Sanctions for violations of the use of PPE. Monitoring is carried out by each Assistant (PIC). Sanctions for PPE violations are given by the Manager based on reports from the PPE monitoring PIC.

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

##### Auditor Verification May 7, 2020

The company shows evidence of improvements in the form of :

- Evaluation of participants in the Risk Identification training conducted on April 9, 2020.
- Evaluation of participants in the PPE Replacement Mechanism training that was carried out on March 16, 2020.
- Memo from the Estate / Mill Manager dated March 9, 2020 with document number DOS / M / 09A / III / 2020. The socialization explained the obligation for all Assistant Heads after compulsory monitoring. In addition to the memo explaining that: While waiting for the realization of PPE procurement from the Head Office, all sections must continue to provide PPE for employees,
- Monitoring the use of PPE for afdeling workers and vendors.
- Decree for the person in charge of monitoring the APD Balimbingan Unit.

Based on the evidence of improvement above, it has not yet been shown that the worker has used the appropriate Personal Protective Equipment (PPE) of the individual, which is provided free of charge to all workers in the workplace.

##### Auditor Verification May 26, 2020

The company shows evidence of improvements in the form of:

- Handover of PPE Dolok Sinumbah Estate engineering station, that is uniform clothes for employees (no date information).
- Acceptance letter of PPE processing station Dolok Sinumbah Mill in 2019 in the form of shoes (safety) and uniforms.
- Acceptance letter of PPE Afdeling I-V Dolok Sinumbah in 2019 in the form of shoes (boots) and uniforms.
- Decree of Dolok Sinumbah Estate / Mill Manager Number DOS / OHS committee / Kpts / III / 2020, dated 9 March 2020 concerning Appointment of Officer in Charge of PPE Usage and Condition Monitoring. The company appoints five (5) employees in each of the I - V afdeling units and two (2) Mill employees. The duties and responsibilities of the PPE supervisory officer are: Monitoring / evaluating the use and condition of PPE in the Dolok Sinumbah Estate/Mill, reporting the results of monitoring to the relevant department (Afdeling and Mill) for evaluation and reporting to the Estate / Mill Manager for policy preparation Furthermore.

Based on the evidence of improvement shown above, the non conformity in this indicator has not been fulfilled (Open).

This is because it still does not explain several things related to the fulfillment of nonconformities in the field and the demand for indicators, namely:

- Explanation on how to answer the findings in the field regarding the employees of the block harvest 2007 Dolok Sinumbah and 1 census officer Afdeling I stated that the replacement of PPE is done once a year and if the PPE provided by the company has been damaged, then workers take the initiative to provide PPE themselves. During interviews with auditors, workers use PPE that is provided by themselves.
- Explanation on how to answer the findings in the field related to loading and unloading FFB workers (contractors) in Block AG 96 Afdeling II of the Balimbingan Estate, workers do not use PPE boots and gloves (workers only use PPE helmets when working). This is not in accordance with the results of the company's risk identification, which stipulates that workers loading FFB using PPE boots, gloves and helmets.

##### Auditor Verification June 4, 2020

The company shows evidence of improvements in the form of:

- Monitoring and Evaluation Forms of PPE Usage Functions in Business Units / Part No. Form REV / SMK3 / DOS / 28/0520. This form explains that workers have participated in socialization regarding PPE functions and PPE replacement mechanisms on May 28, 2020.
- Acceptance letter of damaged PPE replacements to harvest workers and census officer Afdeling I on May 28, 2020. Attached types of PPE to be replaced are shoes, gloves, glasses and helmets.

Based on the explanation of the root cause analysis, corrective, corrective actions that have been shown, the non conformity is declared Fulfilled by Observation.



Verified by	:	Dwi Haryati
-------------	---	-------------

NCR No.	:	2020.04	Issued by	:	Yohanes Hardian
Date Issued	:	07 <sup>th</sup> March, 2020	Time Limit	:	08 <sup>th</sup> June , 2020
NC Grade	:	Critical	Date of Closing	:	May 26, 2020
Standard Ref. & Requirement	:	7.8.2 Water courses and wetlands are protected, including maintaining and restoring appropriate riparian and other buffer zones in line with 'RSPO Manual on BMPs for the management and rehabilitation of riparian reserves' (April 2017).			
Evidence observed & Non-Conformance Description (filled by auditor):					
<p>The company has not been able to show evidence of water and riparian water management in accordance with procedures. Based on the field visit of the Aek Moyam River border Balimbangan Estate and the Bah Bolon River border in Dolok Sinumbah Afdeling I and II, it is known that the river border was opened and planted with oil palm during replanting activities.</p> <p>This is not in accordance with the Riparian River Management Mechanism (No. SPO 05 Revision 3 dated August 27, 2018), which states that riparian that have been planted with oil palms, their vegetation should be maintained by seeking vegetation growth in riverbank areas by prohibiting the application of chemicals. NCR no. 2020.04</p>					
Root Cause Analysis (filled by organization audited):					
<ol style="list-style-type: none"><li>1. Identification and data collection in all areas of water bodies has not been carried out thoroughly</li><li>2. There is still a lack of understanding of the treatment and monitoring of river banks or water bodies</li></ol>					
Correction (filled by organization audited):					
<ol style="list-style-type: none"><li>1. Identifying and collecting all areas of water bodies that flow into rivers</li><li>2. Inserting the area around the body of water and the river border into the maintenance barchart manually mechanically.</li><li>3. Do not apply chemicals in the area of the water body, the management is done manually / mechanically</li><li>4. The marking of area boundaries which may not be applied by chemicals</li><li>5. Revoke oil palm plants in areas that enter the river border area and are replaced with woody plants.</li><li>6. Re-socializing the treatment and monitoring of riverbanks or water bodies</li></ol>					
Corrective Action (filled by organization audited):					
<ol style="list-style-type: none"><li>1. Establish the officer responsible for monitoring the condition of the water body area</li><li>2. Make monitoring the condition of the area around the body of water</li><li>3. Monitoring the application of chemicals to avoid the use of chemicals in the body of water.</li></ol>					
Assessor Evaluation and Conclusion (filled by auditor):					
Verification May 26, 2020					
Balimbangan Unit					
The company shows evidence of improvement, namely:					
<ul style="list-style-type: none"><li>- Letter dated April 24, 2020 no BAL / 04.03 / 47 / IV / 2020 concerning Application for Revocation of Oil Palm Plantations in the Sempadan River Area.</li><li>- Memo from the Head of the Plant Division to District 1 GM and the Balimbangan Plantation Manager on May 19, 2020 no 04.03 / KOL / M-758 / V / 2020 about not following up the RSPO and ISPO Audit. In the Memo it was explained that the Balimbangan Estate had to move oil palm plants in the river border area and be replaced with woody plants</li><li>- Minutes of Demolition of Palm Oil in 2019 on 20 May 2020. In the BA it has been explained that the demolition target is 150 oil palm principal. There are 35 oil palm principal that have been dismantled and moved and the rest are still in the process of</li></ul>					



demolition in Afdeling III.

- Data on dismantling of the principal of oil palm that has been embedded in the flow of the Aek Moyam river water body business unit for planting year 2019A with a principal amount of 34 oil palm principal
- Data on woody tree planting at a water body in Afdeling II Block 19 A with a type of sengon 10 trees and bamboo 10 trees on May 20, 2020
- Monitoring and evaluation of the planting of woody trees at the location of the former oil palm plantations which were demolished on May 20, 2020 by Afdeling's assistant 3
- Balal Business Unit Manager Decree No BAL / kpts / 95 / IV / 2020 concerning the Establishment of the RSPO / ISPO Development Team in the Balinese Business Unit on April 13, 2020. The letter has set a monitoring officer for the water body area in the Balimbingan Estate.
- Identification and data collection of water bodies in 2020  
Afdeling I blok : , 95G,95D,99A,94M  
Afdeling II blok : 96K,96X,96N, 94AC  
Afdeling III blok: 19A, 19E,96BD, 96AG  
Afdeling IV blok: 95BB,96CN,95BA,95BS
- HCV 4 identification documents with a total area of 86.49 Ha  
Afdeling I : Bah Kasindir river , Bah Manigom river = 36,77 ha  
Afdeling II : Bah Kisat river , Bah Tongguran river , Gila river = 17,78 ha  
Afdeling III: Aek Moyam river , Bah Tongguran river , Bah Boluk river = 15,23 ha  
Afdeling IV: Bah birong river , bah birong river = 16,71 ha
- Documentation of marking of area boundaries that should not be used in chemical applications in Afdeling III of

Balimbingan Unit

- Barchart Maintenance in areas around water bodies and river borders in 2020 includes activities
  - o Making a red circle marking the boundary of the trunk of an oil palm tree so that the boundary of the managed area is known
  - o Monitoring bans on the use of pesticides along river banks
  - o Record the percentage of rehabilitation plant growth
  - o Conducting socialization to the community and other stakeholders about the conservation area so that it can reduce damage to the vegetation of the conservation area
  - o Monitoring the conditions of warning warnings that there are border rivers and conservation areas
- Barchart planted woody plants
- Monitoring the condition of the area around the water body of the Balimbingan Estate in April 2020
- Monitoring the implementation of Chemical Applications to prevent the use of chemicals in the area of water bodies in Afdeling III in May 2020
- Minutes of the socialization of the management of water bodies, flora and fauna was held in Afdeling III on March 17, 2020, attended by 30 employees
- Photo documentation on the installation of information on the socialization of treatment and monitoring of riverbanks in Afdeling II Balimbingan Unit
- Documentation of the removal of oil palm in the border area of the Aek Moyam river in Afd II Balimbingan Unit

Dolak Sinumbah unit

- HCV Identification Report that explains HCV excretion of 14 ha and potential HCV of 326.5 ha
- Minutes of the Reforestation / Planting of Mahogany Trees Program on March 16, 2020 in Afdeling I, II and III covering an area of 143 ha with the need for 853 Mahogany seeds to be held in March - April 2020
- Letter dated 20 April 2020 no DOS / 04.DIR.OPS / 07 / IV / 2020 concerning the agreement to transfer the principal of Immature Plantation oil palm to the age of 1 year planting 2018 planted in the Bah Bolon river area.
- Barchart planting mahogany trees in Afdeling I, II and III
- Photograph of Planting activities at the Bolon River Bah at Blok 18 J and 18 L Afdeling II
- Photograph of Boundary Signs for chemical use on river banks in Block 18 N Afdeling II
- Photograph of Boundary Signs for chemical use on Bah Bolon river banks in Blok 10C Afdeling I
- Minutes of dismantling of palm oil plantations in 2018 in the Dolok Sinumbah plantation / factory on April 20 2020. In this document, it was explained that the palm oil plantations had been planted that were embedded at afdeling I the Bah Bolon River water body in planted year 2018 at blocks A, B, E, G, I and Afdeling II in the Bah Bolon River water body in planted year 2018 at

blocks J, L, N, P as many as 587 palm oil tree. - Photo documentation of demolition of oil palm plantations on the edge of the Bolon river block 18 N at Afdeling II - The minutes of the Socialization of Water, Flora and Fauna Management for Afdeling I and II on March 12, 2020 were attended by 23 employees - Decision of Plantation Manager / Dolok Sinumbah Factory no DOS / MU / Kpts / 08 / III / 2020 regarding field officers in the management and monitoring of HCV areas related to RSPO at Dolok Sinumbah Unit - Area Monitoring Form that may not be used for chemical applications in April 2020 Afdeling I, II and III - Photo documentation of Sengon seedling	
Based on the explanation of the root of the problem, corrective, corrective actions that have been shown, the non-conformity is declared fulfilled by OBSERVATION.	
Verified by	: Yohanes Hardian

NCR No.	:	2020.05	Issued by	:	Yohanes Hardian
Date Issued	:	07 <sup>th</sup> March, 2020	Time Limit	:	08 <sup>th</sup> June, 2020
NC Grade	:	Critical	Date of Closing	:	May 26, 2020
Standard Ref. & Requirement	:	7.12.4 Where HCVs, HCS forests after 15 November 2018, peatland and other conservation areas have been identified, they are protected and/or enhanced. An integrated management plan to protect and/or enhance HCVs, HCS forests, peatland and other conservation areas is developed, implemented and adapted where necessary, and contains monitoring requirements. The integrated management plan is reviewed at least once every five years. The integrated management plan is developed in consultation with relevant stakeholders and includes the directly managed area and any relevant wider landscape level considerations (where these are identified).			
Evidence observed & Non-Conformance Description (filled by auditor):  The company has not been able to show the evidence of riparian HCV management is in accordance with HCV Management and Monitoring Plan. Based on the field visit on HCV area of Aek Moyam River riparian in Balimbangan Estate and the Bah Bolon River riparian in Dolok Sinumbah Estate - Afdeling I and II, it is known several HCV management has been conducted such as the boundary marking, and planting the woody plant. However, the riparian width still not in accordance with the SOP of Riparian Management Mechanism (No. SPO 05 Rev. 3 dated August 27, 2018), thus some riparian HCV was opened and planted with oil palm partially during replanting activities					
Root Cause Analysis (filled by organization audited): 1. Identification and data collection in all areas of water bodies has not been carried out thoroughly 2. There is still a lack of understanding of the treatment and monitoring of river banks or water bodies					
Correction (filled by organization audited): 1. Identifying and collecting all areas of water bodies that flow into rivers 2. Inserting the area around the body of water and the river border into the maintenance barchart manually mechanically. 3. Do not apply chemicals in the area of the water body, the management is done manually / mechanically 4. The marking of area boundaries which may not be applied by chemicals 5. Revoke oil palm plants in areas that enter the river border area and are replaced with woody plants. 6. Re-socializing the treatment and monitoring of riverbanks or water bodies					

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

1. Establish the officer responsible for monitoring the condition of the water body area
2. Make monitoring the condition of the area around the body of water
3. Monitoring the application of chemicals to avoid the use of chemicals in the body of water.

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

Verification May 26, 2020

**Balimbingan Unit**

The company shows evidence of improvement, namely:

- Letter dated April 24, 2020 no BAL / 04.03 / 47 / IV / 2020 concerning Application for Revocation of Oil Palm Plantations in the Riparian Area.
- Memo from the Head of the Plant Division to District 1 GM and the Balimbingan Plantation Manager on May 19, 2020 no 04.03 / KOL / M-758 / V / 2020 about not following up the RSPO and ISPO Audit. In the Memo it was explained that the Balimbingan Estate had to move oil palm plants in the river border area and be replaced with woody plants
- Minutes of Demolition of Palm Oil in 2019 on 20 May 2020. In the BA it has been explained that the demolition target is 150 oil palm principal. There are 35 oil palm principal that have been dismantled and moved and the rest are still in the process of demolition in Afdeling III.
- Data on dismantling of the principal of oil palm that has been embedded in the flow of the Aek Moyam river water body Balimbingan Unit for planting year 2019A with a principal amount of 34 oil palm principal
- Data on woody tree planting at a water body in Afdeling III Block 19 A with a type of sengon 10 trees and bamboo 10 trees on May 20, 2020
- Monitoring and evaluation of the planting of woody trees at the location of the former oil palm plantations which were demolished on May 20, 2020 by Afdeling's assistant 3
- Balimbingan Business Unit Manager Decree No BAL / kpts / 95 / IV / 2020 concerning the Establishment of the RSPO / ISPO Development Team in the Balinese Business Unit on April 13, 2020. The letter has set a monitoring officer for the water body area in the Balimbingan Estate.
- Identification and data collection of water bodies in 2020  
Afdeling I blok : , 95G,95D,99A,94M  
Afdeling II blok : 96K,96X,96N, 94AC  
Afdeling III blok: 19A, 19E,96BD, 96AG  
Afdeling IV blok: 95BB,96CN,95BA,95BS
- HCV 4 identification documents with a total area of 86.49 Ha  
Afdeling I : Bah Kasindir river , Bah Manigom river = 36,77 ha  
Afdeling II : Bah Kisat river , Bah Tongguran river , Gila river = 17,78 ha  
Afdeling III: Aek Moyam river , Bah Tongguran river , Bah Boluk river = 15,23 ha  
Afdeling IV: Bah birong river , bah birong river = 16,71 ha
- Documentation of marking of area boundaries that should not be used in chemical applications in Afdeling III of Balimbingan Unit
- Barchart Maintenance in areas around water bodies and river borders in 2020 includes activities
  - o Making a red circle marking the boundary of the trunk of an oil palm tree so that the boundary of the managed area is known
  - o Monitoring bans on the use of pesticides along river banks
  - o Record the percentage of rehabilitation plant growth
  - o Conducting socialization to the community and other stakeholders about the conservation area so that it can reduce damage to the vegetation of the conservation area
  - o Monitoring the conditions of warning warnings that there are border rivers and conservation areas
- Barchart planted woody plants
- Monitoring the condition of the area around the water body of the Balimbingan Estate in April 2020
- Monitoring the implementation of Chemical Applications to prevent the use of chemicals in the area of water bodies in Afdeling III in May 2020
- Minutes of the socialization of the management of water bodies, flora and fauna was held in Afdeling III on March 17, 2020, attended by 30 employees
- Photo documentation on the installation of information on the socialization of treatment and monitoring of riverbanks in Afdeling II Balimbingan Unit
- Documentation of the removal of oil palm in the border area of the Aek Moyam river in Afd II Balimbingan Unit

#### Dolok Sinumbah unit

- HCV Identification Report that explains HCV excretion of 14 ha and potential HCV of 326.5 ha
- Minutes of the Reforestation / Planting of Mahogany Trees Program on March 16, 2020 in Afdeling I, II and III covering an area of 143 ha with the need for 853 Mahogany seeds to be held in March - April 2020
- Letter dated 20 April 2020 no DOS / 04.DIR.OPS / 07 / IV / 2020 concerning the agreement to transfer the principal of Imature Plantation oil palm to the age of 1 year planting 2018 planted in the Bah Bolon river area.
- Barchart planting mahogany trees in Afdeling I, II and III
- Photograph of Planting activities at the Bolon River Bah at Blok 18 J and 18 L Afdeling II
- Photograph of Boundary Signs for chemical use on river banks in Block 18 N Afdeling II
- Photograph of Boundary Signs for chemical use on Bah Bolon river banks in Blok 10C Afdeling I
- Minutes of dismantling of palm oil plantations in 2018 in the Dolok Sinumbah plantation / factory on April 20 2020. In this document, it was explained that the palm oil plantations had been planted that were embedded at afdeling I the Bah Bolon River water body in planted year 2018 at blocks A, B, E, G, I and Afdeling II in the Bah Bolon River water body in planted year 2018 at blocks J, L, N, P as many as 587 palm oil tree.
- Photo documentation of demolition of oil palm plantations on the edge of the Bolon river block 18 N at Afdeling II
- The minutes of the Socialization of Water, Flora and Fauna Management for Afdeling I and II on March 12, 2020 were attended by 23 employees
- Decision of Plantation Manager / Dolok Sinumbah Factory no DOS / MU / Kpts / 08 / III / 2020 regarding field officers in the management and monitoring of HCV areas related to RSPO at Dolok Sinumbah Unit
- Area Monitoring Form that may not be used for chemical applications in April 2020 Afdeling I, II and III
- Photo documentation of Sengon seedling

Based on the explanation of the root of the problem, corrective, corrective actions that have been shown, the non-conformity is declared fulfilled by OBSERVATION.

Verified by	:	Yohanes Hardian
-------------	---	-----------------

## 3.4.2 Identification of Non-conformity at ASA – 3 Remote

NCR No.	:	2021.01	Issued by	:	Hasiholan Sihombing
Date Issued	:	08 April 2021	Time Limit	:	07 Juli 2021
NC Grade	:	Critical	Date of Closing	:	07 June 2021
Standard Ref. & Requirement	:	3.8.16 Registration of Transactions I. Shipping Announcement in the RSPO IT platform shall be carried out by the mills when RSPO certified products are sold as certified to refineries, crushers, and traders not more than three months after dispatch with the dispatch date being the Bill of Lading or the dispatch documentation date. II. Remove: RSPO certified volumes sold under different scheme or as conventional, or in case of underproduction, loss or damage shall be removed in the RSPO IT platform.			
Evidence observed (filled by auditor):  For the certified PK, the company sold all the CSPK as RSPO Certified product. Based on data from the mass balance record of Dolok Sinumbah POM for the period March 2020 to February 2021, it is known that there were 11,777.49 tonnes of conventional CSPO sales. However, no evidence has yet been shown that the number of conventional CSPO sales has been removed from the RSPO Palm Trace IT facility.					
Non-Conformance Description (filled by auditor):  The company has not been able to show evidence that the amount of conventional CSPO sales has been carried out by removing stock from the Palm Trace IT facility.					
Root Cause Analysis (filled by organization audited): Lack of understanding of officers responsible for registering sales of conventional CSPO and CSPK to IT Palm trace.					
Correction (filled by organization audited): Registering conventional CSPO and CSPK sales into IT Palm Trace PKS/Gardens send back proof of sales registration or removing stock of CSPO and CSPK on 10 May 2021.					
Auditee's answer (June 07 2021): <ul style="list-style-type: none"><li>• Production of Non-Certified CPO from Dosin Plantation from March 2020 to February 2021 = 4,303,555 Tons</li><li>• Sales of Non-Certified CPO from Dosin Plantation from March 2020 to February 2021 = 12,027.49 Tons</li><li>• The volume of CPO that must be removed from stock/can be sold Book and Claim is = 7,723.935 Ton</li><li>• The volume that has been removed and sold by B&amp;C until 04 June 2021 is = 5,973.93 Tons</li><li>• So the remaining volume that must be removed is = 7,723.935 Ton - 5,973.93 Ton = 1,750.005 Ton</li><li>• On 7 June 2021, 1,750 tons of CSPO have been removed.</li><li>• Production and sales data attached</li></ul>					
Corrective Action (filled by organization audited): <ul style="list-style-type: none"><li>• Establish a PIC who is responsible for registering conventional CSPO and CSPK sales into IT Palm Trace</li><li>• Conducting socialization/training on registration of conventional CSPO and CSPK sales into IT Palm Trace</li><li>• Conducting socialization/training and making documentation of socialization/training which includes registration mechanism for conventional CSPO and CSPK registration with stock removal (removing stock) from IT Palm Trace facility.</li></ul>					

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

#### Auditor Verification on 04 May 2021

The company has explained the root cause analysis and corrective actions for non-conformities that arise, but there are still questions from the auditor regarding this matter. Then, the company has not been able to show evidence of improvements that have been made. Thus, this discrepancy has not yet been met.

#### Auditor Verification May 28, 2021

The company has explained the root cause analysis and corrective actions for the non-conformities that arise, but there are still questions from the auditor regarding corrective actions. Then, the company has not shown evidence of the repairs that have been made as described in the Correction column above. So, this discrepancy is still OPEN.

#### Auditor Verification on June 4, 2021

The company has carried out root cause analysis and corrective actions for non-conformities that arise. Then the company has also sent proof of improvement in the form of the capture of removing 973.93 tons of CSPO stock and also sold as credits of 5,000 tons as stated in the IT palm trace capture as of 4 June 2021 below:

Member Information				License Information				
Member Name	PT Perkebunan Nusantara IV Dolok Sinumbah Palm Oil Mill	Member ID	RSPO_PO1000005868	License ID	CB104035	Issued By	PT Mutuagung Lestari	
Member Country	Indonesia	Member Category	Oil mill	Issued On	05-07-2020	Start Date	03-07-2020	
Core Product	Palm Oil			End Date	02-07-2021	License Status	Active	

Product	Supply Chain Model	Certified Volume*	Announced Volume*	Volume Allocated as Credits*	Volume Sold as Physical*	Volume Sold as Credits*	Volume Removed*	Remaining Certified Volume*
CSPK	Mass Balance	7,000	0	0	6,674.54	0	0	325.46
CSPO	Mass Balance	36,000	250	0	21,298.07	5,000	973.93	8,478
FFB_estates	Mass Balance	150,000	0	0	0	0	0	150,000

However, the evidence of the discrepancy that appears is based on the mass balance record data of Dolok Sinumbah POM for the period March 2020 to February 2021, it is known that there were conventional sales of CSPO of 11,777.49 tons. If the total removing stock and sold as credits was 5,973.93 tons, there are still 5,803.56 tons of CSPO that have been sold as conventional that have not been removed from the IT palm trace. Please explain again and show other evidence regarding the remaining CSPO that has been sold conventionally which has not been removed. Therefore, this discrepancy is still OPEN.

#### Auditor Verification on 7 June 2021

The company again sends proof of repair in the form of:

- Mass balance record of SCCS Dolok Sinumbah POM for the period March 2020 to February 2021 where from the data it is known that there have been sales of conventional CPO of 12,027.49 tons consisting of 4,303,555 tons of uncertified CPO and 7,723.93 tons of certified CPO.
- Then the company has also sent proof of repairs in the form of captures having removed a total of 2,723.93 tons of CSPO stock and also sold as credits of 5,000 tons
- From the results of the auditor's investigation through the IT palm trace as of June 7, 2021, data was found that the company had removed 2,723.93 tons of CSPO stock and 5,000 tons of sold as credits as shown in the capture below:

Member Information				License Information				
Member Name	PT Perkebunan Nusantara IV Dolok Sinumbah Palm Oil Mill	Member ID	RSPO_PO1000005868	License ID	CB104035	Issued By	PT Mutuagung Lestari	
Member Country	Indonesia	Member Category	Oil mill	Issued On	05-07-2020	Start Date	03-07-2020	
Core Product	Palm Oil			End Date	02-07-2021	License Status	Active	

Product	Supply Chain Model	Certified Volume*	Announced Volume*	Volume Allocated as Credits*	Volume Sold as Physical*	Volume Sold as Credits*	Volume Removed*	Remaining Certified Volume*
CSPK	Mass Balance	7,000	0	0	6,674.54	0	0	325.46
CSPO	Mass Balance	36,000	250	0	21,298.07	5,000	2,723.93	6,728
FFB_estates	Mass Balance	150,000	0	0	0	0	0	150,000

Based on the evidence of improvement shown, the discrepancy in this indicator can be declared closed and will be re-observed in the next audit activity.

Verified by : Hasiholan Sihombing



NCR No.	: 2021.02	Issued by	: Nurdin Chaeriana						
Date Issued	: 08 April 2021	Time Limit	: 07 Juli 2021						
NC Grade	: Critical	Date of Closing	: 28 Mei 2021						
Standard Ref. & Requirement	7.10.1 GHG emissions for the unit of certification are identified and assessed. Plans to reduce or minimize GHG emissions are implemented, monitored through the PalmGHG calculator, and publicly reported.								
Evidence observed (filled by auditor): -									
Non-Conformance Description (filled by auditor):  The company has not been able to show Plans to reduce or minimize GHG emissions are implemented, monitored through the PalmGHG calculator.									
Root Cause Analysis (filled by organization audited): Lack of understanding of officers in calculating GHG Emissions through the Palm GHG calculator									
Correction (filled by organization audited): <ul style="list-style-type: none"> <li>Perform GHG emission calculations using the Palm GHG calculator</li> <li>Submit the calculation results to the auditor team</li> </ul>									
Corrective Action (filled by organization audited): <ul style="list-style-type: none"> <li>Assign a PIC who is responsible for monitoring GHG Emissions through the Palm GHG calculator</li> <li>Conducting socialization/training on GHG Emissions calculation through the Palm GHG calculator</li> </ul>									
Assessor Evaluation and Conclusion (filled by auditor):  Auditor Verification on 04 May 2021 The company has calculated GHG emissions through the RSPO palm GHG calculator application with the following results: <table border="1" data-bbox="142 1306 682 1415"> <tr> <th>Emissions per product</th><th>tCO2e/tProduct</th></tr> <tr> <td>CPO</td><td>-0.16</td></tr> <tr> <td>PK</td><td>-0.16</td></tr> </table> From the study on the results of the GHG calculation, please explain in relation to the conclusion that the emissions per CPO and PK products are -0.16 tCO2/tproduct, and also the difference in data on the amount of FFB receipts between the data on GHG (146.006.09 tons) and the data on the source of GHG calculations (153,239,240 tons) and sources of FFB suppliers for third parties are not included in the GHG calculation. Based on the evidence of improvement shown, that the company has not carried out audit questions on root cause analysis and corrective (preventive) actions, and has not been able to explain the results of the GHG calculation as described above, so it can be concluded that the discrepancy in this indicator has not been met. The conclusion is that the emissions per CPO and PK products are -0.16 tCO2/tproduct due to an error in filling in the CPO and PK production data, which should produce 34,317.13 tons of CPO and 6,199.35 tons of Palm Kernel (PK). The increase in emissions per product from CPO and PK from the previous year was due to an increase in FFB processed from the group's plantations and an increase in the volume of POME produced. Verification 28 May 2021				Emissions per product	tCO2e/tProduct	CPO	-0.16	PK	-0.16
Emissions per product	tCO2e/tProduct								
CPO	-0.16								
PK	-0.16								

The company has shown the results of the GHG calculation using the RSPO PalmGHG V4 calculator (January to December 2020 period) as follows:

Emissions per product	tCO2e/t Product
CPO	7.14
PK	7.14

Description	Unit	Value
Oil palm planted on mineral Soil	Ha	38044.06
Oil Palm planted area on peat	Ha	0
Total Oil Palm planted area	Ha	38044.06
Conservation (forested)	Ha	0
Conservation (non-forested)	Ha	367.54
FFB production	t/ha	3.84
OER	%	23.52
KER	%	4.25

#### Summary of field emission and Sinks

Description	Own plantation		Group plantation		3 <sup>rd</sup> party	
Emissions Sources	tCO2e	tCO2e/tFFB	tCO2e	tCO2e/tFFB	tCO2e	tCO2e/tFFB
Land conversion	37866.99	0.51	325633.04	4.57	0.00	0.00
CO2 emission from fertilizer	5736.85	0.08	125988.70	1.77	0.00	0.00
NO2 emissions from Peat	0.00	0.00	0.00	0.00	0.00	0.00
NO2 emissions from fertilizer	2584.87	0.03	102732.67	1.44	0.00	0.00
Fuel consumption	2340.65	0.03	1764.70	0.02	0.00	0.00
Peat oxidation	0.00	0.00	0.00	0.00	0.00	0.00
Sinks						
Crop sequestration	-	-	-	-	0.00	0.00
Sequestration in Conservation area	0.00	0.00	0.00	0.00	0.00	0.00
Total	12636.48	0.17	262232.25	3.68	0.00	0.00

#### Summary of Mill Emissions and Credits

Emissions	tCO2e	tCO2e/tFFB
POME	14565.70	0.10
Fuel Consumption	200.97	0.00
Grid Electricity Utilisation	0.00	0.00
Credits		0.00
Export of Grid Electricity to Housing & Grid	0.00	0.00
Sales of Mill	0.00	0.00
Sales of EFB	0.00	0.00

Total	14766.66	0.10
-------	----------	------

POME Treatment

Emissions	%
Divert to compost	0
Divert to anaerobic digestion	100

POME Diverted to Anaerobic Digestion

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

Total emissions per tonne of FFB and CPO for the January-December 2020 period are 7.14 tCO<sub>2</sub>e/t Product, it is concluded that the total emissions have increased when compared to the GHG calculation results in the January-December 2019 period, which is 0.78 tCO<sub>2</sub>e/t Product. Based on the clarification from company staff, that the increase in emissions per product from CPO and PK from the previous year was due to an increase in FFB processed from the group's plantations and an increase in the volume of POME produced.

The company also shows the Dolok Sinumbah Business Unit Manager Decree number: DOS/MU/Kpts/ /V/2021 dated 6 May 2021 regarding the appointment of a special officer as the person in charge of calculating Greenhouse Gas Emissions (GHG) for the Dolok Sinumbah business unit. The appointed officer is on behalf of Muhamad Reza (Assistant Quality Control).

In addition, the Company also shows the minutes of the meeting related to the socialization of GHG emission calculations using the RSPO Palm GHG application on 7 May 2021.

Based on the evidence of improvement shown as well as exposure to root cause analysis and corrective actions, it can be concluded that this discrepancy has been closed.

Verified by	:	Nurdin Chaeriana
-------------	---	------------------

## 3.4.3 Identification of Non-conformity at ASA – 3 and ASA – 4 Onsite

NCR No.	: 2022.01	Issued by	: Harry Wahyudi & Rizliani Aprianita Hsb
Date Issued	: 8 April 2022	Time Limit	: 7 July 2022
NC Grade	: Major / Critical	Date of Closing	: 6 July 2022
Standard Ref. & Requirement	3.6.1 All operations are risk assessed to identify H&S issues. Mitigation plans and procedures are documented and implemented.		
Evidence observed (filled by auditor):			
<p>The company shows the Occupational Health and Safety Management System procedure document for risk management which is made and approved by OHS committee. The document describes procedures for hazard identification, risk assessment and risk control. The company also shows a recording of the results of the risk assessment as stated in the Risk Management Occupational Health and Safety Form Procedure document, document number FM-4.2.1-01, No. Revision 00 and FM-4.2.1-02, Revision No. 00, which are reviewed by the General OHS Expert and approved by the Manager. Such as the HIRAC assessment in the Dolok Sinumbah unit which is divided into two areas, namely Estate which was carried out on January 8, 2022 and PKS which was carried out on February 28, 2021. The document explains the results of the identification of each activity, hazard, risk, risk assessment (consequences, opportunity, risk level), risk control, risk control implementation plan and risk control review. For example, for the PKS section in the activity of Sorting FFB from trucks at the loading ramp, the danger of being pricked by FFB thorns, falling on FFB, getting hooked and slipping, for risk control including the use of PPE in the form of safety shoes, helmets, cloth gloves and dust glasses.</p> <p>Based on the review of HIRAC documents and monitoring of work plans and realization as well as field observations and interviews with workers, information was obtained that there are still jobs in the unit that have not been listed in HIRAC and also unsafe conditions, such as:</p> <ul style="list-style-type: none"><li>• For several operational works at Dolok Sinumbah Estate that are not yet included in HIRAC, among others: road maintenance, mixing of pesticide ingredients and application of empty bunches.</li><li>• From the results of internet searches and interviews with management representatives, it is known that there are other people who died due to falling trees during replanting activities at Balimbangan Unit. The Balimbangan Estate HIRAC has not analyzed the risks for replanting activities</li><li>• In addition, based on the results of field visits at the Wastewater Treatment Plant (WWTP), it was found that there was an unsafe condition, namely that there was a rotating machine that had no protection</li></ul>			
Non-Conformance Description (filled by auditor):			
<p>Based on the evidence obtained, it is concluded that not all activities have identified the risk analysis and ensured its implementation in the field.</p>			
Root Cause Analysis (filled by organization audited):			
<ul style="list-style-type: none"><li>• Thorough identification has not been carried out by OHS Expert officers related to work activities that have risks in the company environment</li><li>• Thorough identification has not been carried out by OHS Expert officers related to work activities that have risks in the company environment.</li><li>• Lack of supervision of unsafe conditions at the Dolok Sinumbah Mill location</li></ul>			
Correction (filled by organization audited):			
<ul style="list-style-type: none"><li>• Make HIRAC related to work in replanting area for balimbangan estate</li><li>• Make HIRAC related to road maintenance, mixing of pesticide ingredients and application of empty bunches for the Dolok Sinumbah estate (File 3.6.1 HIRAC Document and Dolok Sinumbah Socialization)</li><li>• Installing the rotating engine cover in the WTP (File 3.6.1 Rotating Body Cover Installation Documentation)</li></ul>			

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

- Create Identification Documents related to all work risks in the guidance unit
- Conducting socialization to employees with stakeholders related to risks in each work in the Balimbingan Unit
- Provide socialization of understanding of the duties and responsibilities of OHS committee administrators (File 3.6.1 Socialization of Dosin OHS committee Management)
- Conduct periodic evaluations at least once every 6 months to ensure that OHS committee management personnel carry out their functions and responsibilities in conjunction with field visits for monitoring and evaluation of OHS implementation (File 3.6.1 Evaluation of OHS committee Management Dolok Sinumbah)
- Monitoring unsafe conditions on a regular basis at least every 6 months by OHS committee management and evaluation by Maskep and PTPN 4 Sustainability Team during field visits and monitoring and evaluation of K3 implementation

**Assessor Evaluation and Conclusion (filled by auditor):**
**Major Verification May 18 – 20 2022**

The company can show some evidence of improvement when the major verification is carried out, namely:

- HIRAC document for road maintenance activities, mixing of pesticide ingredients and application of empty bunches for Dolok Sinumbah Plantation which was updated on 09 April 2022 and reviewed after socialization on 14 April 2022. This document is only for these three activities and not all full HIRAC document which is intended for all activities in Dolok Sinumbah Plantation.
- The socialization document of the HIRAC update for additional road maintenance activities, mixing of pesticide ingredients and the application of empty bunches at the Doklok Sinumbah Plantation on April 12, 2022, which was attended by 16 participants.
- Socialization document of the HIRAC update for an additional preview of the replanting activity for Balimbingan Gardens on April 19, 2022 which was attended by 21 participants.
- The socialization document of the HIRAC update for an additional preview of the replanting activities for all replanting contractors working at the Balimbingan Plantation on 19 May 2022 which was attended by 8 participants.
- HIRAC Document for Assistance Gardens which was legalized on December 20, 2021, in which there is an identification of risks for replanting activities at the time of the main felling, one of the risks is death. However, the control review carried out is still not in accordance with the risks and events that have existed before, the control only uses PPE and makes sure the workplace is safe from wild animals.
- Document monitoring of HIRAC infrastructure (K3) in Balimbingan Plantation for 2022 (January-May), where all activities listed in HIRAC have been fully monitored and are still in good condition, available and in accordance with existing HIRAC.

Based on the explanation above, there are still several things that need to be shown by the company before this discrepancy is declared fulfilled, namely:

- Determination of the root of the problem, corrective and corrective actions that have been adapted to the questions above.
- Repair documents that have not been presented in full and their contents are still not in accordance with their purpose (as described in the proof of improvement above)
- Additional corrective documents that follow updates to changes in determining root causes, corrective and corrective actions.

**Major Verification on June 20, 2022**

The company can show some evidence of improvement when the major verification is carried out, namely:

- HIRAC document which includes all activities in the Dolok Sinumbah Estate unit, including road maintenance activities, mixing of pesticide ingredients and application of empty bunches. HIRAC was socialized to workers on June 16, 2022 and was attended by 22 workers.
- Documentation of installing protective covers on rotating machines.
- Decree No.DOS/OHS committee/Kpts/16/II/2022 dated February 4, 2022 concerning the Inspection and Investigation Team for the Dolok Sinumbah Plantation/Factory, which decided the composition of the inspection team consisting of 4 people and also explained the duties of the team. The company also shows the results of the Inspection and Investigation Team for the Dolok Sinumbah Plantation in the form of a general checklist for workplace inspections from 2022.
- Documentation of the socialization of OHS committee management performance evaluation documents on April 30, 2022, which was attended by several OHS committee administrators including the OHS committee General Chair, OHS committee

Chairperson and OHS committee Secretary. The document informs that the company evaluates the implementation of the duties and responsibilities of the OHS committee management every 6 months by the Unit Manager as the general chairman of the OHS committee management of the Dolok Sinumbah Unit. The company also showed evidence of the results of the evaluation of the performance and responsibilities of 7 OHS committee management on April 30, 2022. For example, the evaluation of the OHS committee management with the initials PJ obtained the results that the person concerned had understood his duties and responsibilities as a member, but still needed to be socialized and carried out periodic evaluations at least every 6 months to maintain the commitment to implementing OHS in the Dolok Sinumbah Plantation and Factory.

#### Auditor response

- Proof of socialization to OHS committee management along with the evaluation carried out on April 30, 2022. In the problem analysis point / root cause it is explained that "The company already has a HIRAC identification mechanism or procedure as stated in the OHS Procedure on Risk Management (01- 4.2.1. - RISK MANAGEMENT). There are still activities whose risks have not been identified and also because there are still OHS committee management who do not understand their duties and responsibilities." However, the socialization related to the identification of HIRAC was only carried out on June 16, 2022 and there has been no evaluation of the socialization of HIRAC which was conducted on June 16.

Based on this, the discrepancy in this indicator is still declared unfulfilled.

#### Verify Major June 6, 2022

The company showed proof of improvement in the form of an evaluation of understanding of hazard identification and risk assessment on July 4, 2022 to OHS committee officers.

Based on this, the discrepancy in the indicators is declared fulfilled.

Verified by : Rindu Galih Rezza Rachmansyah

NCR No.	:	2022.02	Issued by	:	Rizliani Aprianita Hsb
Date Issued	:	8 April 2022	Time Limit	:	7 July 2022
NC Grade	:	Major /Critical	Date of Closing	:	15 July 2022
Standard Ref. & Requirement	:	6.2.2 There is a work agreement along with related documents that regulates detailed wages and work requirements (for example regular working hours, deductions, overtime, sick leave, right to vacation (leave), maternity leave, reasons for dismissal, notification period before dismissal, etc. according to national regulatory requirements) and salary breakdown documents that provide accurate information on compensation for work performed			
Evidence observed					
<ul style="list-style-type: none"><li>• The results of field observations in block J/L afdeling IV Dolok Sinumbah estate, known that there are other people (family of workers) who are in the block. From the results of interviews with workers, information was obtained that the person helped harvest work in the area.</li><li>• The results of interviews with internal stakeholders, obtained information that there are still harvest workers who bring their families / other people who help with harvest work.</li><li>• The results of field observations in afdeling 2 block 96D Balimbangan estate, it is known that there are other people in the harvest area (inside the block). From the results of interviews with the foreman, information was obtained that the person was someone who helped harvest work.</li></ul>					



- The results of field observations in Block 2021/I Afdeling 4 Dolok Sinumbah estate, known that there are workers doing maintenance work. The results of interviews with 2 workers obtained information that these workers are casual workers and there is no work agreement with the company.
- The results of field observations in block 3/4 Afdeling 4, Dolok Sinumbah estate, it is known that there are workers who carry out maintenance work. The results of interviews with 2 workers obtained information that these workers are casual workers and there is no work agreement with the company.
- The results of interviews with management, known that the casual workers are workers of CV Putera Rezeki Angkasa vendor.

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

However, from the list of wages and the list of workers provided by CV Putera Rezeki Angkasa, there is no information for workers found in the field. Based on the explanation above, it can be concluded that there are still people who carry out the company's operational activities without having a work agreement.

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

- Lack of socialization to workers about the prohibition of hiring family members or workers who do not have work agreements
- There is no PIC who is responsible for monitoring the use of workers who have no ties to the company in the company's operational area/plantation
- There is no confirmation from the company to contractors (vendors) regarding compliance with regulations including contracts/contracts for contractor workers (vendors)
- There is no mechanism that regulates the inspection of workers without a work bond.
- The company has not disseminated the prohibition on employing workers without a work agreement to all workers, including contractors (vendors).

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

- Make an Internal memo to prohibit the employment of family members or workers who do not have a work agreement with the company
- Shows the work contract between the vendor/service provider and their employees and their handover.
- Demonstrate socialization of the prohibition of using labor without a work agreement
- Create Mechanism for inspection of the use of labor without work commitments for all contractors (5 vendors).

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

- Socializing the prohibition of harvesting activities that involve family members or workers who do not have a work agreement
- Monitoring the use of workers who have no ties to the company in the company's operational area/plantation
- Establish a PIC who is responsible for monitoring the use of workers who have no ties to the company in the company's operational area/plantation
- Show evidence of handover of Mechanism of inspection of the use of labor without work ties to all contractors (5 vendors).

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

##### Major Verification on May 18 – 20 2022

Based on the results of field visits and interviews during major verification activities carried out along with some evidence of improvement, as follows:

- The results of the field visit at Afdeling IV Block Q16 Dolok Sinumbah Plantation and interviews with contractor workers CV Pehulisa (FFB loading and transport activities) as many as 2 loading workers and 1 driver, it is known that the workers have been working for 3 months and have never signed work agreement. At the time the major verification was carried out, the company was also unable to show the list of workers and the work contracts of the contractor workers as supporting evidence to ensure that all workers (including contractor workers) had work ties.
- The results of the field visit at Afdeling IV Block Q16 Dolok Sinumbah estate and interviews with 3 harvest workers revealed that the workers had understood that bringing other people and their families to help with their work was prohibited by the company and violated the applicable laws and regulations. This has also been socialized to all harvest workers in April 2022. In addition, all the workers encountered are permanent workers and are listed on the company's employee list in April 2022.

- The results of the field visit at Afdeling I Blok M94 Balimbingan estate and interviews with contractor workers (FFB loading and transport activities) as many as 3 loading workers and 1 driver, it is known that the workers have been working for one year and have never signed work agreement. At the time of major verification, the company can also show a list of workers along with details of wages for April 2022, while for work agreements between contractors and their workers it can be shown (the names of workers interviewed in the field are listed in it) but the agreement was only made on 19 May 2022 is not before workers start working.
- The results of the field visit at Afdeling I Blok M94 Balimbingan estate and interviews with 3 harvest workers revealed that the workers had understood that bringing other people and their families to help with their work was prohibited by the company and violated the applicable laws and regulations. This has also been socialized to all harvest workers in April 2022. In addition, all the workers encountered are permanent workers and are listed on the company's employee list in April 2022.
- Letter of Agreement No. 04.04/SPKP/ANGKUT-MUAT-BONGKAR-TBS/163/III/2022 dated 22 March 2022 between PT Perkebunan Nusantara IV and CV Rio Mandiri for the Balimbingan FFB Transportation activities. Where in the agreement it is stated that the contractor is obliged to comply with all regulations contained in the company and existing government regulations.
- A written statement in the form of a harvest worker with worker registration No. 4021384 who works at Afdeling II Balimbingan estate, in which the worker states that he will no longer bring a harvest assistant (helper) in carrying out harvest work at the Balimbingan estate and is willing to accept the sanctions given by company if it still does so.
- Decision of the Manager of the Balimbingan Business Unit No. BAL/MU/Kpts/02/IV/2022 dated April 11, 2022 regarding Field Officers in the Implementation of Family Cup Monitoring for Balimbingan Business Units. Where appointed in the decision is Head of Assistant as Head of Supervisor, Assistant of Plantation Personnel as Deputy Chair, Assistant Afdeling and Foreman who acts as Supervisory Member.

Based on the explanation above, there are still several things that need to be shown by the company before this discrepancy is declared fulfilled, namely:

- Determination of root causes, corrective and corrective actions that are still not appropriate
- Corrective documents that have not been presented in their entirety and their contents are still not in accordance with their objectives (as explained in the proof of improvement and corrective actions above)
- Corrective documents following recent changes in root cause determination, corrective and corrective actions.

Based on this, the discrepancy in this indicator has not yet been met.

#### Verification on June 27, 2022

The company shows evidence of improvement in the form of:

- Monitoring of vendor contracts with workers on June 24, 2022
- Work contract of FFB loading/unloading workers No. 01/Kasih-KK/M.B.TBS/I/2022 dated January 3, 2022
- Work contract with EFB application workers o. 01/PT PJP-KK/Ecer Tangkos/IV/2022 dated 24 May 2022
- Work contract with EFB application workers no. 01/CV Perhulisa-KK/Ecer Tangkos/V/2022 dated 24 May 2022
- work contract with loading/unloading workers No. 01/CV Perhulisa-KK/M.B TBS/I/2022 dated January 3, 2022
- work contract with maintenance workers for immature plantations No. 01/ PRA-KK/Pemel.TBM/II/2022 dated 12 February 2022

The company has not been able to show:

- Agreement between CV Putera Rezeki Angkasa and the company that is still valid
- Evidence that the contractor's workers' agreement has been submitted to the workers. Because at the time of the audit, non-employee workers interviewed claimed to be PTPN IV casual workers and did not have an agreement.
- List of workers working for CV Putera Rezeki Angkasa contractor.

Based on the explanation above, the discrepancy in this indicator is still declared unfulfilled.

#### Verification on July 7, 2022

The company shows evidence of improvement in the form of:

- Minutes of socializing the prohibition of workers without a work agreement on July 5, 2022 in afdeling I-V Dolok Sinumbah estate
- Confirmation letter to vendor No. DOS/X/28/VI/2022 dated June 28, 2022 which explains that PTPN IV will not make payments before the fulfillment of contract administration is fulfilled such as agreement for vendors with workers, evidence of BPJS for vendor workers, evidence of payment of salaries, and evidence of receipt of PPE

- Evidence of submission of confirmation letter to vendor on July 4, 2022 Dolok Sinumbah estate
- Circular Letter of Inspection Mechanism of Employment of Manpower without Employment Bonds No. DOS/SE/X/30/VII/2022 dated July 4, 2022 (Dolok Sinumbah estate). In the letter, it is explained that supervision is carried out every day and for vendor worker work agreements it is carried out every 3 months by the foreman. If there are still workers who use labor without a work agreement, they will be given a warning letter
- Socialization invitation to vendors related to the Inspection Mechanism for the Use of Unemployed Workers on July 4, 2022
- Agreement between PTPN IV and CV Putra Rezeki Angkasa regarding the Work of Dolok Sinumbah Estate Artificial Pollination Services in 2022 No. 04.04/S.Perj/ASPOL/516/III/2022 dated March 29, 2022.
- Contract between CV Pehulisa and workers for EFB application No. 01/CV.Pehulisa-KK/Ecer Tankos/V/2022. The work contract between CV Pehulisa and FFB loading and unloading workers No. 01/CV.Pehulisa-KK/M.B.TBS/I/2022. Also attached is the handover document of the work agreement with the workers for all workers working at CV Pehulisa based on the list of workers in the work contract.
- Work contract with maintenance workers CV Putra Rezeki Angkasa No. 01/PRA-KK/Pemel.TBM/II/2022. Also attached is the handover document of the work agreement with the workers (Dolok Sinumbah estate) for all workers working at CV Putera Rezeki Angkasa based on the list of workers in the work contract.
- Work contract with EFB application workers at Dolok Sinumbah Plantation No. 01/PT.PJP-KK/Ecer Tankos/IV/2022. Also attached is the handover document of the work agreement with the workers for all workers working at PT PJP based on the list of workers in the work contract.
- Collective labor contract between UD Kasih and workers No. 01/Kasih-KK/M.B.TBS/I/2022. Also attached is the handover document of the work agreement with the workers for all workers who work at UD Kasih based on the list of workers in the work contract.

Determination of the root of the cause, correction and corrective actions determined have not been received by the auditor, please review it again.

Based on the evidence of improvement, the non-conformity is declared Unfulfilled

#### Major Verification (13 – 15 July 2022):

- The company has determined the root cause, correction and corrective actions to resolve this discrepancy. In addition, there are several results of field visits, interviews during major verification activities carried out and evidence of improvements that can be shown as follows:
- Determination of root cause, correction and corrective actions have been accepted.
- Based on the results of field visits and interviews at the Balimbingan Plantation Afdeling 4 Block C/D 96 for harvesting activities, it was found that the workers knew that they were not allowed to bring their families or workers to help with the work in the operational area of the Balimbingan Plantation without any work ties. This has been socialized by the company and monitored by the foreman every day.
- Based on the results of field visits and interviews at the Balimbingan Plantation Afdeling 4 Block C/D 96 for FFB transportation activities, it is known that the vendor workers have learned that it is not permissible to bring their families or workers to help carry out work in the Balimbingan Plantation operational area without a work agreement. This has been socialized by the company and monitored by the foreman every day. The worker also said that he had a working agreement with the vendor for three months and all his rights were in accordance with government regulations such as fulfilling BPJS Health, BPJS Employment, and providing wages according to the minimum wage.
- Based on the results of interviews with maintenance workers from CV Rio Mandiri at the Balimbingan Plantation Block J21, it is known that currently all workers have a clear working relationship between workers and their vendors, have BPJS Health and Employment, payment of wages has followed the minimum wage standards and so on. etc.
- Wages list document for 23 FFB transport workers and 7 maintenance workers from CV Rio Mandiri in June 2022, in which all workers have received wages according to their calculations as stated in the work agreement. The wages are based on the unit yield for each type of work in hectares and the workers do not work more than 3-4 hours a day (1 hour is used for breaks) i.e. from 07.00 to 12.00 for maintenance workers and for FFB transport workers based on the price per kg of FFB transported.
- BPJS Health and Employment ownership documents for 23 FFB transport workers and 7 maintenance workers from CV Rio Mandiri, all of whom already have BPJS Health and Employment Cards. For workers who have been interviewed during field observations with the initials GMN, SGT, RYN and SDH already have BPJS Health and Employment which is still active / valid.

- Work Agreement between 23 FFB transport workers and CV Rio Mandiri dated 04 July 2022 which is valid for three months. The agreement describes the time period, obligations and rights of the parties, the value of wages and other provisions. For workers who have been interviewed during field observations with the initials GMN and SGT already have the work agreement mentioned above.
- Work Agreement between 7 maintenance workers and CV Rio Mandiri dated 10 May 2022 which is valid for three months. The agreement describes the time period, obligations and rights of the parties, the value of wages and other provisions. For workers who have been interviewed during field observations with the initials RYN and SDH, they already have the work agreement mentioned above.
- Letter of Agreement between PTPN IV and CV Rio Mandiri No. 04.04/SPKP/ANGKUT-MUAT-BONGKAR-TBS/166/III/2022 dated 25 March 2022 which is valid for 3 years (until 2025) for FFB transportation activities. In it, there are clauses that require vendors to comply with related regulations, starting from the provision of wages for workers, BPJS, PPE and so on.
- Letter of Agreement between PTPN IV and contractor No. 04.04/SPKP/Pemel.TBM-I/63/V/2022 dated 10 May 2022 which is valid for 3 months for maintenance activities. In it, there are clauses that require vendors to comply with related regulations, starting from the provision of wages for workers, BPJS, PPE and so on.
- Based on the results of field visits and interviews at Dolok Sinumbah estate afdeling 4 Block S/T 16 for harvesting activities, it was found that the workers knew that they were not allowed to bring their families or workers to help do the work in the operational area of the Dolok Sinumbah Plantation without any work ties. This has been socialized by the company and monitored by the foreman every day.
- Based on the results of field visits and interviews at Dolok Sinumbah estate afdeling 4 Block C/D 96 for FFB transportation activities, it is known that the contractor workers (CV Pehulisa) have known that it is not allowed to bring their families or workers to help with work in the operational area of the Dolok Sinumbah estate without any work ties. This has been socialized by the company and monitored by the foreman every day. The worker also said that he had a working agreement with the contractor (CV Pehulisa) for one year and all of his rights were in accordance with government regulations such as the fulfillment of BPJS Health, BPJS Employment, and the provision of wages according to the minimum wage.
- Based on the results of interviews with maintenance workers from CV Putra Rezeki Angkasa at Dolok Sinumbah Plantation Block Q21, it is known that currently all employees have a clear working agreement between workers and their contractors, have BPJS Health and Employment, payment of wages has followed the minimum wage standard
- Wage list document for 4 FFB transport workers (CV Pehulisa) and 18 maintenance workers (CV Putra Rezeki Angkasa) in June 2022, in which all workers have received wages according to their calculations as stated in the work agreement. The wages are based on the unit yield for each type of work in hectares and the workers do not work more than 3-4 hours a day (1 hour is used for breaks) i.e., from 07.00 to 12.00 for maintenance workers and for FFB transport workers based on the price per kg of FFB transported.
- BPJS Health and Employment ownership documents for as many as 4 FFB transport workers (CV Pehulisa) and 18 maintenance workers (CV Putra Rezeki Angkasa) who all have BPJS Health and Employment Membership Cards. For workers who have been interviewed during field observations with the initials ARD, ADK, STN, JWT and ASM already have BPJS Health and Employment which is still active / valid.
- Work Agreement between 4 FFB transport workers and CV Pehulisa dated July 5, 2022 which is valid for one year. The agreement describes the time period, obligations and rights of the parties, the value of wages and other provisions. For workers who have been interviewed during field observations with the initials ARD and ADK already have the work agreement mentioned above.
- Work Agreement between 18 FFB transportation workers and CV Putra Rezeki Angkasa dated July 08, 2022 which is valid for one year. The agreement describes the time period, obligations and rights of the parties, the value of wages and other provisions. For workers who have been interviewed during field observations with the initials STN, JWT and ASM already have the work agreement mentioned above.
- Letter of Agreement between PTPN IV and CV Pehulisa No. 04.04/SPKP/ANGKUT-MUAT-BONGKAR-TBS/234/III/2022 dated March 10, 2022 which is valid for 3 years (until 2025) for FFB transportation activities. In it, there are clauses that require contractors to comply with related regulations, starting from the provision of wages for workers, BPJS, PPE and so on.
- Letter of Agreement between PTPN IV and CV Putra Rezeki Angkasa No. 04.04/SPKP/Pemel.TBM-I/100/II/2022 dated 10 May 2022 which is valid for 3 months for maintenance activities. In it, there are clauses that require contractors to comply with related regulations, starting from the provision of wages for workers, BPJS, PPE and so on.

Based on the results of major verification in the field, interviews and document review on July 13-15 2022, the result is that this

discrepancy has been declared to have been fulfilled and observations will continue to be made in the next assessment related to the consistency of the mechanism that has been made.

Verified by : Rizliani Aprianita Hsb & Rindu Galih Rezza Rachmansyah

NCR No.	:	2022.03	Issued by	:	Rizliani Aprianita Hsb
Date Issued	:	8 April 2022	Time Limit	:	7 July 2022
NC Grade	:	Major /Critical	Date of Closing	:	15 July 2022
Standard Ref. & Requirement	:	6.2.3 There is evidence of legal compliance for regular working hours, deductions, overtime, sick leave, entitlement to vacation, maternity leave, reasons for dismissal, notice period before termination of work, and other terms of employment.			
Evidence observed					
<ul style="list-style-type: none"><li>Determination of the Minimum Wage for the Province of North Sumatra in 2022 no. 188.44/746/KPTS/2021 dated 19 November 2021 for Rp. 2,522,609.94.</li><li>The results of field observations in Block 2021/I Afdeling 4 Dolok Sinumbah estate are known that there were workers doing maintenance work. The results of interviews with 2 workers obtained information that these workers are casual workers and receive a wage of Rp. 30.000/day or Rp. 600,000/month.</li><li>The results of field observations in block 3/4 Afdeling 4, Dolok Sinumbah estate, known that there are workers who carry out maintenance work. The results of interviews with 2 workers obtained information that these workers are casual workers and receive a wage of Rp. 30.000/day or Rp. 600,000/month.</li><li>From interviews with workers, information was obtained that workers work from 07.00 – 12.00/13.00. The wages are given every month and are given along with the payday of permanent workers by the foreman in cash.</li><li>The results of interviews with management, obtained information that the casual workers are workers of CV Putera Rezeki Angkasa vendor. However, from the list of wages and the list of workers provided by CV Putera Rezeki Angkasa, there is no information for workers found in the field.</li></ul>					
Non-Conformance Description (filled by auditor):					
Based on the explanation above, it can be concluded that there is not enough evidence that compliance with the minimum wage to casual workers has been implemented.					
Root Cause Analysis (filled by organization audited):					
<ul style="list-style-type: none"><li>There is no PIC who is responsible for supervising the payment of Wages for contractors' workers</li><li>There is no averment from the company to contractors regarding compliance with regulations including payment of wages that are in accordance with the minimum wage to contractors.</li><li>There is no mechanism that stipulates that evidence of payment of wages for contractor workers is attached as a payment administration requirement to ensure that the payment of wages is in accordance with the minimum wage.</li><li>The company has not disseminated the minimum wage to contractors.</li></ul>					
Correction (filled by organization audited):					
<ul style="list-style-type: none"><li>Show agreement between contractors and their workers</li><li>Show evidence of attendance list of contractor workers</li><li>Show evidence of payment of contractor wages to workers</li><li>Provide averment letters to contractors to send evidence of wages to workers as administrative documents for payment of work.</li></ul>					



#### Preventive Action (filled by organization audited):

- Establish a PIC that ensures that the wage standard is in accordance with applicable regulations
- Conduct socialization to contractor workers regarding the mechanism for payment of wages
- Establish a mechanism to ensure that contractors have provided wages to their workers in accordance with contract documents and the applicable minimum wage
- Conduct socialization to contractor workers regarding the mechanism for calculating wage payments

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

##### Major Verification on May 18 – 20 2022

Based on the results of field visits and interviews during major verification activities carried out along with some evidence of improvement, as follows:

- The results of the field visit at Afdeling IV Blok Q16 Dolok Sinumbah Plantation and interviews with contractor workers CV Pehulisa (FFB loading and transport activities) as many as 2 loading workers and 1 driver, it is known that the workers have been working for 3 months and have never signed work agreement. At the time the major verification was carried out, the company was also unable to show the list of workers and the work contracts of the contractor workers as supporting evidence to ensure that all workers (including contractor workers) had work ties.
- The results of the field visit at Afdeling I Blok M94 Balimbingan estate and interviews with contractor workers (FFB loading and transport activities) as many as 3 loading workers and 1 driver, it is known that the workers have been working for one year and have never signed work agreement. At the time of major verification, the company can also show a list of workers along with details of wages for April 2022, while for work agreements between contractors and their workers it can be shown (the names of workers interviewed in the field are listed in it) but the agreement was only made on 19 May 2022 is not before workers start working.
- Letter of Agreement No. 04.04/SPKP/ANGKUT-MUAT-BONGKAR-TBS/163/III/2022 dated 22 March 2022 between PT Perkebunan Nusantara IV and CV Rio Mandiri for the Balimbingan FFB Transportation activities. Where in the agreement it is stated that the contractor is obliged to comply with all regulations contained in the company and existing government regulations.

Based on the explanation above, there are still several things that need to be shown by the company before this discrepancy is declared fulfilled, namely:

- Determination of root causes, corrective and corrective actions that are still not appropriate
- Corrective documents that have not been presented in their entirety and their contents are still not in accordance with their objectives (as explained in the proof of improvement and corrective actions above)
- Corrective documents following recent changes in root cause determination, corrective and corrective actions.

Based on this, the discrepancy in this indicator has not yet been met.

##### Verification June 27, 2022

The company shows evidence of improvement in the form of:

- Work contracts for maintenance workers for immature plantations afdeling I, II, and IV Dolok Sinumbah Plantation No. 01/PRA-KK/Pemel.TBM/II/2022 dated February 12, 2022, 18 workers.
- Decision of the Dolok Sinumbah Business Unit Manager No. DOS/MU/Kpts/03/IV/2022 dated April 25, 2022 regarding the appointment of Officers in the Implementation of Worker Status in the Dolok Sinumbah Plantation Field/Factory.
- Minutes of Dissemination of contractor Rules Compliance on 16 June 2022 to contractors and contractor workers.

The company has not been able to show evidence of improvements related to:

- Implementation of wage in accordance with applicable regulation
- The above-mentioned agreement does not explain in detail the calculation of the area of the target/work base and the piece rate of each type of piece work carried out by workers.
- The list of wages for contractor workers is 18 contractor workers.
- Agreement between CV Putera Rezeki Angkasa and the company that is still valid
- Agreement for contractor workers has been submitted to workers.



- From the results of the interview / NC above, it is also explained that the wages of contractor employees are paid in cash by the foreman. Explanation of wages is given by the foreman and not the vendor/contractor.

Based on the explanation above, the discrepancy in this indicator is still declared unfulfilled.

#### Verification July 7, 2022

The company shows evidence of improvement in the form of:

- Averment letter to vendor No. DOS/X/28/VI/2022 dated June 28, 2022 which explains that PTPN IV will not make payments before the fulfillment of contract administration is fulfilled such as agreement for vendors with workers, evidence of BPJS for workers, evidence of payment of salaries, and evidence of receipt of PPE
- Evidence of submission of averment letter to contractor on July 4, 2022 Dolok Sinumbah Plantation
- Agreement between PTPN IV and CV Putra Rezeki Angkasa regarding the Work of Dolok Sinumbah Plantation Artificial Pollination Services in 2022 No. 04.04/S.Perj/ASPOL/516/III/2022 dated March 29, 2022.
- Contract between CV Pehulisa and workers for EFB application No. 01/CV.Pehulisa-KK/Ecer Tankos/V/2022 with an agreed daily wage of Rp. 33.93 times the work output / total tonnage.
- Work contract between CV Pehulisa and FFB loading and unloading workers No. 01/CV.Pehulisa-KK/M.B.TBS/II/2022 with a wage of Rp. 10 times the work result/tonnage of the second party (Dolok Sinumbah estate). Attached is the handover document of the work agreement with the worker
- Work contract with maintenance worker between CV Putra Rezeki Angkasa with worker No. 01/PRA-KK/Pemel.TBM/II/2022. Also attached is the handover document of the work agreement with the workers (Dolok Sinumbah plantation). The contract describes wholesale wages, including:
  - Ablation Rp. 59,640/Ha
  - Spray oryctes TBM I Rp. 22,390/Ha
  - Spray Apogonia Rp. 37.330/Ha
  - Mucuna Chemis Rp. Rp. 74,600/Ha
  - Spray oryctes TBM II Rp. 37.250/Ha
- Collective work contract between PT Pehulisa Jaya Pratama and their workers at Dolok Sinumbah Plantation No. 01/PT.PJP-KK/Ecer Tankos/IV/2022 with an agreed daily wage value of Rp. 31.16 times the work result/tonnage. Attached is the handover document of the work agreement with the worker.
- Collective labor contract between UD Kasih and workers No. 01/Kasih-KK/M.B.TBS/II/2022 with a wage of Rp. 10 times the work result/tonnage. Attached is the handover document of the work agreement with the worker.
- List of wages for CV Putera Rezeki Angkasa workers for the period April 2022 and evidence of payment from PTPN IV to CV Putera Rezeki Angkasa.

Some details of piece rates are irrational so further document review, interviews and field visits are necessary.

Based on the evidence of improvement sent, the non-conformity is declared Unfulfilled

#### Major Verification (13 – 15 July 2022):

- The company has determined the root cause, corrective and corrective actions to resolve this discrepancy. In addition, there are several results of field visits, interviews during major verification activities carried out and evidence of improvements that can be shown, as follows:
- Based on the results of interviews with contractor workers from CV Rio Mandiri at the Balimbangan Plantation Block J21, it is known that currently all workers have a clear working relationship between workers and their vendors, have BPJS Health and Employment, payment of wages has followed the minimum wage standards and so on. etc. Wages are paid in cash/cash given from the contractor to the contractor foreman who is the supervisor in the field every month.
- Wage list document for 23 FFB transport workers and 7 maintenance workers (contractor workers) in June 2022, of which all workers have received wages as stated in the work agreement. The wages are based on the unit yield for each type of work in hectares and the workers do not work more than 3-4 hours a day (1 hour is used for breaks) i.e. from 07.00 to 12.00 for maintenance workers and for FFB transport workers based on the price per kg of FFB transported (Rp. 10,-/Kg).

- Letter of Agreement between PTPN IV and CV Rio Mandiri No. 04.04/SPKP/ANGKUT-MUAT-BONGKAR-TBS/166/III/2022 dated 25 March 2022 which is valid for 3 years (until 2025) for FFB transportation activities. In it, there are clauses that require vendors to comply with related regulations, starting from the provision of wages for workers, BPJS, PPE and so on.
- Letter of Agreement between PTPN IV and CV Rio Mandiri No. 04.04/SPKP/Pemel.TBM-I/63/V/2022 dated 10 May 2022 which is valid for 3 months for maintenance activities. In it, there are clauses that require vendors to comply with related regulations, starting from the provision of wages for workers, BPJS, PPE and so on.
- Based on the results of field visits and interviews at Dolok Sinumbah Afdeling Plantation 4 Block C/D 96 for FFB transportation activities, it is known that the vendor workers (CV Pehulisa) have learned that it is not allowed to bring their families or workers to help with work in the operational environment of the Dolok Sinumbah Plantation without any work ties. This has been socialized by the company and monitored by the foreman every day. The worker also said that he had a working agreement with the contractor (CV Pehulisa) for one year and all of his rights were in accordance with government regulations such as the fulfillment of BPJS Health, BPJS Employment, and the provision of wages according to the minimum wage. Wages are paid in cash/cash given from the contractor to the contractor foreman who is the supervisor in the field every month.
- Based on the results of interviews with maintenance workers from CV Putra Rezeki Angkasa at Dolok Sinumbah Plantation Block Q21, it is known that currently all employees have a clear working relationship between workers and their contractor, have BPJS Health and Employment, payment of wages has followed the minimum wage standard. Wages are paid in cash given from the contractor to the contractor foreman who is the supervisor in the field every month.
- Wage list documents for as many as 4 FFB transport workers (CV Pehulisa) and 18 maintenance workers (CV Putra Rezeki Angkasa) in June 2022, of which all workers have received wages as stated in the work agreement. The wages are based on the unit yield for each type of work in hectares and the workers do not work more than 3-4 hours a day (1 hour is used for breaks) i.e. from 07.00 to 12.00 for maintenance workers and for FFB transport workers based on the price. per kg of FFB transported (Rp. 10,-/Kg).
- Letter of Agreement between PTPN IV and CV Pehulisa No. 04.04/SPKP/ANGKUT-MUAT-BONGKAR-TBS/234/III/2022 dated March 10, 2022 which is valid for 3 years (until 2025) for FFB transportation activities. In it, there are clauses that require vendors to comply with related regulations, starting from the provision of wages for workers, BPJS, PPE and so on.
- Letter of Agreement between PTPN IV and CV Putra Rezeki Angkasa No. 04.04/SPKP/Pemel.TBM-I/100/II/2022 dated 10 May 2022 which is valid for 3 months for maintenance activities. In it, there are clauses that require contractor to comply with related regulations, starting from the provision of wages for workers, BPJS, PPE and so on.

Based on the results of major verification in the field, interviews and document review on July 13-15 2022, the result is that this discrepancy has been declared to have been met and will continue to be observed again in the next assessment related to the consistency of the mechanism that has been made.

Verified by : Rindu Galih Rezza Rachmansyah

NCR No.	:	2022.04	Issued by	:	Arief Tajalli
Date Issued	:	8 April 2022	Time Limit	:	7 July 2022
NC Grade	:	Major / Critical (Repeated Major)	Date of Closing	:	28 April 2022
Standard Ref. & Requirement	:	7.8.2 Waterways and wetlands are protected, including maintenance and restoration of riparian zones and other buffer zones at or before replanting, in accordance with the 'RSPO Manual on BMPs for the management and rehabilitation of riparian reserves' (April 2017) or the Simplified Guide Management and Rehabilitation Riparian Nature Reserve (2018).			
Evidence observed (filled by auditor):					
The company already has SOP Number 05 concerning River Border Management Mechanisms which refers to several regulations					

such as RI Law Number 18 of 2018 and RI Law Number 32 of 2009. In the SOP it explains the determination of river border protected areas, returning the fortunes of river borders into protected areas, prohibition of chemical application, rehabilitation of border areas and others. In addition, the RSPO also has guidelines related to border management which are contained in the document "RSPO Manual on BMPs for the management and rehabilitation of riparian reserves" (2017) or "Simplified Guide Management and Rehabilitation of Riparian Reserves" (2018) which explains related to area boundaries. riparian protection that adapts to the width of the river.

However, based on the results of field visits in several locations, the following information was obtained:

- There are no boundary markings or signs prohibiting the application of chemicals and other forms of riparian management in the river border area of Dolok Sinumbah Afdeling Plantation 2 and 4 and Balimbingan Afdeling Plantation 3 and 4.
- There are replanting activities in the river border area in the Dolok Sinumbah Afdeling 4 plantations Blocks 16O/21O and 16R/21Q as well as the Balimbingan Afdeling 4 plantations Blocks 21E and 21F.
- There are traces of chemical application in the riparian areas of the Balimbingan 3 Block 19D and Afdeling 4 Block 21F plantations.

This has become a discrepancy in the surveillance-2 audit related to replanting activities and chemical application in river border areas. The company has taken corrective and preventive actions to fulfill non-compliance, such as oil palm tree removal, marking of chemical application boundaries, marking of HCV areas, as well as local forestry plant planting activities at Balimbingan Estate, Aek Moyam, Afdeling 3, block 19A (currently a block 19D). However, based on field observations at these locations, it shows that there is no form of riparian management as stated in the corrective and preventive actions to fulfill these non-conformities.

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

Based on this evidence, it is concluded that the company has not been able to demonstrate and implement riparian management consistently which refers to the "RSPO Manual on BMPs for the management and rehabilitation of riparian reserves" (2017) or the "Simplified Guide Management and Rehabilitation of Riparian Reserves" (2018), company procedures and applicable laws and regulations.

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

- Most of the afdeling assistants who are PICs implementing HCV management and monitoring activities are assistants who have just entered PTPN IV where they have not received socialization and understanding regarding HCV management and monitoring and the negative effects that will occur if HCV management and monitoring are not carried out in accordance with procedures and applicable regulations
- There has not been a scheduled socialization of the SOP to the implementation team in the field and an evaluation of the level of understanding of the socialization materials provided has not been carried out, because the afdeling assistant who is the coordinator of the HCV management and monitoring implementation team in the field has just entered/mutated to the PTPN 4 Dolok Sinumbah and Balimbingan plantation unit
- The program that has been made is right on target, but the implementation team in the field does not know the steps that must be taken to run the program and there is no form that can ensure the progress of HCV management and monitoring that has been carried out by the PIC of each afdeling
- When monitoring is carried out, it is certain that there will be no replanting activity because the PIC for Management and Monitoring of the HCV area together with the Sustainability Team at the office of the board of directors will first inspect the area to be replanted to ensure that the area is not an HCV area in accordance with the HCV identification document for Dolok Sinumbah and Guidance.
- It has been submitted to the vendor through a replanting activity contract where in the KAK (Terms of Reference) the provisions for carrying out replanting activities have been stated, one of which is that replanting is not allowed in the HCV area/river border, but there is no PIC that has confirmed to the vendor regarding prohibition of replanting activities in the HCV area, in addition to that there has not been a direct visit by the PIC for Management and Monitoring of the HCV area together with the Sustainability Team of the directors' office to the replanted area so that replanting activities in the HCV area do not occur again in accordance with the HCV identification document for the Dolok Sinumbah and Balimbingan plantations unit. The program will be carried out since May 2022 and will be continued in the following years.
- PIC for Management and Monitoring of the HCV area appointed by the Manager of the Dolok Sinumbah and Balimbingan Unit and supervised by the PIC of Supervisor/Supervision (Plantation Assistant) and monitored by the Planning and Sustainability

Section through a report on the HCV management and monitoring form which is reported on a semester basis via a digital application (google drive).

- Managers do not understand what HCV is, where is HCV, because the coordinator of the implementation team in the field (assistant afdeling) is an assistant who was newly recruited in 2020 and has not received socialization/training related to HCV management and monitoring.

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

- Circular regarding river border area management
- Conduct training on Introduction to HCV and Management of River Border HCVs by the environmental service
- Issuing a PIC SK for the monitoring team for the management of the River Border HCV
- Provision of boundary signs or signs prohibiting the application of chemicals and other forms of riparian management in the entire river border area of Dolok Sinumbah and Balimbingan
- Identifying Riparian Areas of river borders in Dolok Sinumbah and Balimbingan
- Mapping and marking of river reserves in river border areas in the Dolok Sinumbah Afdeling 4 plantations Blocks 16O/21O and 16R/21Q as well as the Balimbingan Afdeling 4 plantations Blocks 21E and 21F
- provide boundary markings or signs prohibiting the application of chemicals and other forms of riparian management in the river border area of the Dolok Sinumbah Estate and Balimbingan Estate contained in the document
  - Installation of Plank and Chemical Boundary Marks in the Dolok Sinumbah HCV Area
  - RSPO 7.8.2 7.12.4 ISPO 3.7.2 BAL Documentation of installation of HCV signage and free of chemicals
  - RSPO 7.8.2 and 7.12.4. DOS River Border Maintenance Barchat
- Reconditioning the river border areas in the Dolok Sinumbah and the Balimbingan Estate contained in the document
  - River Border Planting in Dolok Sinumbah
  - RSPO 7.8.2 7.12.4 ISPO 3.7.2 BAL Minutes of planting hibiscus trees
  - There are traces of chemical application in the riparian area of the Balimbingan Estate
  - RSPO 7.8.2 7.12.4 ISPO 3.7.2 BAL Documentation of installation of HCV signage and free of chemicals

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

- The company management re-socializes the management and monitoring of HCV areas to the new assistant PIC if there is a change/mutation a maximum of 1 month after the replacement/mutation of the assistant PIC occurs, which can be seen in the document:
- RSPO 7.8.2 and 7.12.4 HCV Outreach to DOS Employees
- RSPO 7.8.2 and 7.12.4 Socialization of HCV, LB3 Management to Stakeholders and Community. About DOS
- RSPO 7.8.2 7.12.4 ISPO 3.7.2 BAL Public consultation with stakeholders
- Company management conducts periodic socialization/training to refresh knowledge and insight of implementing PIC and Supervision of HCV management and monitoring at least every 6 months
- 7.12.4. Evaluation of Training Outcomes of Socialization on Management of HCV and the river-dos border
- EVALUATION OF THE RESULTS OF THE BAL RIVER BORDER HCV SOCIALIZATION
- PTPN IV HCV Training Memo
- For the 2022 replanting plan, the Sustainability Team of the Board of Directors office together with the PIC for Management and Monitoring of HCV in the Dolok Sinumbah and Balimbingan unit and the replanting vendor will conduct socialization and direct visits to the replanted area so that replanting activities do not occur again in the HCV area in accordance with the plantation's HCV identification document for Dolok Sinumbah and Balimbingan. The program will be carried out since May 2022 and will be continued in the following years can be seen from
- RSPO 7.8.2 and 7.12.4. River Border Identification (HCV4) DOS
- RSPO 7.8.2 and 7.12.4 Management & Monitoring Plan on Riparian HCV DOS
- RSPO 7.8.2 and 7.12.4. HCV Dos. Management & Monitoring Plan Matrix
- TU 2022
- Follow-up on RSPO Certification Audit Findings (1)

- List of Participants in the 2022 HCV Training for Balimbingan
- Follow-up on RSPO Certification Audit Findings Memo DOS (1)
- Timeline Program

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

##### Auditor Verification April 18, 2022:

Companies need to distinguish between Non-conformances in indicators 7.8.2 and 7.12.4 because there are differences in the fulfillment of indicators and each observational evidence obtained. Based on this and the explanation of the components of the Root Problem, Corrective Action and Corrective Action, the Non-conformance has not been fulfilled.

##### Auditor Verification April 28, 2022:

The company has taken corrective actions based on several findings in the field, including:

- Regarding the marking of boundaries or signs prohibiting the application of chemicals and other forms of riparian management in the river border areas of the Dolok Sinumbah and Balimbingan Estate, the company has sent several documents showing that management has been carried out in the areas that have been found in the field. Based on this, the findings at this point have been met. However, observations need to be made to ensure that the management that has been carried out is right on target and is carried out thoroughly.
- Related to replanting activities in the river border area in the Dolok Sinumbah Afdeling 4 plantations Block 16O/21O and 16R/21Q as well as the Balimbingan Afdeling 4 Block 21E and 21F plantations as well as the former application of chemicals in the riparian area of the Balimbingan Afdeling 3 Block 19D Estate and Afdeling 4 Block 21F. The company has reconditioned the river border areas in the Dolok Sinumbah Estate and the Balimbingan Estate which are contained in several documents. Based on the verification of these documents, there is still some evidence of improvements using old photos. However, most of the proof of improvement has used the latest photos that use the coordinates and date of shooting. Based on this, the findings at this point have been met. However, observations need to be made to ensure that the management that has been carried out is in accordance with the evidence submitted and carried out thoroughly.

In addition, to ensure that the condition of the river border area can be managed properly, and that there are no more findings in similar fields, the company sends several documents aimed as preventive measures, including:

- Document Socialization of HCVs to employees, stakeholders and surrounding communities as well as socialization of management and monitoring of HCV areas to the new PIC of the afdeling assistant if there is a change/mutation of a maximum of 1 month after the replacement/mutation of the PIC of the afdeling assistant. Based on the verification of the document, the company has carried out preventive activities by providing re-socialization, but this needs to be done consistently and thoroughly so that further observations are needed.
- PTPN IV HCV Training Memo Document and Evaluation of Training Results Socialization on Management of HCV and River Borders to show that the PIC shown has conducted training related to river bridging and HCV. Activities will be planned every 6 months. Based on this, it can be accepted by observation to ensure that these activities are carried out consistently.
- Several documents related to river border management such as River Border Identification, Management & Monitoring Plan on Riparian and HCV, Matrix of HCV Management & Monitoring Plan and others. This aims to ensure that during replanting in 2022 there will be no replanting activities in the HCV area in accordance with the HCV identification document for the Dolok Sinumbah and Balimbingan plantations unit. The way to do this is by conducting outreach and direct visits to the replanting area by the Sustainability Team of the Board of Directors' office together with the PIC for Management and Monitoring of HCV in the Dolok Sinumbah and Balimbingan plantations unit and the vendor implementing the replanting. The program will be carried out since May 2022 and will be continued in the following years.

Based on the justification of the root cause, corrective actions, and corrective actions submitted by the auditee, as well as all documents of proof of improvement and follow-up plans to be carried out, it is concluded that the company has made improvements that are credible enough to be verified and show a traceable and accountable river border management plan. Based on this, the non-conformity in this indicator has been met, but periodic observations need to be made to ensure consistency in river border management.

Verified by : Arief Tajalli



NCR No.	:	2022.5	Issued by	:	Arief Tajalli
Date Issued	:	8 April 2022	Time Limit	:	7 July 2022
NC Grade	:	Major / Critical (Repeated Major)	Date of Closing	:	28 April 2022
Standard Ref. & Requirement	:	7.12.4 HCV and HCS forest after 15 November 2018, peatlands and other conservation areas that have been identified, protected and/or enhanced. Integrated management plans to protect and/or enhance HCV and HCS forests, peatlands and other conservation areas are developed, implemented and adapted where necessary, and are complemented by monitoring requirements. The integrated management plan is reviewed at least once every five years. The integrated management plan is developed in consultation with relevant stakeholders and covers the areas directly managed and takes into account the relevant broader landscape level (if such landscapes have been identified).			
<b>Evidence observed (filled by auditor):</b> The company already has procedures for managing HCV areas which are contained in several documents, including: <ul style="list-style-type: none"><li>SOP Number 08 regarding Management and Monitoring of High Conservation Values (2 January 2018) which refers to several regulations such as the RI Law Number 32 of 2009 and the 2008 HCV Toolkit. The SOP describes the management and monitoring of HCVs such as making boundary markings, setting buffer widths zone, reviewing documents resulting from planning and management of HCVs, as well as preparing improvement plans based on the results of the review.</li><li>SOP Number 09 concerning Identification and Protection of Flora and Fauna (1 August 2017) which refers to several regulations such as the Republic of Indonesia Law Number 5 of 1990 and Number 32 of 2009. The SOP describes protective measures such as prohibiting the application of chemicals in the area protection and river boundaries, as well as socializing, placing warnings and activities for the protection of flora and fauna.</li></ul> However, based on the results of document verification, interviews and field observations, the following information was obtained: <ul style="list-style-type: none"><li>In residential areas, offices, and strategic areas (often traversed by the community/workers) in the Dolok Sinumbah and Balimbangan Unit, it shows that there are no forms of indirect socialization such as the installation of information boards and warning warnings related to conservation areas, the existence of protected rare plants and animals, prohibition of hunting, and prohibition of burning.</li><li>No marking of HCV area management boundaries was found, especially for HCV 1 and 4 areas (Riparian area).</li><li>The company can show the HCV Area Management Program document for the 2021 period, but not all programs listed in the document can be proven to be realized.</li><li>The company has been able to show the Protected Areas and Flora Fauna Report document for 2021. However, it has not included an evaluation to determine the follow-up of these programs.</li><li>The company has not been able to show the integrated management plan document based on the results of the review involving the relevant stakeholders.</li><li>There are replanting activities in the river border HCV area in the Dolok Sinumbah Afdeling 4 plantations Blocks 16O/21O and 16R/21Q as well as the Balimbangan Afdeling 4 plantations Blocks 21E and 21F.</li></ul> This has become a discrepancy in the surveillance-2 audit related to replanting activities and chemical application in river border areas. The company has taken corrective and preventive actions to fulfill non-compliance, such as oil palm tree removal, marking of chemical application boundaries, marking of HCV areas, as well as local forestry plant planting activities at Balimbangan Estate, Aek Moyam, Afdeling 3, block 19A (currently a block 19D). However, based on field observations at these locations, it shows that there is no form of riparian management as stated in the corrective and preventive actions to fulfill these non-conformities.					
<b>Non-Conformance Description (filled by auditor):</b> Based on the evidence obtained, it is concluded that the company has not been able to fully implement HCV management, develop programs based on reviews that have been carried out and document comprehensive management activities.					



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

- Most of the afdeling assistants who are PICs implementing HCV management and monitoring activities are assistants who have just entered PTPN IV where they have not received socialization and understanding regarding HCV management and monitoring and the negative effects that will occur if HCV management and monitoring are not carried out in accordance with procedures and applicable regulations
- There has not been a scheduled socialization of the SOP to the implementation team in the field and an evaluation of the level of understanding of the socialization materials provided has not been carried out, because the afdeling assistant who is the coordinator of the HCV management and monitoring implementation team in the field has just entered/mutated to the Dolok Sinumbah and Balimbingan plantation unit of PTPN 4
- The program that has been made is right on target, but the implementation team in the field does not know the steps that must be taken to run the program and there is no form that can ensure the progress of HCV management and monitoring that has been carried out by the PIC of each afdeling
- It has been submitted to the vendor through a replanting activity contract where in the KAK (Terms of Reference) the provisions for carrying out replanting activities have been stated, one of which is that replanting is not allowed in the HCV area/river border, but there is no PIC that has confirmed to the vendor regarding prohibition of replanting activities in the HCV area, in addition to that there has not been a direct visit by the PIC for Management and Monitoring of the HCV area together with the Sustainability Team of the directors' office to the replanted area so that replanting activities in the HCV area do not occur again in accordance with the HCV identification document for the Dolok Sinumbah and Balimbingan Unit. The program will be carried out since May 2022 and will be continued in the following years
- The coordinator of the implementation team in the field (assistant afdeling) is an assistant who was newly recruited in 2020 and has not received socialization/training related to HCV management and monitoring.

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

- indirect socialization such as the installation of information boards and warnings related to conservation areas, the existence of protected rare plants and animals, prohibition of hunting, and prohibition of burning in office areas, housing and areas that are frequently traveled
- Circular regarding river border area management
- Conduct training on Introduction to HCV and Management of River Border HCVs by the environmental service
- Issuing a PIC SK for the monitoring team for the management of the River Border HCV
- Issuing a PIC of the protected flora and fauna monitoring team
- Provision of boundary signs or signs prohibiting the application of chemicals and other forms of riparian management in the entire river border area of Kebun Dolok Sinumbah and Balimbingan
- Mapping and marking of river reserves in river border areas in the Dolok Sinumbah Afdeling 4 plantations Blocks 16O/21O and 16R/21Q as well as the Balimbingan Afdeling 4 plantations Blocks 21E and 21F
- Provisions such as the installation of information boards and warnings related to conservation areas, the existence of protected rare plants and animals, prohibitions on hunting, and prohibitions on burning. In residential areas, offices, and strategic areas, it can be seen in the Documentation of the appeal for strategic places for DOS and BAL
- The marking of the boundaries of the Dolok Sinumbah and Balimbingan plantations can be seen in the document
- Installation of Plank and Chemical Boundary Marks in the HCV Area of Dolok Sinumbah and RSPO 7.8.2 7.12.4 ISPO 3.7.2 LAB Documentation of installation of HCV signage and free of chemicals
- Evidence of 2021 program evaluation and 2022 program realization (for proof of 2021 program evaluation will be provided following and for 2022 program realization can be seen in the 2022 Program Realization document
- RSPO Documents 7.8.2 and 7.12.4 Management & Monitoring Plan on Riparian HCV DOS, RSPO 7.8.2 and 7.12.4. Matrix of HCV Dos and RSPO Management & Monitoring Plan 7.8.2 7.12.4 ISPO 3.7.2 BAL MANAGEMENT PLAN BAL RIVER BORDER
- Planting of erosion-repelling plants is contained in the Dolok Sinumbah River Border Planting document, RSPO 7.8.2 7.12.4 ISPO 3.7.2 BAL Minutes of planting hibiscus trees and vetiver planting.

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

- Create a program for recognizing and managing riverbank HCVs for employees and related stakeholders.

- Conducted a Restoration Program on river border areas in the Dolok Sinumbah Afdeling 4 plantations Blocks 16O/21O and 16R/21Q as well as the Balimbingan Afdeling 4 plantations Blocks 21E and 21F.
- Conduct evaluation and monitoring of programs for the introduction and management of river border HCVs and protected flora and fauna
- Conduct socialization related to river border management to employees and related stakeholders in accordance with company SOPs.
- Company management re-socializes the management and monitoring of HCV areas to the new assistant PIC if there is a change/mutation a maximum of 1 month after the replacement/mutation of the assistant PIC occurs.
- Company management conducts periodic socialization/training to refresh knowledge and insight of implementing PIC and Supervision of HCV management and monitoring at least once every 6 months
- For the 2022 replanting plan, the Sustainability Team of the Board of Directors' office together with the PIC for Management and Monitoring of HCV in the Dolok Sinumbah and Balimbingan plantations and the vendors implementing the replanting will conduct socialization and direct visits to the replanted areas so that replanting activities do not occur again in the HCV areas according to the HCV identification document. Dolok Sinumbah and Balimbingan Estate. The program will be carried out since May 2022 and will be continued in the following years.

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

##### Auditor Verification, April 18, 2022:

Companies need to distinguish between Non-conformances in indicators 7.8.2 and 7.12.4 because there are differences in the fulfillment of indicators and each observational evidence obtained. Based on this and the explanation of the components of the Root Problem, Corrective Action and Corrective Action, the Non-conformance has not been fulfilled.

##### Auditor Verification April 28, 2022:

The company has taken corrective actions based on several findings in the field, including:

- Regarding the absence of indirect forms of socialization in residential areas, offices, and strategic areas (often traversed by the community/workers) in the Dolok Sinumbah and Balimbingan plantations, the company has shown evidence of the installation of information boards and warning warnings related to conservation areas, the presence of plants and animals protected rare species, hunting bans, and prohibitions on burning documents. Documentation of appeals for strategic places DOS and BAL. Based on this, the findings at this point have been met. However, it is necessary to observe this to ensure that the installed content is on target and carried out thoroughly.
- Related to no marking of HCV area management boundaries, especially for HCV areas 1 and 4 (Riparian area). The company can show the documents for installing planks and chemical boundary markings in the HCV area in Dolok Sinumbah and documentation for installing HCV signs and being chemical-free. Based on this, the findings at this point have been met. However, it is necessary to observe this to ensure that the installed content is on target and carried out thoroughly.
- Regarding the realization of the 2021 HCV Area Management Program, the company can show documents of proof of the 2021 program evaluation and the realization of the 2022 program. This needs to be verified directly to compare field conditions. (Observation).
- Regarding the evaluation to determine the follow-up to the management of protected areas and flora and fauna in 2021. The company sends an evaluation document for the 2021 program. This needs to be verified directly to compare field conditions. (Observation).
- Regarding the integrated management plan based on the results of the review by involving the relevant stakeholders. The company can show the documents of Management & Monitoring Plan on Riparian HCV DOS, Matrix of Management & Monitoring Plan for HCV DOS and BAL River Border Management Plan. Based on these documents, it has been accepted.
- Regarding replanting activities in the river border HCV area in the Dolok Sinumbah Afdeling 4 plantations Blocks 16O/21O and 16R/21Q as well as the Balimbingan Afdeling 4 plantations Blocks 21E and 21F. The company has planted erosion-repelling plants which are contained in the Dolok Sinumbah River Border Planting document, and the official report on the planting of Waru trees and Vetiver Planting. Observations are needed to ensure the activities run thoroughly and in accordance with the events shown.

In addition, to ensure that the condition of the HCV area can be managed properly, and that there are no more findings in similar fields, the company sends several documents that are intended as preventive measures, including:

- Document Socialization of HCVs to employees, stakeholders and surrounding communities as well as socialization of management and monitoring of HCV areas to the new PIC of the afdeling assistant if there is a change/mutation of a maximum of 1 month after the replacement/mutation of the PIC of the afdeling assistant. Based on the verification of the document, the company has carried out preventive activities by providing re-socialization, but this needs to be done consistently and thoroughly so that further observations are needed.
- PTPN IV HCV Training Memo Document and Evaluation of Training Results Socialization on Management of HCV and River Borders to show that the PIC shown has conducted training related to river bridging and HCV. Activities will be planned every 6 months. Based on this, it can be accepted by observation to ensure that these activities are carried out consistently.
- Several documents related to river border management such as River Border Identification, Management & Monitoring Plan on Riparian and HCV, Matrix of HCV Management & Monitoring Plan and others. This aims to ensure that during replanting in 2022 there will be no replanting activities in the HCV area in accordance with the HCV identification document for the Dolok Sinumbah and Balimbingan plantations. The way to do this is by conducting outreach and direct visits to the replanting area by the Sustainability Team of the Board of Directors' office together with the PIC for Management and Monitoring of HCV in the Dolok Sinumbah and Balimbingan plantations and the vendor implementing the replanting. The program will be carried out since May 2022 and will be continued in the following years.

Based on the root cause justification, corrective actions and corrective actions submitted by the auditee, as well as all evidence documents for improvement and follow-up plans to be carried out, it is concluded that the company has made improvements that are credible enough to be verified and demonstrate a traceable and accountable HCV management plan. Based on this, the non-conformity in this indicator has been met, but periodic observations need to be made to ensure consistency in HCV management.

Verified by : Arief Tajalli

## 3.4.4 Opportunity for Improvement (OFI)

No	Ref. Std.	Description
1	1.1.2	Information is presented in an appropriate language and accessible to relevant stakeholders  Companies are encouraged to report environmental and hazardous waste management documents to the KLHK through SIMPEL as regulated in PermenLH number 87 of 2016 concerning the Electronic Licensing Reporting System for the Environmental Sector
2	1.1.5	There is an up-to-date list of contacts and detailed information on stakeholders and their appointed representatives  Ensure stakeholder list
3	2.1.3	Proof of legal area boundaries are shown with clear and maintained boundary markings, and no planting has been carried out beyond these boundaries.  Balimbangan: Ensure the numbering of HGU stakes in accordance with the monitor report and also complete all the HGU maps for all division.  Dolok Sinumbah: Ensure that the position/coordinate on the internal stake map match the position of the HGU stakes in the field
4	2.3.2	For all FFB obtained indirectly, the unit of certification obtains evidence in accordance with Indicator 2.3.1 from collection centers (collectors), agents, or other intermediaries.  Ensure to identify all geolocations of FFB suppliers and collect evidence related to land ownership status of FFB supplier growers/farmers along with their justification if the growers/farmers are not willing to provide a copy of the proof of land ownership.
5	3.4.3	The social and environmental management and monitoring plan is implemented, monitored and updated periodically in a participatory manner.  The company has reviewed the management of social impacts for the period 2020 - 2021 and developed a social management plan for the period 2021 - 2022, in which the process has been participatory by involving relevant stakeholders. Based on the results of field visits, information was obtained that there are still several potential conflicts such as theft and cultivation of river borders. However, the results of interviews with stakeholders stated that they had been involved in socialization related to the company's social programs. Based on the results of the review of the Social Management Program document for the 2021 period, the company has not yet established a social management program related to the potential conflict. The socialization activities that have been carried out have also not been fully documented. Based on this, companies are encouraged to identify all potential impacts and develop social management programs based on these identifications, and document them comprehensively in the next social management report.
6	5.2.1	The unit of certification consults with interested smallholders (regardless of the type of farmer), including female smallholders or other supply partners, to assess their need for support for improving their livelihoods as well as their interest in pursuing RSPO certification.  Companies are encouraged to ensure that efforts to support independent smallholders to participate in RSPO certification are thorough and documented.
7	6.2.7	Permanent workers are employed for all major work performed by the unit of certification. Temporary workers and casual daily workers are limited to work of a temporary or seasonal nature.  Ensuring the nomination/appointment of temporary workers
8	7.8.4	POM water use per tonne of FFB is monitored and recorded.

No	Ref. Std.	Description
		Based on the results of the verification of the Water Resources Concession Permit document, it shows that the validity period of the permit has expired on March 1, 2022. In this regard, the company can show Memo Number DOS/04.01/eM-21/II/2022 regarding the permit extension application as of February 14th, 2022 as well as proof of monthly retribution payments in accordance with the volume of water use. Based on this, companies are encouraged to ensure the progress of the extension of the Water Resources Concession Permit.
9	7.11.3	The unit of certification engages stakeholders in adjacent locations for fire prevention and control measures.  Companies are encouraged to make efforts to involve communities around their management areas to anticipate and deal with fires.

#### 3.4.5 Noteworthy Positive Components

No	Description
1	Has been certified Halal in 2021
2	Has obtained ISO and ISPO certificates



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

Public Issues (Institution/ NGO/Community)	Auditor Verification
<p>Plantation Agency of Simalungun Regency Resource Person: Head of Plantation Date: March 29, 2022</p> <ul style="list-style-type: none"> <li>Companies routinely report on LKUP and begin to actively coordinate with the Agency.</li> <li>The plantation business assessment will be carried out in July 2021 with a class II (Good) category.</li> <li>There has been no fire in the last 1 year.</li> <li>There are no conflicts that have the potential to disrupt the company's operations</li> </ul>	<p>There are no negative issues related to the company, and verification has been carried out in the report</p>
<p>Marubun Jaya Village</p> <ul style="list-style-type: none"> <li>There are no conflicts or land disputes between the company and Marubun Jaya Village</li> <li>There is no information regarding environmental issues or conflicts with the Balimbingan Plantation</li> <li>Communication with the company is carried out with the public relations department.</li> </ul>	<p>There was no negative issue that need further verification.</p>
<p>Simalungun Regency Manpower Office</p> <ul style="list-style-type: none"> <li>The company already has a CLA</li> <li>Labor unions have been registered with the Manpower Office</li> <li>There are no issues related to industrial relations problems</li> <li>There are no complaints or information related to labor issues in the company</li> <li>There are no work accidents</li> <li>The company has implemented overtime and wages in accordance with applicable regulations</li> </ul>	<p>There was no negative issue that need further verification.</p>
<p>Local Contractor CV Rio Mandiri</p> <ul style="list-style-type: none"> <li>Fulfillment of employment for contractor workers has been carried out such as related to minimum wages, BPJS membership and others.</li> <li>Payments are made on time and in accordance with the agreed amount.</li> <li>There were no complaints or problems while working with the company.</li> </ul>	<p>There was no negative issue that need further verification.</p>
<p>Labor union</p> <ul style="list-style-type: none"> <li>The structure of the wage scale is still using last year's. the Implementation of the 2022 wage setting will be carried out in April 2022 including the Rapel will be given in that month as in previous years.</li> <li>PKB 2022 (Collective Labor Agreement) is still in the process of being validated at the agency.</li> <li>Employee welfare is not affected by the Covid pandemic condition</li> <li>No complaint related to worker welfare</li> </ul>	<p>No negative issue needs to further observation.</p>



Public Issues (Institution/ NGO/Community)	Auditor Verification
<ul style="list-style-type: none"> <li>There is no intervention in the selection of labor union</li> <li>The company has provided PPE to workers.</li> <li>The company has implemented overtime and wages in accordance with applicable regulations</li> <li>The company has provided adequate and proper facilities to workers</li> </ul>	
<b>Gender Committee</b> <ul style="list-style-type: none"> <li>The gender committee has had work programs such as socialization of procedures, gymnastic, etc.</li> <li>There are no cases of sexual harassment and violence</li> <li>There is no indication of discrimination against women</li> <li>There is menstrual leave and maternity leave for female workers</li> <li>Pregnancy checks are only for women who work with chemicals</li> <li>Workers who are pregnant and breastfeeding are not allowed to work with chemicals.</li> </ul>	In general, there are no issues that require further verification
<b>Bahal Batu Village</b> <b>Pangulu Nagori Bahal Batu</b> <p>There is no environment pollution, land dispute, and social issue in Bahal Batu village. Many villagers work in PTPN IV Dolok Sinumbah, such as daily worker in harvesting activity. Company also already conducted social impact assessment in Bahal Batu Village. They also know the conservation area. Overall, there is no complaint towards PTPN IV Dolok Sinumbah. As for CSR, company will rotate the provision of CSR to villages around the company. CSR provided by company for example building mosque towers, providing clean water, paving roads, and others.</p>	In general, there are no issues that require further verification
<b>Marihat Bandar Village</b> <b>Pangulu Nagori Marihat Bandar</b> <p>There is no environment pollution, land dispute, and social issue in Marihat Bandar Village. Villagers work in PTPN IV Dolok Sinumbah as security or others work. Communication with PTPN IV Dolok Sinumbah went well and company also respond keluhan if they have something to ask or submit proposal.</p>	In general, there are no issues that require further verification
<b>Environmental Agency of Simalungun Regency</b> <b>Environmental Monitoring Section</b> <ul style="list-style-type: none"> <li>There is no complaint from residents about environment pollution</li> <li>All environment legality is still valid, such as hazardous waste storage permit, land application permit, and domestic waste permit.</li> <li>Company regularly submits environment management and monitoring report and hazardous waste report.</li> <li>There is no land overlap with other companies</li> </ul>	In general, there are no issues that require further verification

Public Issues (Institution/ NGO/Community)	Auditor Verification
<b>CV Karya Mandiri</b>  Contractor transport PK from Dolok Sinumbah POM to PPIS Pabatu. Contractor provides its workers with PPE, social insurance (health and employment), and work agreement. There is no complaint about late payment. Contractor willing to be audited by CB anytime.	In general, there are no issues that require further verification
<b>Land National Agency of Simalungun Regency Information and Complain Section</b>  <ul style="list-style-type: none"> <li>There is no complaint from residents around company.</li> <li>PTPN IV Dolok Sinumbah and Balimbingan already has HGU and still valid.</li> <li>There is no land overlap with other companies</li> </ul>	In general, there are no issues that require further verification

4.0	CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY
4.1	Formal Sign-off of Assessment Findings
	<p>Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.</p> <p>Signed on behalf of:</p> <div style="display: flex; justify-content: space-around; align-items: flex-end;"> <div style="text-align: center;"> <p>PT Perkebunan Nusantara IV – Dolok Sinumbah Head of Planning and Sustainability</p>  <p><u>Pirgok Panggabean</u> Friday, 15 July 2022</p> </div> <div style="text-align: center;">  <p><u>Rizliani Aprianita Hsb</u> Friday, 15 July 2022</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	Environmental Agency	Simalungun Regency	-	Telephone Public Consultation	1 April 2022	✓	
2	Plantation Agency	Simalungun Regency		Telephone Public Consultation	1 April 2022	✓	
3	Land national Agency	Simalungun Regency	-	Telephone Public Consultation	1 April 2022	✓	
4	Manpower agency	Simalungun Regency	-	Telephone Public Consultation	1 April 2022	✓	
5	Contractor (PK Transporter) CV Karya Mandiri	Medan	-	Telephone Public Consultation	1 April 2022	✓	
6	Contractor (CV Rio Mandiri)	Simalungun Regency	-	Telephone Public Consultation	1 April 2022	✓	
7	Marubun Jaya Village	Marubun Jaya Village, Simalungun Regency	-	Telephone Public Consultation	1 April 2022	✓	
8	Bahal Batu Village	Bahal Batu Village, Simalungun Regency	-	Telephone Public Consultation	1 April 2022	✓	
9	Marihat Bandar Village	Marihat Bandar Village, Simalungun Regency	-	Telephone Public Consultation	1 April 2022	✓	
10	Gender committee	PT Perkebunan Nusantara 4	-	Direct Interview	1 April 2022	✓	
11	Labor union	PT Perkebunan Nusantara 4		Direct Interview	1 April 2022	✓	
12	PTPN IV Dolok Sinumbah POM • Worker of Sortasi station • Security station • weighbridge operator • Chemical storage keeper • Boiler operator • Sterilizer operator • Enginee room operator	PT Perkebunan Nusantara 4	-	Direct Interview	1 April 2022	✓	
13	Dolok Sinumbah Estate • Harvesters • Spraying workers • Maintenance workers • Warehouse officer • etc	PT Perkebunan Nusantara 4	-	Direct Interview	2 April 2022	✓	
14	Balimbingan Estate • Harvesters • Spraying workers • Maintenance workers • Warehouse officer • etc	PT Perkebunan Nusantara 4	-	Direct Interview	4 April 2022	✓	
15	WWF Indonesia	Indonesia	Email	Questionnaire	23 March 2022		✓
16	WALHI	Indonesia	Email	Questionnaire	23 March 2022		✓
17	Sawit Watch	Indonesia	Email	Questionnaire	23 March 2022		✓
18	AMAN	Indonesia	Email	Questionnaire	23 March 2022		✓

**Appendix 2. Assessment Program**
**REMOTE**

Date	7 – 8 April 2021	
Audit Program	Clauses To Be Audited	Auditor / PIC
<b>Wednesday, 7 April 2021</b>		
08.00 – 09.00	<b>OPENING MEETING (recorded video conference)</b> <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
09.00 – 12.00	<b>Documents Review</b> <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> <li>Interview by phone with Labor Union and Employee Cooperative</li> </ul>	All Auditor
12.00 – 14.00	Break	All Auditor
14.00 – 17.00	Document review and completing audit checklist	All Auditor
<b>Thursday, 8 April 2021</b>		
08.00 – 12.00	<i>Document review and completing audit checklist</i>	All Auditor
12.00 – 14.00	Break	All Auditor
14.00 – 16.00	Internal discussion by auditor team preparing for Closing Meeting	All Auditor
16.00 – 17.00	<b>CLOSING MEETING (recorded video conference)</b> <ul style="list-style-type: none"> <li>Presentation of audit findings (Noteworthy Positive Component, Non-Conformities, OFI, Timeline of CAR's, Conclusion)</li> <li>Comments, Responses and Questions</li> </ul>	All Auditor

**ONSITE**

Date	31 March 2022 – 1 April 2022	
Program	Clauses To Be Audited	Auditor
<b>Friday, 1 April 2022</b>		
08.00 – 09.00	<b>Opening Meeting (Dolok Sinumbah, Balimbingan)</b> <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
08.00 – 12.00	<b>Stakeholder Consultation</b> <ul style="list-style-type: none"> <li>Public consultation with stakeholder to relevant agency in Simalungun Regency by Phone</li> <li>Stakeholder consultation to affected communities surrounding the plantations and previous land owner by phone</li> <li>Interview with Gender Committee, Worker's Union, Worker's Cooperative (if any), Local Contractor (for Mill and Estate), Third Party Supplier by phone</li> <li>Document review and completing audit checklist.</li> </ul>	All auditor

Date	31 March 2022 – 1 April 2022	
Program	Clauses To Be Audited	Auditor
12.00 – 14.00	Break	All Auditor
14.00 – 17.00	Field Observation of Dolok Sinumbah Mill <ul style="list-style-type: none"> <li>• Observation of supply chain (FFB receiving, weighbridge)</li> <li>• Observation of FFB grading, processing activity, product dispatch</li> <li>• Observation of chemical storage, hazardous waste storage, fire control simulation, etc</li> <li>• Observation of WWTP, WTP, EBA</li> <li>• Continue Stakeholder interview of worker union, gender committee, and contractor</li> <li>• audit progress</li> </ul>	AAS HRW/RAH ART  ART  All Auditor
<b>Saturday, 2 April 2022 (Half Day)</b>		
08.00 – 12.00	Field Observation of Dolok Sinumbah Estate <ul style="list-style-type: none"> <li>• Observation of HGU poles, and land demarcation.</li> <li>• Observation the activity of harvesting &amp; transportation, manuring, pesticides application, road maintenance, IPM, EFB application, etc)</li> <li>• Observation of chemical storage, fertilizer storage, hazardous waste storage, fire control facilities, waste management, etc)</li> <li>• Observation of workers facilities (housing, school, worship place, domestic waste management, etc).</li> <li>• Observation of HCV area &amp; POME Land Application (if any)</li> </ul>	AAS HRW/RAH  ART  AAS
<b>Monday, 4 April 2022</b>		
08.00 – 12.00	Field Observation of Balimbingan Estate <ul style="list-style-type: none"> <li>• Observation of HGU poles, land demarcation, and HCV.</li> <li>• Observation the activity of harvesting &amp; transportation, manuring, pesticides application, road maintenance, IPM, EFB application, etc)</li> <li>• Observation of chemical storage, fertilizer storage, hazardous waste storage, fire control facilities, waste management, etc)</li> <li>• Observation of workers facilities (housing, school, worship place, domestic waste management, etc).</li> <li>• Continue Stakeholder interview to worker union, gender committee, worker cooperative, and contractor.</li> </ul>	ART HRW/RAH  AAS  AAS  AAS
12.00 – 14.00	Break	All Auditor
14.00 – 17.00	<ul style="list-style-type: none"> <li>• Document review</li> <li>• Continue stakeholder consultation (if needed)</li> <li>• Audit progress</li> </ul>	All Auditor
<b>Tuesday, 7 April 2022</b>		
08.00 – 12.00	<ul style="list-style-type: none"> <li>• Document review</li> <li>• Continue stakeholder consultation (if needed)</li> </ul>	All Auditor
12.00 – 14.00	Break	All Auditor
14.00 – 17.00	<ul style="list-style-type: none"> <li>• Continue document verification</li> <li>• Audit progress</li> </ul>	All Auditor
<b>Friday, 8 April 2022</b>		
08.00 – 10.00	Closing meeting	All Auditor
10.00 – 14.00	Travelling from Balimbingan – Kuala Namu	All Auditor
16.50 – 19.20	Flight from Kuala Namu – Jakarta	Harry/Tajalli