

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

**[✓] Surveillance**

Name of Management : **Berangir POM - PT PERKEBUNAN NUSANTARA IV subsidiary of PT PERKEBUNAN NUSANTARA III**

Plantation Name : PT Perkebunan Nusantara IV: Berangir Estate

Location : Village of Perkebunan Berangir, Sub District of NA IX-X, District of Labuhanbatu Utara, Province of Sumatera Utara, Indonesia

Certificate Code : **MUTU-RSPO/118**

Date of Certificate Issue : 20 July 2018                      Date of License Issue : 28 November 2022

Date of Certificate Expiry : 19 July 2023                      Date of License Expiry : 19 July 2023

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ASA-3 (Remote Audit)	14 to 15 July 2021	Rizliani Aprianita Hasibuan (Lead Auditor), Briyogi Shadiwa, Rahmat Abdiansyah, Erika Lucitawati (Auditor Trainee)	Moh Arif Yusni	Leonada
ASA-3 & ASA-4 (Onsite Audit)	5 to 6 & 8 to 9 August 2022	Briyogi Shadiwa (Lead Auditor), Rindu Galih Rezza Rachmansyah, Erika Lucitawati and Darwin Simatupang.		

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-3 & ASA-4	21 November 2022

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

Figure 1. Location Map of PTPN IV Berangir	1
Figure 2. Operational Map of PTPN IV Air Berangir	2
Abbreviations Used	3

**1.0 SCOPE of the CERTIFICATION ASSESSMENT**

1.1	Assessment Standard Used	4
1.2	Organisation Information	4
1.3	Type of Assessment	4
1.4	Location of Mill and Plantations	4
1.5	Description of Area Statement	4
1.6	Planting Year and Cycle	5
1.7	Description of Mill and Supply Base	5
1.8	Estimate Tonnage of Certified Product	6
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	16
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	72
3.3	Summary of RSPO Partial Certification	73
3.4	Identification of Findings, Corrective Actions, Observations, Opportunity for Improvement and Noteworthy Positive Components	88
3.5	Summary of Arising Issues from Public and Auditor Verifications	114

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

4.1	Formal Signing of Assessment Findings	122
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**APPENDICES**

1.	List of Stakeholders Contacted in the RSPO Certification Process	123
2.	Assessment Program	125

Figure 1. Location Map of PTPN IV - Berangir

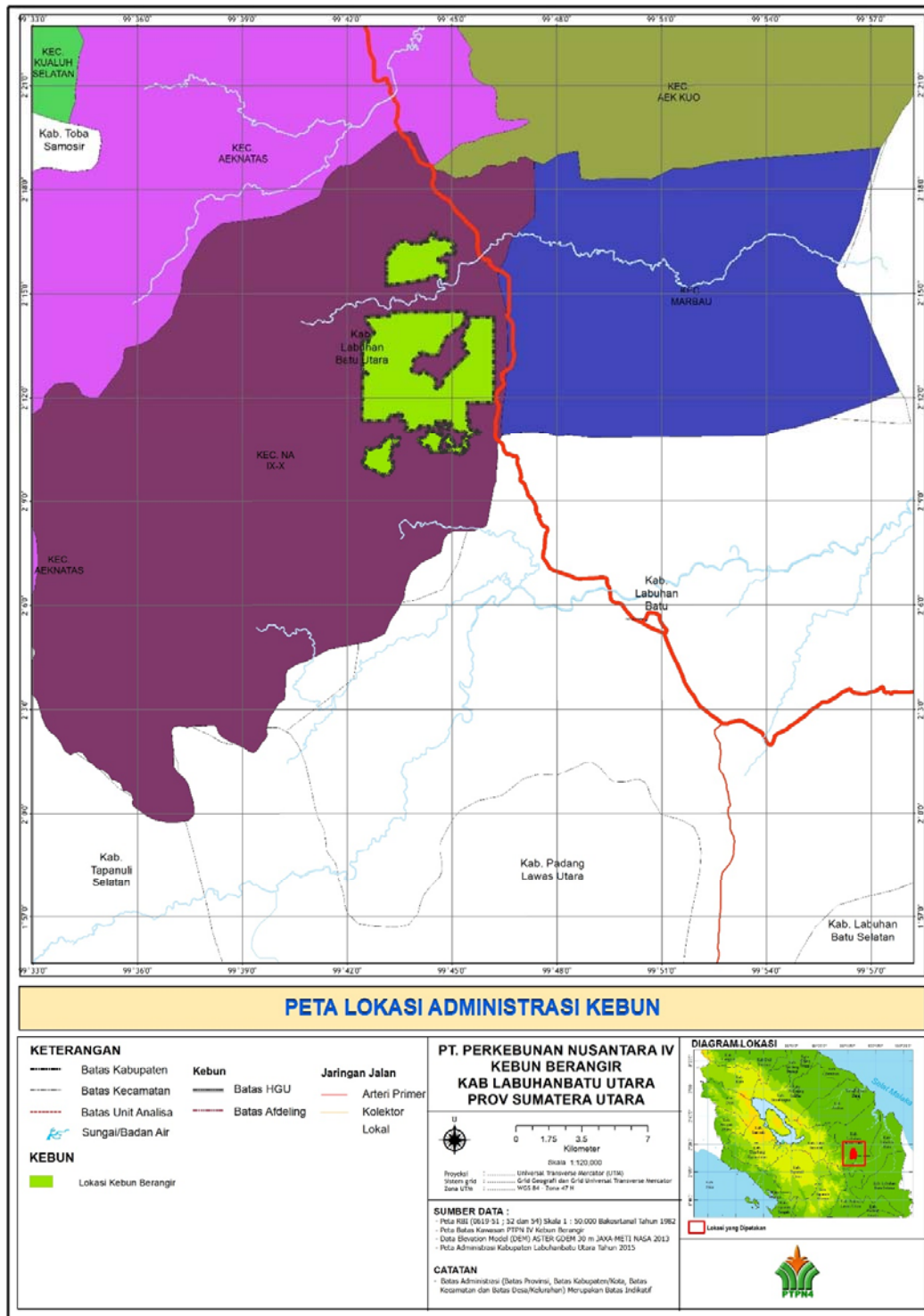
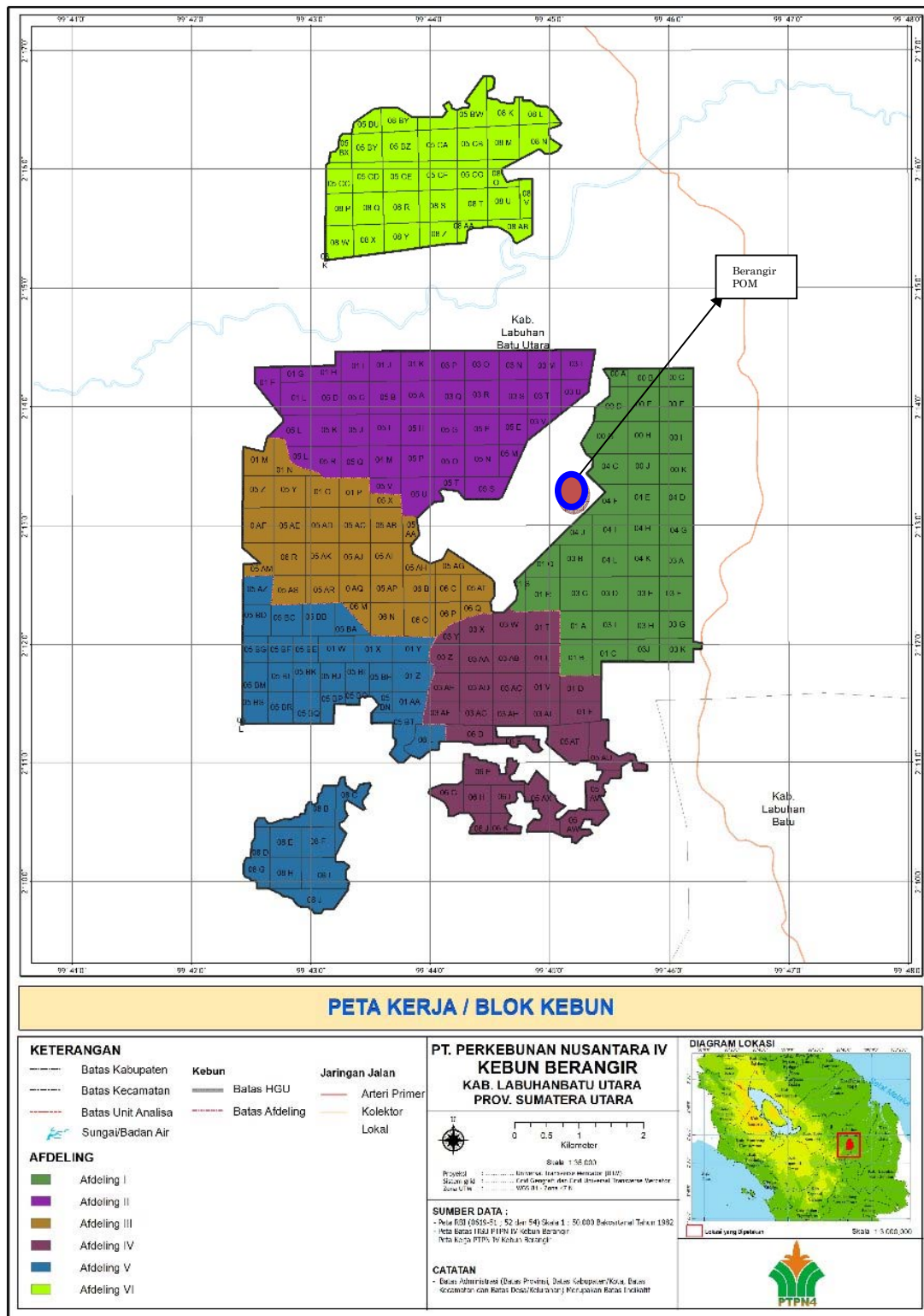


Figure 2. Operational Map of PTPN IV - Berangir



**Abbreviations Used**

ACOP	:	The Annual Communication of Progress
ASA	:	Annual Surveillance Assessment
Bapedalda	:	<i>Badan Pengendalian Dampak Lingkungan Daerah</i> (Regional Environmental Impact Management Agency)
BOD	:	Biological Oxygen Demand
BPJS	:	<i>Badan Penyelenggara Jaminan Sosial</i> / Social Security Agency
BHL	:	<i>Buruh Harian Lepas</i> / Daily Contract Worker
CB	:	Certification Body
CH	:	Certification Holder
CPO	:	Crude Palm Oil
CLA	:	Collective Labor Agreement
CSPK	:	Certified Sustainable Palm Kernel
CSPO	:	Certified Sustainable Palm Oil
CSR	:	Corporate Social Responsibility
EFB	:	Empty Fruit Bunch
EIA	:	Environment Impact Assessment
FFB	:	Fresh Fruit Bunch
GHG	:	Greenhouse Gas
HCV	:	High Conservation value
HGU	:	<i>Hak Guna Usaha</i> (Land Use Permit)
IPM	:	Integrated Pest Management
ISPO	:	Indonesian Sustainable Palm Oil
KCD	:	<i>Kesatuan Contoh Daun</i> / Leaf Sample Unit
KER	:	Kernel Extraction Rate
LA	:	Land Application
LSU	:	Leaf Sampling Unit
MSDS	:	Material Safety Data Sheet
OER	:	Oil Extraction Rate
OHS	:	Occupational, Health, and Safety
P2K3	:	<i>Panitia Pembina Kesehatan dan Keselamatan Kerja</i> OHS Committee
P & C	:	Principle and Criteria
PDIK	:	<i>Pedoman dasar &amp; instruksi kerja</i> (Guidelines and work instruction)
PK	:	Palm Kernel
PKS	:	<i>Pabrik Kelapa Sawit</i>
PKWT	:	<i>Perjanjian Kerja Waktu Tertentu</i> / Contract Workers
PKWTT	:	<i>Perjanjian Kerja Waktu Tidak Tertentu</i> / Permanent Workers
PLN	:	<i>Perusahaan Listrik Negara</i>
POM	:	Palm Oil Mill
POME	:	Palm Oil Mill Effluent
PPAB	:	<i>Permintaan dan Pengajuan Anggaran Belanja</i> (Budget Request Number)
PPD	:	<i>Petugas Pengendali Dokumen</i> / Document control officer
PPE	:	Personal Protective Equipment
PPh	:	<i>Pajak Penghasilan</i> / Income Tax
PPN	:	<i>Pajak Pertambahan Nilai</i> / Value-Added Tax
PPKS	:	<i>Pusat Penelitian Kelapa Sawit</i> / Indonesian Oil Palm Research Institute
PTPN	:	<i>Perusahaan Terbatas Perkebunan Nusantara</i>
RKL/RPL	:	<i>Rencana Pengelolaan Lingkungan / Rencana Pemantauan Lingkungan</i>

RSPO	:	Roundtable Sustainable Palm Oil
SCCS	:	Supply Chain Certification Standard
SIA	:	Social Impact Assessment
SIUP	:	<i>Surat Izin Usaha Perdagangan</i> (Business License)
SOP	:	Standard Operational Procedures
SPBUN	:	<i>Serikat Pekerja Perkebunan</i> (Plantation Labor Union)
SPK	:	<i>Surat Perjanjian Kerja</i> (Work Order Number)
SPI	:	<i>Satuan Pengawas Internal</i> (The Internal Audit Unit)
SSU	:	Soil Sampling Unit
WTP	:	Water Treatment Plant
WWTP	:	Waste Water Treatment Plant

<b>1.0</b>	<b>SCOPE of the CERTIFICATION ASSESSMENT</b>		
<b>1.1</b>	<b>Assessment Standard Used</b>	<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>	
<b>1.2</b>	<b>Organization Information</b>		
1.2.1	Organization name listed in the certificate	Berangir POM - PT PERKEBUNAN NUSANTARA IV subsidiary of PT PERKEBUNAN NUSANTARA III	
1.2.2	Contact person	Pirgok Panggabean	
1.2.3	Organization address and site address	<b>Head Office:</b> Jalan Letjen Suprpto No. 2, Kode Post 20151, Medan, Sumatera Utara, Indonesia.	
1.2.4	Telephone	(62-61) 415 4666	
1.2.5	Fax	(62-61) 457 3117	
1.2.6	E-mail	<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 – 13 December 2006	
<b>1.3</b>	<b>Type of Assessment</b>		
1.3.1	Scope of Assessment and Number of Management Unit	Palm Oil Mill and supply base (Berangir Mill, Berangir Estate)	
1.3.2	Type of certificate	Single	
<b>1.4</b>	<b>Locations of Mill and Plantation</b>		
1.4.1	Location of Mill		
	<b>Name of Mill</b>	<b>Location</b>	<b>Coordinate</b>
			<b>Latitude</b> <b>Longitude</b>
	Berangir	Village of Perkebunan Berangir, Sub District NA IX – X, District Labuhanbatu Utara Province Sumatera Utara	N 02° 13' 29"      e 99° 45' 37"
1.4.2	Location of Certification Scope of Supply Base		
	<b>Name of Supply Base</b>	<b>Location</b>	<b>Coordinate</b>
			<b>Latitude</b> <b>Longitude</b>
	Berangir Estate	Village of Perkebunan Berangir, Sub District NA IX – X, District Labuhanbatu Utara Province Sumatera Utara	N 02° 13' 20"      E 99° 46' 35"
<b>1.5</b>	<b>Description of Area Statement</b>		



1.5.1	Tenure						
	• State	4,583.67 Ha					
	• Community	- Ha					
1.5.2	Area Statement						
	• Total area	4,583.67	Ha				
	• Mature area	4,013.36	Ha				
	• Immature area	-	Ha				
	• Mill	7.79	Ha				
	• Workshop	0.51	Ha				
	• Warehouse	2.40	Ha				
	• Emplacement	68.47	Ha				
	• WWTP	7.00	Ha				
	• Cemetery	3.08	Ha				
	• Worship House	2.25	Ha				
	• Road and Ditch	267.67	Ha				
	• Elementary School	2.50	Ha				
	• HCV (Planted Area)	208.64	Ha				
1.6	Planting Year and Cycles						
1.6.1	Age profile of planting year						
	Planting Year	Hectarage (Ha)					
		Berangir Estate	Total				
	2000	175.71	175.71				
	2001	512.41	512.41				
	2003	718.00	718.00				
	2004	263.50	263.50				
	2005	1,615.45	1,615.45				
	2006	240.57	240.57				
	2008	487.72	487.72				
	Sub Total Mature	4,013.36	4,013.36				
	TOTAL	4,013.36	4,013.36				
1.6.2	New Planting area after January 2010	-	Ha				
1.6.3	Planting Cycle	2 <sup>nd</sup> Cycle					
1.7	Description of Mill and Supply Base						
1.7.1	Description of Mill						
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel	
				Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)
	Berangir	30	219,241.67	46,792.96	21.34	9,353.11	4.27
*Production data source from February 2021 to July 2022							



1.7.2	Description of Certification Scope of Supply Base						
	Name of Estate	Total Area (Ha)	Production Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ ha/year)	Supplied to Mill	
						FFB (tonnes/year)	%
	Berangir	4,583.67	4,013.36	169,408.64	28.28	155,500.40	91.7
	TOTAL	4,583.67	4,013.36	169,408.64	28.28	155,500.40	91.7
*Production data source from February 2021 to July 2022							
1.7.3	FFB description from other source						
	Name of sources/Organization (RSPO certified / non- certified)	Type of Organization	number of smallholde rs	Production Area (Ha)	Supplied to Mill		
					FFB (tonnes/year)		
	Meranti Paham (RSPO Certified)	PTPN IV	-	3,813.00	14,190.17		
	Ajamu (RSPO Certified)	PTPN IV	-	3,744.00	4,293.11		
	Pulu Raja (RSPO Certified)	PTPN IV	-	3,824.00	3,353.56		
	CV Perkasa Aidil Zulkiansyah (Non- Certified)	Out grower	-	-	2,176.12		
	PT Denggan Agrijava Labuan (Non-Certified)	Out grower	-	-	16.52		
	CV Kurnia Mitra Mandiri (Non-Certified)	Out grower	-	-	19,899.94		
	PT Semut Merah Beriring (Non-Certified)	Out grower	-	-	1,648.17		
	PT Aidil Putra Perdana(Non-Certified)	Out grower	-	-	15,439.49		
	Panai Jaya (Non-Certified)	PTPN IV	-	-	3,167.77		
	TOTAL					64,184.85	
*Production data source from February 2021 to July 2022							
1.7.4	Product categories			FFB, CPO, PK			
1.8	Tonnage of Product						
1.8.1	Past Annual Claim Certified Product		Last Year Projected Certified Volume (MT) (20 February 2021 – 19 October 2022)		Last Year Actual Certified Volume (February 2021 to July 2022) (MT)		
	FFB Processed		184,982		177,337		
	CPO Production		42,698		39,841		
	Palm Kernel (PK) Production		7,843		7,533		
1.8.2	Product selling						
	Type of selling product		Actual selling product for last year (February 2021 to July 2022) (MT)				
	CSPO sold as RSPO certified product		8,325				
	CSPK sold as RSPO certified product		7,420				

	CSPO sold under other scheme				0			
	CSPK sold under other scheme				0			
	CSPO sold as conventional				27,846			
	CSPK sold as conventional				0			
1.8.3	Estimate of Certified FFB Claim							
	<b>Name of Estate(s)</b>	<b>Total Area (Ha)</b>	<b>Production Area (Ha)</b>	<b>FFB (tonnes/year)</b>	<b>Yield (tonnes/ha/year)</b>			
	Berangir	4,583.67	4,013.36	108,400	27.00			
	<b>TOTAL</b>	<b>4,583.67</b>	<b>4,013.36</b>	<b>108,400</b>	<b>27.00</b>			
	<i>*Projected FFB production for 12 months of certificate</i>							
1.8.4	Estimate of Certified Palm Product Claim							
	<b>Name of Mill</b>	<b>Capacity (tonnes/ hour)</b>	<b>FFB Processed (tonnes/year)</b>	<b>CPO</b>	<b>Palm Kernel</b>	<b>Supply Chain Module</b>		
				<b>Out put (tonnes)</b>	<b>Extraction (%)</b>	<b>Out put (tonnes)</b>	<b>Extraction (%)</b>	
	Berangir	30	108,400	24,000	22.14	4,700	4.33	MB
	<i>*Projected CSPO and CSPK production for 12 months of certificate</i>							
1.9	<b>Other Certifications</b>							
	ISO 9001:2008			-				
	ISO 14001: 2004			-				
	OHSAS 18001:2007			-				
	ISCC			-				
	Others			ISPO Certificate by TUV Nord on March 2022.				
1.10	<b>Time Bound Plan</b>							
1.10.1	<b>Time Bound Plan for Other Management Units</b>							
	<b>Management Unit</b>		<b>Estate (Supply Base)</b>	<b>Time Bound Plan</b>	<b>Location</b>	<b>Status</b>		
	<b>Mill</b>	<b>Time bound</b>						
	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 District, Sumatera Utara Province	Sept 8, 2016 (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 (PTPN III)	2014	Aek Torop Estate	2014	Labuhan Batu Selatan District, Sumatera Utara Province	June 17, 2014 (Certified)
Aek Raso (PTPN III)	2014	Aek Raso Estate	2014	Labuhan Batu Selatan District, Sumatera Utara Province	June 30, 2014 (Certified)
Pabatu	2015	Pabatu	2015	Serdang Bedagai,	Certified on

(PTPN IV)				Sumatera Utara	September 2015
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
		Bah Birung Ulu	2022	Simalungun, Sumatera Utara	Stage-1 Audit
		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	-



		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	2022	Cikasungka	2022	Bogor District, Jawa barat	-

1.10.2	(PTPN VIII)				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	-
	Date Approval TBP on November 2021.					
	<b>Progress of Associated Smallholders and Outgrowers for Certifiable Standard</b>					
	PTPN IV- Berangir POM does not have smallholders' scheme. The other suppliers of Berangir POM are include to other scope in accordance with the time bound plan.					

<b>2.0</b>	<b>ASSESSMENT PROCESS</b>
<b>2.1</b>	<b>Assessment Team</b>
<b>ASA-3 (Remote)</b>	<p><b>1. 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, SCCS training, lead Auditor ISO 9001:2008, ISO 14001:2004, SA 8000, OHSAS 18001, social audit training by RSPO (verité), 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 legal, social aspect, health and safety aspect, worker welfare, waste management aspect etc. During the assessment she assigned to verify Worker Welfare, Social and Third parties.</p> <p><b>2. Briyogi Shadiwa (Auditor).</b> Indonesian citizens. Associate Degree of Oil Palm Plantation, Bogor Agricultural University. He has work experience since 2009 in several private oil palm plantation companies in Indonesia as Assistant Agronomy and Agronomy Quality Control. The trainings that have been attended include: RSPO Lead Auditor Course by Checkmark, ISPO Auditor Training by LPP, Lead Auditor ISO 9001: 2015, RSPO Supply Chain Certification Training Course by Checkmark, Lead Auditor ISO 14001: 2015, SMK3 Awareness, OHSAS 18001 Awareness: 2007, SA 8000 Awareness, ISO 45001: 2018 Awareness and General OHS Expert Training. In this audit, he verified the Legal and SCCS aspect.</p> <p><b>3. Rahmat Abdiansyah (Auditor).</b> Indonesian citizen. Bachelor of Forestry from IPB University, with major in Forest Resources Conservation and Ecotourism. Has experience working in the Indonesian Palm Oil Farmers Organization and Indonesian private oil palm plantation companies. Participate in ISPO and RSPO Internal Auditor training in 2018, ISPO and P&amp;C Certification Systems IHT in 2019, IHT ISO 19011, ISPO Auditor Training in 2020, RSPO Lead Auditor Training in 2020, ISO 14001 and ISO 9001 Lead Auditor Training in 2020, and awareness of the RSPO Certification System and the RSPO P&amp;C in 2019 and 2020. During this assessment, he verified the aspects Best Management Practice, Long Term Plan, and OHS.</p> <p><b>4. Erika Lucitawati (Auditor Trainee).</b> Indonesian citizen. Bachelor of Engineering with major in Environmental Engineering. Has one-year experience in waste water treatment plant company. The trainings that have been attended include In House Training of ISO 19011: 2018, ISO 17021: 2015, ISO 17065: 2012, ISO 9001: 2015, ISO 14001: 2015, ISO 45001: 2018, and The Supervision of Occupational Health and Safety Training. Has participated in audit activities for the ISPO and RSPO scheme for environmental, GHG, conservation, and social responsibility aspect. In this audit activity performs the assessment of environmental, social, conservation and GHG aspects and is supervised by Lead Auditor.</p>
<b>ASA-3 &amp; ASA-4 (Onsite)</b>	<p><b>1. Briyogi Shadiwa (Lead Auditor).</b> Indonesian citizens. Associate Degree of Oil Palm Plantation, Bogor Agricultural University. He has work experience since 2009 in several private oil palm plantation companies in Indonesia as Assistant Agronomy and Agronomy Quality Control. The trainings that have been attended include: RSPO Lead Auditor Course by Checkmark, ISPO Auditor Training by LPP, Lead Auditor ISO 9001: 2015, RSPO Supply Chain Certification Training Course by Checkmark, Lead Auditor ISO 14001: 2015, SMK3 Awareness, OHSAS 18001 Awareness: 2007, SA 8000 Awareness, ISO 45001: 2018 Awareness and General OHS Expert Training. In this audit, he verified the Legal, SCCS, time-bound plan, Best Management Practice and Occupational Health &amp; Safety aspect.</p> <p><b>2. Rindu Galih Rezza Rachmansyah (Auditor)</b> Indonesian citizen, Bachelor of Agriculture with major in Plant Pest and Disease. Has one year experience as Field Expert in Pesticide Company and 3 years' experience in Industrial Forest Management, Forest Rehabilitation and Reclamation on Indonesia Stated Owned Company as Assistant. Training which had attended including Lead Auditor ISO 9001, ISO 14001, ISO 17021, ISO 19011, SA 8000, Lead Auditor ISPO, Lead Auditor RSPO, RaCP &amp; NPP Awareness and OHSAS 18001:2007. Has involved in several audit activities related to sustainable palm oil since 2017 in the aspects of Best Management Practices (BMP), social, worker welfare and OHS. During this assessment has verified Worker Welfare, Social and Third parties aspect.</p>

	<p>3. <b>Erika Lucitawati (Auditor).</b> Indonesian citizen. Bachelor of Engineering with major in Environmental Engineering. The trainings that have been attended include ISPO Lead Training, RSPO Lead Training, In House Training of ISO 19011: 2018, ISO 17021: 2015, ISO 17065: 2012, ISO 9001: 2015, ISO 14001: 2015, ISO 45001: 2018, and The Supervision of Occupational Health and Safety Training. During this assessment, she verified environmental, GHG and conservation aspects.</p> <p>4. <b>Darwin Simatupang (Auditor Trainee).</b> Indonesian citizen. Bachelor of Agriculture, majoring in Soil Science and Land Resource from IPB University. Has one year experience as agronomist in palm oil plantation company. Training has been attended including Indonesian Sustainable Palm Oil (ISPO), Lead Auditor of ISO 9001: 2015, Awareness ISO 17021: 2015, Awareness ISO 17065: 2012, Awareness ISO 14001: 2015, Awareness ISO 45001: 2018, Awareness ISO 19011: 2018. During this assessment has verified Best Management Practice and Occupational Health &amp; Safety aspect supervised by Lead Auditor.</p>
<b>2.2</b>	<b>Assessment Methodology, Assessment Process and Locations of Assessment</b>
<b>2.2.1</b>	<b>Figure of person days to implement assessment</b>
<b>ASA- 3 (Remote)</b>	<p>Number of auditors: 3 auditor and 1 Auditor trainee</p> <p>Number of days for <b>ASA-2 remote audit</b> : 2 days</p> <p>Number of working days for <b>ASA-2 remote audit</b>: 6 Working days</p>
<b>ASA-3 &amp; ASA-4 (Onsite)</b>	<p>Number of auditors: 3 auditor and 1 Auditor trainee</p> <p>Number of days for <b>ASA-3 onsite audit</b> : 4 days</p> <p>Number of working days for <b>ASA-3 onsite audit</b>: 12 Working days</p>
<b>2.2.2</b>	<b>Assessment Process</b>
<b>ASA- 3 (Remote)</b>	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT Perkebunan Nusantara IV – Berangir POM to the requirements of <b>Principles and Criteria for the Production of Sustainable Palm Oil 2018, Endorsed by the RSPO Board of Governors 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.</b></p> <p>The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) <i>interview</i>, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site.</p> <p>Some opportunities for improvement of the results <b>ASA-2</b> delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase <b>ASA-3</b>.</p> <p>Improvement of findings from main assessment findings were observed by auditors at this <b>ASA-2</b> assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of <b>ASA-3</b>.</p> <p>Opening and closing meeting is conducted by online through Zoom Application. The meeting was attended by auditee from unit certification, supporting team from PT Perkebunan Nusantara – Berangir POM Office and auditor team. The documents were presented through cloud storage. Generally, the remote audit went smoothly.</p> <p>The assessment program please find Appendix 2</p>
<b>ASA-3 &amp; ASA-4 (Onsite)</b>	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT Perkebunan Nusantara IV – Berangir POM to the requirements of <b>Principles and Criteria for the Production of Sustainable Palm Oil 2018, Endorsed by the RSPO Board of Governors 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.</b></p>

The audit program is included as Appendix 2. The approach to the audit was to treat the mill and its supply base as an RSPO Certification Unit. Mill was audited together with the sample estates. A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HCVs, declared conservation areas and local communities.

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.

Some opportunities for improvement of the results **ASA-4** delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (**Recertification**). All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of **ASA-4**.

The auditor's journey from the airport in Medan to the audit location takes about 6-7 hours. The opening meeting was held on August 5, 2022. As for the participants who attended the opening meeting included the Estate and Mill Managers, Support Team from Medan and other staff at PT Perkebunan Nusantara IV – Berangir POM. Closing meeting was held on August 9, 2022 attended by the same participants as the opening meeting. Management PT Perkebunan Nusantara IV – Berangir POM accept all the onsite ASA-4 audit results.

During the COVID-19 pandemic, there were several modifications to the audit activity due to health protocols. Audit process carried out with high safety protocol procedure that developed by Certification Body and the unit of certification. before an onsite audit carried out, there are several meetings to discuss health protocol procedures. There are several activities that are not possible to do face to face, such as public consultations with government agencies, communities, or previous landowners so that these activities are carried out by telephone. Furthermore, during field observation auditor only verification the activity and interview process carried separately by telephone. Document verification conducted separately through the electronic files.

Public Stakeholder Notification was made on Mutu Website. There is no written negative feedback receive. Stakeholder consultation involved internal and external stakeholders. Meetings were held with stakeholders to seek their views on the performance of the company with respect to the RSPO requirements and aspects where they considered that improvements could be made. At the start of each meeting, the interviewer explained the purpose of the audit followed by an evaluation of the relationship between the stakeholder and the company before discussions proceeded. The interviewer recorded comments made by stakeholders and these have been incorporated into the assessment findings. The comments made by external stakeholders were also taken into account in the assessment.

Structured worker interviews with male and female workers and staff were held in private at the workplace in the mill and the estates. Fieldworkers were interviewed informally in small groups in the field. In addition, the wives of workers and staff were interviewed in informal meetings at their housing. Company officials were not present at any of the internal or external stakeholder interviews. A list of Stakeholders contacted is included as Appendix I.

The assessment program please find Appendix 2

<b>2.2.3</b>	<b>Locations of Assessment</b>
<b>ASA-3 (Remote)</b>	Field observation will be conducted during on site audit.
<b>ASA-3 &amp; ASA-4 (Onsite)</b>	<p>The sampling location consider the issue arise from the review documents and stakeholder's consultation that are fundamental and crucial. On this assessment sample locations that visited and respondent that interviewed by team auditor are:</p> <p><b>Berangir POM</b></p> <ul style="list-style-type: none"> <li><b>Security Post.</b> Observations and interviews related to work procedures, housekeeping, environmental</li> </ul>

- management, employment, complaint mechanisms and OHS aspects.
- **Weighbridge Station.** Observations and interviews related to work procedures, housekeeping, environmental management, employment, complaint mechanisms and OHS aspects.
- **Sortation Station.** Observations and interviews related to work procedures, housekeeping, environmental management, employment, complaint mechanisms and OHS aspects.
- **Loading Ramp Station.** Observations and interviews related to work procedures, housekeeping, environmental management, employment, complaint mechanisms and OHS aspects.
- **Sterilizer Station.** Observations and interviews related to work procedures, housekeeping, environmental management, employment, complaint mechanisms and OHS aspects.
- **Thresher Station.** Observations and interviews related to work procedures, housekeeping, environmental management, employment, complaint mechanisms and OHS aspects.
- **Press Station.** Observations and interviews related to work procedures, housekeeping, environmental management, employment, complaint mechanisms and OHS aspects.
- **Clarification Station.** Observations and interviews related to work procedures, housekeeping, environmental management, employment, complaint mechanisms and OHS aspects.
- **Boiler Station.** Observations and interviews related to work procedures, housekeeping, environmental management, employment, complaint mechanisms and OHS aspects.
- **Engine Room Station.** Observations and interviews related to work procedures, housekeeping, environmental management, employment, complaint mechanisms and OHS aspects.
- **Empty Bunch Area.** Observations related to material handling, OHS and environmental management.
- **Hydrant Simulation.** Observations and interviews with factory fire emergency response officers related to emergency response procedures, availability and state of emergency response equipment and handling officers in conducting simulations.
- **Hazardous Waste Temporary Storage.** Observations and interviews with officers related to material handling, work procedures, OHS, wages and environmental management.
- **Solar Tank.** Observations related to material handling, OHS and environmental management.
- **WWTP.** Field observations related to WWTP entry, runoff, effluent testing. Officers are equipped with PPE and effluent discharge records.
- **Water Source Reservoir and Water Intake.** Observations and interviews related to water management, recording of water use, health checks, PPE and waste management.
- **Employee Housing.** Observation of the availability of infrastructure such as employee housing facilities, clean water facilities, educational facilities, religious facilities, health facilities and sports facilities.

#### **Berangir Estate**

- **Harvesting Activity at Block 03AB Division 4 and Block 13CC Division 6.** Observations and interviews with workers related to work procedures, environmental management, OSH, employment and complaint mechanisms.
- **FFB Transport at Block 03AB Division 4 and Block 13CC Division 6.** Observations and interviews with workers related to work procedures, environmental management, OSH, employment and complaint mechanisms.
- **Ganoderma Census (Pest Census) at Block 01K Division 2.** Observations and interviews with workers related to work procedures, environmental management, OSH, employment and complaint mechanisms.
- **Circle Path Spraying Activity at Block 01A Division 1 and Block 08U Division 6.** Observations and interviews with workers related to work procedures, environmental management, OSH, employment and complaint mechanisms.
- **Road Maintenance at Block 03D/E Division 1.** Observations and interviews with workers related to work procedures, environmental management, OSH, employment and complaint mechanisms.
- **Chemical warehouse.** Observations and interviews for material handling, OHS, and hazardous materials handling.
- **PPE storage.** Observations related to the management of agrochemical materials and waste, MSDS, emergency response facilities.



	<ul style="list-style-type: none"> <li>• <b>Fertilizer warehouse.</b> Observation of material handling, OHS, and handling of hazardous materials.</li> <li>• <b>Clinic.</b> Observations and interviews of health, environmental, training, and employment facilities.</li> <li>• <b>Employee Housing.</b> Observation of the availability of infrastructure such as employee housing facilities, clean water facilities, educational facilities, religious facilities, health facilities and sports facilities.</li> <li>• <b>Landfills Division 5.</b> Observations related to domestic waste management.</li> <li>• <b>HGU Pole No. 78, 77 and 76.</b> Observasion related to company operational boundaries</li> <li>• <b>Block 05 BT and 01 Z.</b> Observasion related to riparian area and environment aspect.</li> </ul>
<b>2.3</b>	<b>Stakeholder Consultation and Stakeholders Contacted</b>
<b>2.3.1</b>	<b>Summary of stakeholder consultation process.</b>
	<p>Summary of stakeholder consultation process</p> <p>Consultation of stakeholders for PT Perkebunan Nusantara IV – Berangir POM was held by:</p> <ol style="list-style-type: none"> <li>1. Public Notification on website MUTU International on July 22, 2022</li> <li>2. Public consultation with NGOs (by email) such as WALHI, WWF, Sawit Watch and AMAN on July 26, 2022.</li> <li>3. Public consultation by phone with government institution on August 5, 2022.</li> <li>4. Public consultation meeting with communities on August 5, 2022.</li> <li>5. Public consultation meeting with internal stakeholders and contractors on August 5, 2022.</li> </ol> <p>Numbers of input from stakeholders were clarified by PT Perkebunan Nusantara IV – Berangir POM.</p>
<b>2.3.2</b>	<b>Stakeholder contacted</b>
	Please find appendix 1
<b>2.4</b>	<b>Determining Next Assessment</b>
	The next visit (RC) will be conducted eight (8) month to twelve (12) month after date of licensed issued.



### 3.0 ASSESSMENT FINDINGS

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

MUTUAGUNG LESTARI has conducted an assessment of **Berangir POM – PT Perkebunan Nusantara IV subsidiary of PT Perkebunan Nusantara III**, Operation consisting of one (1) mill and one (1) oil palm estates.

During the assessment, there was one (1) Nonconformity were assigned against Major Compliance Indicator, one (1) Nonconformity were assigned against Minor Compliance Indicator and one (1) 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.

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

MUTUAGUNG LESTARI found that **Berangir POM – PT Perkebunan Nusantara IV subsidiary of PT Perkebunan Nusantara III** 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 Governors on 12 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>Unit of Certification 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>Unit of Certification has a Decree of the Board of Directors of PT Perkebunan Nusantara IV No. 04.03 / Kpts / 02 / II / 2018 dated February 5, 2018 which was approved by the President Director. The decision states that there are 22 information (company profile, land permit, audited financial statements, licensing/permitting documents, waste management, disposal plan, etc.) that can be published and accessed in general and 27 information (company articles of association, bonus formula / production services, formula selling price of commodities, etc.) which cannot be published publicly.</p> <p>These documents are stored in each business unit and PTPN IV headquarters depending on the type of information. However, all these documents can be given to stakeholders if they submit a request for information to the company. This</p>	

accessible information is provided and disseminated to stakeholders related to the company during both formal and informal meetings. In addition, requests for information can be made through the PTPN IV website so that all stakeholders can access it easily. The officer appointed to provide and update information is the General HR department.

Unit of Certification showed the mandatory reporting documents and evidence of handover to the agency, for example RKL-RPL Implementation Report of Second Semester of 2021 which have been delivered to Environmental Agency of Labuhanbatu Utara Regency and Environmental Agency of Sumatera Utara Province on 13 June 2022, and Environment Ministry through environmental electronic reporting system (SIMPEL) with ID number of 1659281607-2129.

#### **1.1.2**

Based on document review, Unit of Certification has an information service procedure for stakeholders that is explained in SPO 03 (Communication consultation with the community) Revision 03 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 of the GUU (Business Unit Group) then it will be relayed back to the Directors and will be followed up on.

SOP of Information Request and SOP of Communication & Consultation have covered all the elements in indicator 1.1.1 above. The time period for responding to requests for information is 30 working days after the letter is received by management. For all records of requests will be stored in each business unit in accordance with the purpose of the request for information. Based on interviews result with internal and external stakeholders including workers, local community representatives, and relevant agencies in Labuhanbatu Utara Regency, it is known that they have known the mechanism for communication and request of information with the company.

#### **1.1.3**

Mechanism for requesting information and responses is contained in SOP of Information Request No. SPO 06 No. Revision 03 which was effective on August 1, 2017. The time period of responding to requests for information to stakeholders is a maximum of 30 working days. Unit of Certification has documented all incoming letters and the respond. Result of verification of logbook of incoming and outgoing letters, it is known that all incoming letters have been responded by Unit of Certification. Based on document review and interview with management representative as well as external stakeholders, there were no requests for information from stakeholders in Unit of Certification, this is evidenced by the absence of a register of incoming letters related to requests for information within 2022 period. There are only invitations and requests for assistance from surrounding community of Unit of Certification. Unit of Certification shows examples of incoming letters and their responses which has been in accordance with the time period established by Unit of Certification. For example, a letter from Pasang Lela Village No. 400/900/PL/2021 dated 1 December 2022 and has been responded to by letter No. BER/X/01/I/2022 dated 3 January 2022.

#### **1.1.4**

Unit of Certification also has communication and consultation procedure with community No. SOP 03 No. Revision 03 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 of the GUU (Business Unit Group) then it will be relayed back to the Directors and will be followed up on. Based on interviews result with internal and external stakeholders including workers, local community representatives, and relevant agencies in Labuhanbatu Utara Regency, it is known that they have known the mechanism for communication and request of information with the company.

#### **1.1.5**

Unit of Certification has detailed stakeholder information listed in the Company's Stakeholder document which informs the agency name, contact person, position and telephone number. Stakeholders consist of Government Agencies,

Village Communities, NGO, Labor union, etc. This list will be updated if there are changes to stakeholders. Auditor verified by conducting a public consultation using the telephone number registered in the stakeholder list, and it was known that the number could be contacted by the auditor, such as village representatives, labor union representatives, local contractor, etc.

To prove that all stakeholders contacted have matched their names and designations, the auditor team has checked through the contact application which can find out that all stakeholders contacted are correct according to the list of stakeholders owned by the company.

<b>Status: Comply</b>
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## 1.2

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

#### 1.2.1

The certification unit 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

This policy covers all operational activities of certification unit, including the prohibition of corruption, bribery and fraud in the use of funds and resources as well as compliance with reasonable business practices. Based on the results of interviews with workers in the mill and estate who stated that all of them had received socialization related to the company's code of conduct which includes prohibition of corruption, bribery and fraud in the use of funds and resources and adherence to reasonable business practices in all operational areas. The worker explained that it is not permissible to take actions that violate the company's code of conduct, for example committing crimes, gambling, domestic violence, bribery and so on. The company has socialized the company code of conduct policy to all employees.

Based on the explanation above, it can be concluded that the certification unit has committed to act ethically in all business operations and transactions in accordance with the code of ethics policy that has been approved by the company.

#### 1.2.2

The certification unit has a system for monitoring compliance and implementation of the policy, as well as overall ethical business practices is 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 showed the results of the Internal Audit for RSPO in 01-03 July 2021 and Internal Audit for Operational in 16-19 and 21-25 March 2022 (plantation and mill). The company also has an internal audit mechanism in order to implement the principles and criteria contained in the RSPO scheme. This is done to the certification unit 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.

In addition, the certification unit has set a PIC to evaluate third parties/vendors, including vendors who provide labor, namely head assistant of plant and head assistant of administrative. One of the evaluations carried out is that third parties are required to comply with the provisions / regulations of the Ministry of Manpower and other agencies authorized / related to the implementation of the work.

In addition, there is a Whistle Blowing System that establishes the flow of complaints/reports of violations in all employees, without worrying, are willing to convey the possibility of fraudulent practices occurring within the certification

unit. The complainer or whistleblower can be access certification unit website in [www.ptpn4.co.id/wb/](http://www.ptpn4.co.id/wb/) for submitted the complaint or grievance online. Based on the results of interviews with workers in the sampling units such as who stated that all of them was aware of Whistle Blowing System that has been implemented and can be accessed by all workers, including contract workers. In addition, there are statements from third parties in collaboration with the certification unit, namely that they have been given socialization related to the code of conduct and the Whistle Blowing System before ratifying the cooperation agreement. This is done to ensure that before collaborating with the certification unit, his party does not commit a violation or can report a violation when a certification unit commits a violation during the collaboration.

During the past year there have been no reports related to violations committed by internal/external parties and this is evidenced by the results of a document review related to reporting documentation for the Whistle Blowing System.

<b>Status: Comply</b>
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## **PRINCIPLE #2 OPERATE LEGALLY AND RESPECT RIGHTS**

### **2.1**

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

#### **2.1.1**

The unit of certification has list of regulation for January 2022, consist of :

##### **OHS regulation**

- Sumatera Utara Governor Regulation No. 34 Year 2020 related Increased Discipline and Law Enforcement of Health Protocols in the Prevention and Control of Corona Virus Disease 2019 (COVID-19) in Sumatera Utara Province.
- Equipping operators with required competencies, for example license for lift operators and power plant operators

##### **Worker welfare**

- Reporting of Employment Report for PT Perkebunan Nusantara IV – Unit Berangir in 2021 via online on 26 August 2021 and must be reporting back on 26 August 2022.
- The implementation of the minimum wage in 2022 is in accordance with the Minimum Wage Decree of the City or Regency in Sumatera Utara Province established by the Governor of Sumatera Utara in 20 November 2021.
- Implementation of the structure and scale of wages for all levels of workers in accordance with Minister of Manpower Regulation No. 01 of 2017.
- *Permenaker* No.14 year 2020 regarding Guidelines for Providing Assistance Government in the form of subsidized salaries / wages for workers / laborers in handling the Impact of Corona Virus Disease 2019 (COVID-19).
- *BPJS* Health Regulation Number 1 of 2018.

##### **Agriculture**

- Regulation of republic of Indonesia No. 44 year 2020 related Indonesia's Sustainable Oil Palm Plantation Certification System.

##### **Environment**

- Environmental Management and Monitoring Plan (RKL-RPL) for PTPN IV Berangir Unit on January 24, 2005 which was approved by the Head of Bapedalda Province of Sumatera Utara No. SK 137 / BPD.LSU / BTL / 2005. This document has also been legalized through Environmental Permit from the One Stop Investment Service and Licensing Office of Labuhanbatu Utara Regency with No: 503/05 / DPM-PPTSP / II / 2019 dated 27 February 2019 for plantations
- Letter No. 660/260/DLH-02/2022 dated 16 June 2022 related to Hazardous and Toxic Waste Storage Technical

Detail for Berangir Unit.

### Legal

- Have a building permit document (No. 503,648/46/PEM/2008, dated 27 March 2008) based on Regional Regulation no. 37 Year 2002
- Obtained estate operational class based on the Decree of the Labuhanbatu Regency (No.: 521.4/362/DIPERTA/V/2022) on 17 May 2022 with class II (good) results.
- Have a Business Registration Number (9120400152539) issued on January 21, 2019.
- Land Utilization Report to the Land Office of Labuhanbatu Regency on 18 May 2022.

### 2.1.2

Monitoring of legal compliance is presented in document of "*Laporan Evaluasi Kepatuhan terhadap Peraturan Perundang-undangan, Peraturan Dan Persyaratan Lainnya Yang Terkait Dengan Penerapan RSPO/ISPO*" or "Report of Legal/Law/Regulation Compliance Related to RSPO/ISPO Implementation" dated 7 January 2022. Evaluation divided into several type, such as:

- *Undang-undang* or Laws: consist of 73 Laws which only one is not applicable.
- *Peraturan Pemerintah* or Government Regulation: consist of 60 regulations which two are not applicable.
- *Peraturan Presiden* or President Regulation: consist of 11 regulations.
- *Keputusan Presiden* or President Decree: consist of 8 decrees.
- *Instruksi Presiden* or President Instruction: consist of 3 instructions.
- *Peraturan Menteri* or Minister Regulation: consist of 6 Minister of BUMN regulations; 12 Minister of Agraria and Head of National Land Agency (BPN) regulations; 18 Minister of Agriculture regulations; 44 Minister of Manpower regulations; 30 Minister of Environment regulations; 10 Minister of Forestry regulations; 1 Minister of Civil (PU) regulation; 1 Minister of Finance regulation; 5 Minister of Trade regulations; 2 Minister of Internal Affairs regulations; 4 Minister of Health regulations; 1 Minister of Cooperative regulation; and 2 Supreme Court (MA) regulations.
- *Keputusan Menteri* or Minister Decree: consist of 6 Minister of Agriculture decrees; 10 Minister of Environment decrees; 13 Minister of Manpower decrees; and 6 Minister of Forestry decrees.
- Others: consist of 15 Decrees of Head of Bapedal, Constitution Court, BPJS, Circular Letter and Director General Letter, etc.

Internal compliance audit of law is carried out by PTPN4 strategic planning department which evaluates compliance at all business units under PTPN IV and is carried out on January 2021.

Related to contractor evaluation compliance, the company has carried out monitoring as stated in Circular No. BER/SE/X/75/VII/2022 dated 04 July 2022. In the letter the company is obliged to conduct routine evaluations every 6 months to contractors to ensure compliance with regulations (manpower, OHS and environment). As evidence that the evaluation is appropriate, the company shows evidence of compliance as a reference for evaluating the evaluation. As an example of compliance with relevant regulations for CV GAS, such as List of workers for the period of June 2022 with a total of 20 workers, all of whom are over 18 years of age at the time of work.

### 2.1.3

Procedure of Land Title (HGU BPN) Poles monitoring is presented in document No. SPO 12.0 (Rev. 02) dated 02 January 2015, that mentioned that monitoring shall be carried out every semester by Foreman 1 of Division, Division Staff, Legal Staff, Assistant and Unit Manager. The monitoring and maintenance were conducted every year. The auditor made field observations related to HGU No. 78, 77 and 76, it is known that the condition of the stakes is maintained and



there is no indication of opening outside the limit. However, during the observation in Afdeling IV, it was found that 2 BPN stakes had no information on stake numbers. Currently, the company has programmed to improve the condition of some of these stakes based on the letter from the Berangir unit manager No.: BER/04.01/eM-145/VIII/2022.

Companies are encouraged to ensure that the BPN benchmark has been corrected by completing the stake number according to the direction of the relevant agency. **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**

In monitoring the use of third parties (contractors, suppliers and transporters) for plantation and mill activities, the certification unit has well documented the list of third parties, the number of workers they have, contact persons, work agreements, and ensuring other matters related to compliance with laws and regulations in Indonesia. At present the certification unit has 17 third parties (11 contractors, 4 FFB suppliers and 2 transporters CPO/PK).

In managing the contractor, the certification unit has a copy of the cooperation agreement in each unit. For example for agreement between two parties such as:

- Work Agreement Letter No. 04.05 / S.Perj / INS / 613 / VII / 2022 dated 01 July 2022 between PTPN IV and PT Surya Max Industries for Procurement and new installation and commissioning of Steam Boilers in the mill. The agreement explains the types of employment, contract value, terms of employment, period of time and others. The company always conveys the company's Code of Ethics to the contractor.
- Work Agreement Letter No. GMD-II/BER/Pemel.TM.Afd.I/03/VI/2022 dated 20 June 2022 between PTPN IV and CV GAS for upkeep activity in Afdeling I. The agreement explains the types of employment, contract value, terms of employment, period of time and others. The company always conveys the company's Code of Ethics to the contractor.
- Work Agreement Letter No. 04.04/SPKP/ANGKUT-MUAT-BONGKAR-TBS/226/III/2022 dated 02 March 2022 between PTPN IV and CV GAS for FFB Transport. The agreement explains the types of employment, contract value, terms of employment, period of time and others. The company always conveys the company's Code of Ethics to the contractor.

At the time the audit was carried out, certification unit third parties list document shown was in accordance with the actual, such as the contact number of each stakeholder contacted by the auditor as stated in the list. The explanation above can be concluded that the certification unit has managed and documented the list of contractors along with supporting documents.

### **2.2.2**

In each work agreement between the certification unit and the third parties, there are several separate clauses related to fulfilling legal obligations in force in Indonesia as one of the obligations that must be fulfilled by the third parties. Some of these obligations are related to:

- Compliance with regulations and ethical codes that apply in the company
- Compliance with licensing from the competent authority in accordance with applicable laws and regulations, as well as guarantees that there will be no child labor, forced labor or the results of human trafficking.
- Compliance with labor regulations including providing health insurance and work safety insurance (BPJS).
- Concerning occupational safety and health (OHS) including the obligation to use PPE
- Regarding the obligation to preserve the environment

The company has an inspection mechanism for the use of labor for contractors who cooperate with the company, especially for the fulfillment of labor regulations (employment relations, minimum wages, BPJS and others), OHS and environmental regulations as regulated in Circular No. BER/SE/X/75/VII/2022 dated 04 July 2022. In the letter the company is obliged to conduct routine evaluations every 6 months to contractors to ensure compliance with regulations

(manpower, OHS and environment).

As a follow-up to the implementation of the above mechanism, an evaluation in semester 1 of 2022 for all third parties (17 stakeholders) was carried out on July 14, 2022. For example, the evaluation results for 4 third parties namely CV GAS, PT Aidil Putra Perdana, CV Perkasa Aidil Zukiyansyah PSB, and PT Jaya Wira Manggala. The result is that the four contractors have met 8 evaluation criteria carried out by the company including those related to compliance with labor regulations (employment relations, minimum wages, BPJS and others), compliance with OHS regulations, compliance with environmental regulations and others.

As evidence that the evaluation is appropriate, the company shows evidence of compliance as a reference for evaluating the evaluation. As an example of compliance with relevant regulations for CV GAS, namely:

- List of workers for the period of June 2022 with a total worker of 20 people, all of whom are over 18 years of age at the time of work.
- List of wages for the period of June 2022 for all workers whose wages are above the 2022 minimum wage.
- Proof of worker participation for the BPJS (Health and Employment) program that is still active until the assessment is carried out.
- Provision and use of PPE at work, as evidenced by the understanding and use of PPE when working in upkeep and loading FFB activities (results of field visits).

Based on the results of interviews with contractor workers in estates and mills, it is known that the workers have a working relationship with the contractor, are registered in the BPJS program, are given work tools up to PPE and the wages are above the minimum wage in 2022. This is in accordance with the results of the review of regulatory compliance documents by contractors (CV GAS and PT Surya Max Industries) shown by the company.

The certification unit has proven that all contracts have their own clauses regarding the fulfillment of applicable legal obligations, and are shown by the relevant third party.

### 2.2.3

In each work agreement between the certification unit and the third parties, there are clauses related to fulfilling legal obligations in Indonesia as one of the obligations that must be fulfilled by the contractor. Some of these obligations are related to disallowing child, forced and trafficked labor to be employed by the third party (contractors, suppliers and transporters), and where young workers are employed, the contracts include a clause for their protection. To ensure compliance with these clauses, the certification unit always requests the requirements for the completeness before the third parties does / starts work.

The results of the interview with the contractor workers revealed that there were no workers under the age of 18 and the work provided was in accordance with the agreement when the initial worker worked. This is in accordance with the results of document verification to contractors (CV GAS and PT Surya Max Industries) stating that no child laborers have worked up until now, there are no forced laborers / workers resulting from trafficking because all workers have understood the work agreement at the start of work and payment for the work is always equal.

The certification unit has proven that all contracts have clauses disallowing child, forced and trafficked labor to be employed by the third party, and where young workers are employed, the contracts include a clause for their protection.

<b>Status: Comply</b>
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## 2.3

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

### 2.3.1

During onsite assessment, the results of verification of documents such as weigh tickets, letters of introduction to fruit (SPB), basic info and interviews with management representative are known that direct FFBs supplier that enter the Berangir Palm Oil Mill are sourced from own estates (Berangir Estate), and other estate which managed by PTPN IV such as Meranti Paham, Ajamu, Panai Jaya and Pulu Raja Estate. The company receives FFB directly from plantations which are also managed by PTPN IV as well as several collecting agents such as PT Semut Merah Beriring, PT Aidil



Putra Perdana and CV Kurnia Mitra Mandiri. The supplier list is also equipped with information related to the location (coordinates) of the FFB source as well as legality information.

### 2.3.2

For third party suppliers/ indirect, the company has complete information, with details as follows:

NO	Indirect Supplier		
	PT Semut Merah Beriring	Geolocation	Land Status
1	ZAINAL ABIDIN	N : 02' 23'50.6" E : 99' 47'25.3"	SHM
2	EDY SYAHPUTRA	N : 02' 24'32.2" E : 99' 47'30.3"	SHM
3	SULASTRI	N : 02' 23'10.3" E : 99' 46'46.4"	SHM
	<b>PT Aidil Putra Perdana</b>	<b>Geolocation</b>	<b>Land Status</b>
1	M. SUHAR	N : 02' 15'39.5" E : 99' 46'26.7"	SURAT GANTI RUGI
2	ABDUL KARIM PASARIBU	N : 02' 14'16.7" E : 99' 42'10.7"	SURAT GANTI RUGI
3	ABDUL KARIM PASARIBU	N : 02' 14'15.2" E : 99' 42'03.6"	SURAT GANTI RUGI
4	TUKIMIN	N : 02' 12'38.0" E : 99' 44'40.2"	SK DESA
5	JULFAN MUNTHE	N : 02' 13'07.4" E : 99' 40'50.2"	SK DESA
6	ARPAN RITONGA	N : 02' 13'10.1" E : 99' 40'46.1"	SK DESA
7	JUDIN MUNTHE	N : 02' 13'10.1" E : 99' 40'46.2"	SK DESA
8	BUDI POHAN	N : 02' 13'09.3" E : 99' 40'37.2"	SK DESA
9	MAHUF	N : 02' 12'58.1" E : 99' 40'29.3"	SK DESA
	<b>CV Kurnia Mitra Mandiri</b>	<b>Geolocation</b>	<b>Land Status</b>
1	KWOK IJUN MING	N : 02' 13'33.7" E : 99' 41'49.1"	SURAT KUASA ATAS LAHAN
2	EEN FAJAR DOLPA	N : 02' 17'10.4" E : 99' 45'19.1"	SK DESA
	MISDI	N : 02' 13'24.2" E : 99' 41'43.3"	SURAT KUASA ATAS LAHAN
	<b>CV Deggan Agrojaya Labuan</b>	<b>Geolocation</b>	<b>Land Status</b>
1	MARINGAN SIMANJUNTAK	N : 01' 42'33.3" E : 100' 13'38.6"	SURAT GANTI RUGI
2	TOHAP SIHITE	N : 01' 42'31.1" E : 100' 13'32.0"	SURAT GANTI RUGI
3	SUKADI	N : 01' 42'25.1" E : 100' 13'27.4"	SURAT GANTI RUGI
3	BUDI IRAWAN	N : 01' 42'15.5" E : 100' 13'59.1"	SURAT GANTI RUGI
4	SUMEDI	N : 01' 42'15.4" E : 100' 13'46.1"	SURAT GANTI RUGI
5	KASIAH	N : 01' 42'11.4" E : 100' 13'47.4"	SURAT GANTI RUGI
6	MP MANULANG	N : 01' 42'11.6" E : 100' 13'38.3"	SURAT GANTI RUGI
7	IMANUEL SEMBIRING	N : 01' 42'07.0" E : 100' 13'47.3"	SURAT GANTI RUGI
8	GINAH	N : 01' 42'06.9" E : 100' 13'55.4"	SURAT GANTI RUGI
9	WERMAWATI	N : 01' 42'07.7" E : 100' 14'04.3"	SURAT GANTI RUGI

10	NURHAIDAH	N : 01' 42'28.3" E : 100' 14'19.4"	SURAT GANTI RUGI
<p>From the evidences of the FFB supplier information evidence, the company has also been consistent in fulfilling opportunities for improvement in the previous assessment.</p> <p>Based on interview with weighbridge operator, the information that the FFB supplier is still in accordance with the FFB supplier list document received by the factory. Records of the number of suppliers received indirectly are also in accordance with the number of farmers who sent to the collectors.</p>			
<b>Status: Comply</b>			
<b>PRINCIPLE #3 OPTIMISE PRODUCTIVITY, EFFICIENCY, POSITIVE IMPACTS AND RESILIENCE</b>			
<b>3.1</b>			
<b>There is an implemented management plan for the unit of certification that aims to achieve long-term economic and financial viability.</b>			
<b>3.1.1</b>			
<p>The company already has a 5-year production projection which is contained in the 5-Year Long-Term Plan for the 2020-2024 Period. The Long-Term Plan contains projected area statements, FFB production, CPO production, nucleus, plantation costs, factory costs, oil prices, core prices, oil revenues and sales and core sales, expenses and profit and loss.</p> <p>The company's annual report is available in the Minutes of Management Review Meeting, dated 28 January 2022 which informs the discussion on the achievement of annual performance from monthly garden production and others. Evaluation of the achievement of the current year's budget has been carried out at the end of each year, as a material consideration in the preparation of the next year's budget.</p>			
<b>3.1.2</b>			
<p>Based on the results of document review and interviews with company representatives, it is known that the oldest planting year is 2000 planting year (22 years) and replanting will be carried out in 2025. In addition, the company also makes considerations in carrying out replanting, such as:</p> <ul style="list-style-type: none"> <li>• The age of the plant has reached 25 years</li> <li>• Tree stands &lt; 100 Trees/Ha</li> <li>• Production &lt; 14 tons/ha</li> </ul>			
<b>3.1.3</b>			
<p>The management unit shows some documentation of management review activities contained in several documents such as the Internal Audit Unit (SPI) audit and the RSPO Internal audit. The last SPI audit activity was carried out in 16-19 and 21-25 March 2022 while the last RSPO audit activity was carried out on 27-29 June 2022. From the results of the audit that has been carried out the management unit has conducted periodic reviews, the last periodic review activity was carried out on 1 July 2022. In addition to internal audit and audit Operational management unit conducts audits to contractors and suppliers as contained in the Berangir 2021 partner evaluation report. The partner audit activity aims to ensure that each contractor and supplier is willing and implements standards in accordance with the RSPO Principles.</p>			
<b>Status: Comply</b>			
<b>3.2</b>			
<b>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.</b>			
<b>3.2.1</b>			
<p>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:</p>			

**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.
- Management and monitoring of fires in company border areas that benefit the community.
- 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.

**Best Management Practice and OHS Aspect**

- Carry out an inspection of the use of PPE to ensure that the PPE of employees has been used and in accordance with procedures.
- CH does not use chemicals with the active ingredient paraquat.

**Worker Welfare**

- Unit certification has set minimum wage regulations for all workers based on the stipulation of minimum wages by the Governor of Sumatera Utara for 2022.
- Unit certification facilitates workers with adequate housing, electricity facilities, and availability of clean water in every publicly available housing.
- Unit certification is also committed to avoiding acts of discrimination, sexual harassment, child labor or acts of human rights violations in the work environment.

**3.2.2**

The company has shown the auditor regarding the RSPO metric template Version 2.1 with the data period in accordance with the RSPO guidences. The metric has been filled in according to the facts and data in the company's record documents, such as the number of workers, the area of production to the record of work accidents. Based on team auditor's review, the information has been matched with others document, such as supply chain record, demographic workers, work accident, etc.

	<b>Status: Comply</b>	
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**3.3**

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

**3.3.1, 3.3.2**

The company already has PTP Nusantara IV (Persero) Standard Operating Procedures (SPO) documents for Oil Palm Cultivation and Processing. The Management Unit explained that until the ASA 4 assessment was carried out there had been no changes (revisions) to all of the SOPs, namely:

- Standard Operating Procedures (SPO) for Cultivation, including: Land Development (SPO 01), New Plant Planting and Replanting (SPO 02), Nursery Management (SPO 03), Management of Immature Crops (SPO 04), Management of Mature Crops (SPO 05), and Harvest and Transportation Management (SPO 06). In the procedure, there is a guide in the form of a table that explains information on fertilizing, harvesting and transporting maintenance activities.
- Standard Operating Procedures (SPO) for Palm Oil Processing, including: Weighbridge (SPO 01), Loading Ramp (SPO 02), Boiling Station (SPO 03), Threshing Station (SPO 04), Empty Bunches (SPO 05), Pressing Station (SPO 06), Oil Refining Station (SPO 07), Oil Storage Tank (Dispatch) (SPO 08), Quality of FFB, CPO, and Palm Kernel (SPO 10), Laboratory, Equipment, Chemicals and Sample Analysis (SPO 11) , Care and Use of Analytical Balances (SOP 12).

Standard Operating Procedures are guidelines for the operations of plantation and mill units. Operational activities are recorded and documented by the company every day, then recapitulated in monthly and annual reports. Daily operational reports include FFB production, crop rotation, upkeep, pests, fertilization, processed FFB, CPO and kernel production, palm oil and kernel yield, daily production quality (FFA, manure), to palm oil shipments. These daily reports are made in summary in the Manager's Monthly Management Report with the addition of other operational variables such as finance, production costs, list of receivables, list of assets, and so on.

To ensure that procedures have been implemented properly in the field and inspection of reports, a Verification Unit has been established to verify operational activities every month. The verification activities cover production and plantation and mill operations, office administration, financial and general administration, and compliance with regulations. - company terms. The company also has an internal audit report conducted by the RSPO Internal Audit from the PTP N IV Head Office – For example, the inspection of compliance with the RSPO Principles and Criteria indicators has been carried out on 27-29 June 2022.

Moreover, based on field observation in Harvesting activity at Block 03AB Division 4 and circle path spraying activity at Block 01A Division 1 Berangir Estate it was known that the company carried out that activities according to the procedure, as well as the results of field observation at processing area station Berangir POM.

### 3.3.3

In carrying out monitoring of the implementation of operational activities, the company carries out several activities, for example:

- Carry out an internal RSPO audit on 27-29 June 2022 by the company's internal audit team. The results of the internal audit contained 5 discrepancies and have been corrected by the company. In addition, a management review has also been carried out on the results of the internal audit on July 1, 2022.
- Based on management's explanation, the Management Unit has a Verification Unit to conduct inspections of plantation and mill operational activities. The officer consists of 2 people and conducts verification every month. There is an Examination Findings document which includes the Type of Work, Budget Request Number (PPAB), Work Order Number (SPK), Work Volume (Blocks, Ha, Number of Units), Audit Findings, and Assistant Responses.
- SPI audit conducted in 16-19 and 21-25 March 2022 conducted by the Company's internal team.

**Status: Comply**

## 3.4

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

### 3.4.1 & 3.4.2

Until this assessment was carried out, the company had not carried out any new plantings. PT Perkebunan Nusantara IV Berangir Unit has environmental documents in the form of Environmental Management and Monitoring Plan (RKL-RPL) for PTPN IV Berangir Unit on January 24, 2005 which was approved by the Head of Bapedalda Province of Sumatera Utara No. SK 137 / BPD.L.SU / BTL / 2005. The company also has an Environmental Permit from the One Stop Investment Service and Licensing Office of Labuhanbatu Utara Regency with No: 503/05 / DPM-PPTSP / II / 2019 dated 27 February 2019 for plantations and a factory with an area of approximately 4,775 hectares. The environmental management plan is as follows:

- Decreasing air and dust quality
- Increased noise
- Groundwater
- Liquid waste
- Increasing the regional economy
- Job opportunities
- Business opportunities
- Community income

- Social and social facilities

Meanwhile, the Environmental Monitoring Plan is as follows:

- Air quality: emissions, ambient: once every 6 months
- Noise: Once every 6 months
- Groundwater (monitoring well: LA, control, resident): once every 3 months
- Mill Effluent (inlet and WWTP outlet) once a month
- Regional economy: once a year
- Job opportunities: once a year
- Business opportunities: once a year
- Community income: once a year
- Public and social facilities: once a year
- Security and order: once a year
- Community perception: once a year
- Vector disease: Once a year
- Disease prevalence: once a year

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

Based on the study of environmental documents owned by Unit of Certification, it is known that all activities in Unit of Certification's area have been covered in these environmental documents. Results of monitoring are listed on regular environmental management and monitoring report which is in accordance with management and monitoring plan in environmental impact assessment document. For examples, Management and Monitoring Implementation Report of Second Semester of 2021 which have been delivered to Environmental Agency of Labuhanbatu Utara Regency and Environmental Agency of Sumatera Utara Province on 13 June 2022, and Environment Ministry through environmental electronic reporting system (SIMPEL) with ID number of 1659281607-2129.

The company has carried out a social impact study which was conducted in July 2011 by a team of consultants PT Surveyor Indonesia. The aspects assessed include socio-economic aspects, social aspects (education, health), socio-cultural aspects, and customs. Data collection in the field was carried out by direct interview method based on questionnaires to respondents which aimed to find out the community's perception of plantation activities and observations made on the patterns of daily life of the communities around the plantation in their interactions with the company. The villages involved in the assessment included Sungai Raja Village, Perkebunan Berangir, Pasang Lela, and Silumajang. In 2022, the company has compiled a social management and monitoring plan by involving stakeholders from the villages. The social management and monitoring plan includes:

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

Social and environmental management and monitoring plan has been developed with participation of affected stakeholders. The involvement of affected stakeholders in the assessment is that the surrounding community consists of surrounding village representatives and internal stakeholder including SPBUN, Gender Committee, and Worker Union with on 12-13 July 2022. Based on result of interview with surrounding community and internal stakeholders, it is known that company has identified and done management and monitoring towards environmental and social impact such as public facilities and social facilities, employment opportunity, business opportunity, etc. Based on the study of the social

impact document, it has been covered in the company social management and monitoring plan. There is any issue from community which not discussed in SIA review.

### 3.4.3

Unit of Certification has shown the Management and Monitoring Reports for Second Semester of 2021 which have been delivered to Environmental Agency of Labuhanbatu Utara Regency and Environmental Agency of Sumatera Utara Province on 13 June 2022, and Environment Ministry through environmental electronic reporting system (SIMPEL) with ID number of 1659281607-2129. Based on the document review, RKL-RPL Report of Second Semester of 2021 has contained result of several impact management and monitoring such as ambient air quality, noise level and wastewater quality. Based on document review result, environmental monitoring in Second Semester of 2021 has been conducted based on environmental management and monitoring plan which had been made and all parameters have been complied towards relevant regulations.

Unit of Certification has shown evidence of social impact management plan is implemented, reviewed, and updated in participatory way based on result of Socialization/Consultation Result document regarding action plan and monitoring of social and environmental impacts in 2022 which were carried out on 12-13 July 2022 to surrounding village representatives and internal stakeholder including SPBUN, Gender Committee, and Worker Union. Based on this document, social and environmental impacts monitoring and management implementation which has been review such as public facilities and social facilities, employment opportunity, business opportunity, etc. Review of the management and monitoring plan has been conducted every two years. Previous management and monitoring review has been conducted on 7 November 2020.

**Status: Comply**

## 3.5

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

#### 3.5.1

The certification unit has procedures related to recruitment, selection, employment, promotion, retirement and termination of employment which are generally described in the Collective Labour Agreement written in Bahasa (has been ratified by Manpower Agency of Sumatera Utara Province with Decree No. 568/20-6/DTK/I/2022 in 19 January 2022 and valid until 31 December 2023). In general these procedures describe:

- Recruitment of workers is based on needs and adjusted to the ability of the company.
- The age of the prospective worker is a minimum of 18 years at the time of recruitment of workers.
- Recruitment of workers is based on the ability, expertise and assessment of prospective workers.
- The company is authorized to carry out the placement, transfer and promotion of workers in accordance with applicable regulations.
- Termination of employment can occur when a worker retires, dies, resigns, and terminates an employment agreement due to a serious violation and others.

In addition to being publicly listed in Collective Labour Agreement, the certification unit has other procedures in the form of Policies, SOP, Internal Memorandums and others related to recruitment, transfer, promotion, retirement, termination of employment and others. These procedures have been documented to all workers and their representatives. One of the socialization given to workers was related to Company Policies and Regulations in 07 July 2022 which was attended by all workers on muster morning. For example some procedures that are owned by the company include:

- The recruitment procedure is based on the workforce requirements according to the company's organizational development.
- The procedure for the appointment of employees listed in article 13
- Mechanism for promotion is described in articles 15 and 16
- The payroll system is listed in article 32 which states that the employee's payroll system is stated in categories.
- Retirement mentioned in chapter XII

The certification unit did not have workers with contract status for daily worker (BHL), the current employee status is contract workers (PKWT), permanent workers and Staff. All the rights for each employment status has been



distinguished. Based on the results of interviews with workers in the estate and mill units and representatives of the worker union, it is known that the workers have understood the recruitment, selection, promotion and other employment procedures contained in the Collective Labour Agreement and in other procedures.

From this explanation it can be concluded that the certification unit has procedures for recruitment, selection, employment, promotion, retirement and termination of employment must be documented / available to workers and their representatives in accordance with applicable laws and regulations.

### **3.5.2**

The certification unit always documented all labor procedures that have been carried out properly such as recruitment, promotion, performance assessment, pension and others. The following are some sample labor procedures that have been implemented and are well documented by certification unit, including:

- Work Agreement Letter dated 02 August 2022 between the company and workers (BSG & SRN) for harvesting work activities for 3 months (until 31 October 2022). Where in the agreement explains the rules, scope, type of work, wages, social security, health insurance and others. The agreement has also been held by each party with the same legal force.
- Promotion of workers with NIK 406808003 (clerk) from group ID/06 to IIA/00 in accordance with the Decree of the Senior Executive Vice President (SEVP) of PT Perkebunan Nusantara IV No. 04.07/Kpts/R/19/III/2022 dated March 31, 2022. This is based on the results of the assessment of the work performance of class 1A-IID employees for the period 2021 according to Memo No. 04.07/Kpts/R/19/III/2022 dated March 31, 2022. 04.07/KOL/eM-26/I/2022 dated 04 January 2022.
- Promotion of workers with NIK 406804001 (clerk) from group ID/06 to IIA/00 in accordance with the Decree of the Senior Executive Vice President (SEVP) of PT Perkebunan Nusantara IV No. 04.07/Kpts/R/19/III/2022 dated March 31, 2022. This is based on the results of the assessment of the work performance of class 1A-IID employees for the period 2021 according to Memo No. 04.07/Kpts/R/19/III/2022 dated March 31, 2022. 04.07/KOL/eM-26/I/2022 dated 04 January 2022.
- Appointment of workers with NIK 4024298 (harvester) from contract workers (PKWT) to permanent workers in accordance with the Decree of the Board of Directors of PT Perkebunan Nusantara IV No. 04.11/Kpts/R/05/I/2020 dated January 30, 2020 regarding the Appointment of Group IA-IID Employees. This is based on the acceptance process that has been completed, namely from the stage of submitting a job application letter, selection process, announcement of selection results, medical check-up results until passing a probationary period of 3 months. The company has been able to show the supporting documents in accordance with the procedures they have.
- Appointment of workers with NIK 4024300 (harvester) from contract workers (PKWT) to permanent workers in accordance with the Decree of the Board of Directors of PT Perkebunan Nusantara IV No. 04.11/Kpts/R/05/I/2020 dated January 30, 2020 regarding the Appointment of Group IA-IID Employees. This is based on the acceptance process that has been completed, namely from the stage of submitting a job application letter, selection process, announcement of selection results, medical check-up results until passing a probationary period of 3 months. The company has been able to show the supporting documents in accordance with the procedures they have.
- Letter No. BER/X/116/VII/2022 dated 04 July 2022 regarding Retirement Employees with NIK 4016631 (upkeep worker) who has worked since 01 April 1996 and has retired on 01 August 2022. The company can show complete documents for pension management starting from the pension application, employment documents (ID Card, Family Card and others), proof of account management for pension payments and others.

The results of interviews with workers (harvesting, spraying and mill operators) it was known that the certification unit has carried out labor procedures starting from recruitment, selection, acceptance, promotion and retirement procedures in accordance with existing regulations, as well as all The application is assessed in accordance with the abilities and competencies of the employees. For example, workers who initially entered were selected before being accepted, workers who received promotion / class promotion had received an assessment from their superiors and workers who retired received all their rights as retirees. During January until July 2022 there were no labor issues that occurred at certification unit, this was in accordance by the results of consultations with the workers union, the Manpower Agency of Labuhanbatu Utara Regency which stated that the application of existing labor procedures certification unit is in accordance with the regulations and since January 2022 until now there have been no labor issues.



Based on the description above, it can be concluded that the certification unit already has labor procedures implemented and records are maintained for each worker.

Status: Comply

### 3.6

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

#### 3.6.1

The Company has carried out a risk assessment to identify K3 problems from all Estate and Mill activities listed in the HIRAC Form. The HIRAC Estate and Mill forms are in separate HIRAC documents.

##### Estate

Companies can show HIRAC forms for Estate activities. Based on the verification results, it is known that all Estate activities have been covered in the HIRAC form. For estate activities that are non-conforming to previous assessments, such as activities under the electricity grid, global telling under the electricity grid, activities in the rinse house, storage of work tools at employees' homes, have been covered in the HIRAC document. The HIRAC document is the result of an evaluation conducted on 28 April 2022 and has been approved by the Unit Manager.

##### Mill

Companies can show HIRAC forms for Mill activities. Based on the verification results, it is known that all Mill activities have been covered in the HIRAC form. The HIRAC document is the result of an evaluation conducted on 23 July 2022 and has been approved by the Mill Manager. The activities that have been covered in the HIRAC document, for example, are as follows:

WWTP and drain ditch, workshop, steam boiler station, engine room, press station, seed mill, clarification, loading ramp, stew, laboratory, etc.

The implementation of identification of hazard sources and risk assessment can be seen in OHS warnings, appeals for the use of PPE in gardens and factories as well as appeals for occupational safety and health at every morning meeting.

Based on site observation at boiler and engine room in Berangir POM, harvesting in Division 1 Block H52/53 and spraying activity in Division 1 Block I53 it was clearly confirmed that workers had been aware related potential risk and hazards in the workplace. Following up on this, the company has been reducing the potential risk by routine socialization about OHS, providing PPE, and OHS signboard are available in workplace.

#### 3.6.2

The company regularly (every month) holds an internal meeting of the OHS committee to discuss the implementation of OHS in the company operational areas as follows:

- **POM:** OHS Meeting held on July 8, 2022. The topics discussed risk management implementation plan for 2022, changes to the OHS structure, availability of first aid kits, monitoring of hydrant conditions and emergency response simulation plans. OHS meeting attended by 11 participants (including staff and non staff).
- **Estate:** OHS Meeting held on July 25, 2022. The topics discussed preparation plan for the Republic of Indonesia's Independence Day, evaluation of covid vaccination and implementation of the women leaders series webinar. OHS meeting attended by 12 participants (including staff and non staff).

Based on the verification of the OHS's Work Program Document for the 2021 period, it is known that point 9 related to health checks has been realized by the company in November 2021. Until the time of the audit activity, the company has not been able to show documentation of general health examination activities for all employees. Based on the description above, this is the **non conformity NC 2014.01 with major category**.

Major  
3.6.2

Status: Non conformity NC.2022.01 with major category

### 3.7

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

**3.7.1 & 3.7.2**

Certification unit has training identification and program for workers for period of 2021/2022 which was made based on the training needs of the workers during the period and was approved by the Manager on 31 December 2021. The aspect in the training program are such as environment, labor best management practice aspect, and others. Some of training program, namely:

- Foreman's Functions and Duties
- Plant Protection Management
- Functions and Duties of DSS Officers (Documents System and Certification)
- Understanding the Use of SAP System (System Analysis and Product)

In addition, the certification unit has an identification and training program for relevant stakeholders (contractors and local communities). These programs include the following:

- Socialization of company policies such as code of conduct, human rights, no child worker and others.
- Training for best practices to smallholders.
- Training for OHS and PPE.

The certification unit has properly documented every training activity and socialization that has been carried out to workers and related stakeholders. The following is an example of training/socialization documentation that has been carried out during 2022, namely:

- SCCS training on 11 May 2022 which was attended by 9 people. (there is 1 person who has received a SCCS certificate from PT Kompas Enviro Institute on October 15, 2018).
- Socialization of company policies such as sustainability, human rights, environment, and others on 8 June 2022 which was attended by 18 participants from related stakeholder (contractors and surrounding communities).
- Socialization of company policies such as sustainability, human rights, environment, and others on 8 July 2022 which was attended by 8 participants from contractors.
- Socialization of CLA (Collective Labour Agreement) and company policies to workers on 07 July 2022 which was attended by 18 participants.

Based on field observations and interviews with workers (harvesters, pesticide applicators and mill operators), it is known that workers have understood their work in accordance with the procedures set by the company and their understanding of the duties and responsibilities for each job has been carried out quite well, because the certification unit has routinely conducted training every year according to the type of work each. Meanwhile, the results of interviews with representatives of contractors, contractor workers in field and the surrounding community revealed that they had received routine socialization related to company policies, code of conduct, PPE, communication procedures and complaints were routinely provided by the certification unit which causes stakeholders to understand the procedures and work methods that already exist in the certification unit operational area.

Based on the explanation above, it can be concluded that the certification unit has a identification and training program for all workers including stakeholders (contractors, suppliers, local communities and smallholders) related to the RSPO P&C and all of them have been well documented.

**3.7.3**

The certification unit showed a recording of the socialization of sustainability policies and supply chain systems on 11 May 2022 and was attended by officers who handle certified and uncertified products such as fruit sourcing, administrative systems, to product handling. Based on the results of interviews with weighbridge officers, it is known that the officers have been able to explain well about the supply chain system and FFB traceability.

	<b>Status: Comply</b>	
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**3.8  
Supply Chain Requirements for Mills**

**3.8.1 & 3.8.2**

Berangir POM is used SCC Module E (Mass Balance) its supply based from certified and non-certified FFB (Group plantation PTPN IV).

Based on surveillance-4 assessment, there's no changed information related to SCCS scheme module on Berangir POM (Mass Balance).

**3.8.3.**

During surveillance-4 onsite assessment, estimates of CPO and PK produced by Bah Jambi Palm Oil obtained from the projection based on actual data before audit activities, here's the detail:

	Last Year Projected Certified Volume (MT) (20 February 2021 – 19 October 222)	Actual certified volume (February 2021 – July 2022) (MT)	Estimation for the next 12 months
FFB Processed	184,982	177,337	108,400
CPO Production	42,698	39,841	24,000
PK Production	7,843	7,533	4,700

**3.8.4.**

Berangir POM - PT Perkebunan Nusantara IV has registered in RSPO membership 1-0030-06-000-00 – 13 December 2006.

Berangir POM has been registered in IT platform palm trace RSPO <https://palmtrace.rspo.org/web/rspo/member-directory> which information as follows:

- Member Name: Berangir Palm Oil Mill
- Member ID: RSPO\_PO1000004134
- License ID: CB115230

Based on onsite assessment, there's no changed information related to RSPO Membership on Berangir POM.

**3.8.5.**

Based on onsite assessment, there's no changed information related to Supply Chain Procedures on No. document 04.03/UNIT/SUS/P/001 dated 1 Augustus 2018, revised 1 March 2020. The procedures established and covering all elements of the supply chain model requirements, records and reports of compliance with supply chain requirements including responsibilities of each key personnel involved, definition, the FFB reception process, weighing, checking quality, processing, monitoring refined products, mass balance calculations, delivery of the product. The procedure is according to latest RSPO SCCS (RSPO Supply Chain Certification Standard on 1 February 2020). This procedure includes delivery of certified FFB from the estate to receipt of certified FFB at Mill, delivery of certified CPO / PK from mill and others.

The procedure also describe each personnel in charge:

- Field assistant managed certified FFB in estate.
- Mill manager registered mill in RSPO IT platform and documented book keeping.
- Weighbridge operator recapitulated amount of FFB received from certified/non-certified area.

- Staff of planning and strategic department monitored a certification period and quota.

### 3.8.6.

Based on onsite assessment, documents of supply chain procedures for Mass Balance models No. document 04.03/UNIT/SUS/P/001 dated 1 Augustus 2018, revised 1 March 2020 covering all audit for sustainable palm oil including SCCS. In the SOP mentioned that internal audit is done annually. Internal audit of SCCS conforms to the requirements in the RSPO SCCS and the RSPO market communications and claims documents and effectively implements and maintains the standard requirements.

During assessment, the latest internal audit was held on 1 to 3 July 2022 for all business unit and there is 1 nonconformity related to supply chain indicators. All non-conformities has been closed before onsite assessment done.

Based on the results of the verification of the recording of the management meeting review held on 9 July, 2022, one of the discussions is related to the implementation of SCCS, which will always be reviewed every month related to mass balance.

### 3.8.7.

The unit of certification has basic guidance and work instruction of PTPN IV regarding Certified Palm Oil Product Handling (document number 04.03/KS/SUS/P/001 revised dated on March 1, 2020. This procedure has covered the implementation of certified and non-certified handling, personnel in charge, book keeping and announce and confirm trades in the RSPO IT platform etc.

Personnel in charge:

- Field assistant managed certified FFB in estate.
- Mill manager registered mill in RSPO IT platform and documented book keeping.
- Weighbridge operator recapitulated amount of FFB received from certified/non-certified area.
- Staff of planning and strategic department monitored a certification period and quota.

The procedures established and covering all elements of the supply chain model requirements, records and reports of compliance with supply chain requirements including responsibilities of each key personnel involved, handling of FFB certified, receiving FFB certified at Mill, handling of CPO, CSPK, CSPO & CSPK delivery, monitoring stock of CSPO & CSPK, record keeping, control of CSPO, CSPK, CSPO & CSPK (Certified Products) not appropriate, RSPO IT Platform, traceability, market communication and claim.

Based on document verification on latest assessment, here's the detail of FFB receipt record:

Month	FFB (kg)		
	RSPO Certified	Non-Certified	Total
Feb-21	5.545.230	3.606.050	9.151.280
Mar-21	11.619.210	154.590	11.773.800
Apr-21	13.683.420	643.610	14.327.030
May-21	10.829.880	900.780	11.730.660
Jun-21	10.408.080	491.450	10.899.530
Jul-21	14.882.000	3.152.270	18.034.270
Aug-21	12.261.750	988.420	13.250.170
Sep-21	13.779.960	1.398.410	15.178.370

Oct-21	10.375.230	2.521.430	12.896.660
Nov-21	10.172.600	1.093.430	11.266.030
Dec-21	10.237.290	2.423.140	12.660.430
Jan-22	5.242.280	4.465.970	9.708.250
Feb-22	6.919.620	4.427.770	11.347.390
Mar-22	7.188.510	3.018.220	10.206.730
Apr-22	5.527.380	3.368.180	8.895.560
May-22	8.644.880	5.514.720	14.159.600
Jun-22	10.726.030	2.235.880	12.961.910
Jul-22	9.293.890	1.943.690	11.237.580
<b>Total</b>	<b>177,337.240</b>	<b>42,348.010</b>	<b>219,685.250</b>

### 3.8.8.

During onsite assessment, unit management shows the receipt of submission of CSPO and CSPK which informs, such as: The name and address of the buyer; The name and address of the seller; Shipment / delivery date; A description of the product RSPO certified MB model; The date on which the documents were issued; And the quantity of the products delivered (weighbridge record).

The company shows documentation of certified products, such as sales contracts, shipping announcements, delivery orders, etc. These documents describe the names and contacts of the buyers and sellers, delivery dates, product descriptions, quality, quantity, member ID, and others. For examples: Product delivery record No. 01/BER/INI./MS/XI/2021 for CSPO, unique number (5\*\*\*\*\*), Driver name (Initial SS), product specification (FFA 4,55%), buyer name (PT Industri Nabati Lestari), address of buyer, shipping date on 4 November 2021, volume as amount as 27.39 MT and stamped of RSPO Certified MB.

### 3.8.9 & 3.8.10.

Berangir mill shows the contractors CLA for CPO transporters for 2021/2022 period, such as:

No	Transporter name	Type	Address	Contract number
1	PT Wahana Adidaya Pratiwi	CPO transporter	Jalan Putri Merak Jingga/Gudang No. 2-A Kota Medan	04.05/S.Perj/Pem/02/II/2022
2	CV Karya Mandiri	PK transporter	Dusun I Blok II No. 3B Desa Sei Rampah Kec. Sei Rampah Kab. Serdang Bedagai	04.05- Peng/S.perj/02/II/2022

During onsite assessment, there's no new contractor who handled certified product. The contractor's agreement period valid thru December 31th, 2022, for examples namely CV Karya Mandiri with agreement document No.: 04.05-Peng/S.perj/02/II/2022. Based on the document verification, it informs that the contractor is willing to be audited at any time by an independent certification body.

### 3.8.11.

Based on interview with management representative, its known there were no new contractors.

### 3.8.12.

During onsite assessment, Berangir Palm Oil Mill has record of all CSPO and CSPK, as well as presented in the table

bellows:

**Crude Palm Oil**

Period	CPO Production (KG)		CPO Delivery (KG)			Stock
	Certified	Uncertified	Certified (Physical)	Other Scheme	Conventional	
Stock Opening CSPO						460,630
Feb-21	1,182,113	662,360	625,000	-	1,232,490	447,613
Mar-21	2,734,234	27,734	1,700,000	-	1,234,420	275,161
Apr-21	3,053,752	124,932	-	-	3,015,710	438,135
May-21	2,696,787	149,085	-	-	3,045,120	238,887
Jun-21	2,415,115	82,043	-	-	1,195,620	1,540,425
Jul-21	3,160,208	555,842	-	-	4,644,590	611,885
Aug-21	2,893,269	152,122	1,000,000	-	1,463,890	1,193,386
Sep-21	3,317,753	232,134	1,000,000	-	2,824,330	918,943
Oct-21	2,434,164	422,228	-	-	3,275,870	499,465
Nov-21	2,289,859	183,727	250,000	-	2,227,220	495,831
Dec-21	2,182,384	462,546	750,000	-	1,845,340	545,421
Jan-22	1,129,579	786,098	1,000,000	-	1,026,150	434,948
Feb-22	1,558,259	745,226	1,000,000	-	1,190,100	548,333
Mar-22	1,646,258	488,370	-	-	2,500,570	182,391
Apr-22	1,039,323	521,396	-	-	1,473,680	269,430
May-22	1,756,742	764,202	1,000,000	-	1,271,320	519,054
Jun-22	2,239,512	322,363	-	-	447,570	2,633,359
Jul-22	2,112,327	268,916	-	-	884,070	4,130,532
Total	39,841,638	6,951,324	8,325,000	-	34,798,060	

Based on those records, there's CSPO had been sold as physical as amount as 8,325 MT and as conventional as amount as 27,846 MT. There's no CSPO sold as other scheme.

**Palm Kernel**

Period	PK Production (KG)		PK Delivery (KG)			Stock
	Certified	Uncertified	Certified (Physical)	Other Scheme	Conventional	
Stock Opening CSPK						2,706,411
Feb-21	208,087	180,699	2,248,440	-	-	846,757
Mar-21	437,056	6,957	-	-	-	1,290,770
Apr-21	527,975	22,727	491,290	-	-	1,350,182
May-21	462,082	35,876	406,890	-	-	1,441,250
Jun-21	441,071	21,913	-	-	-	1,904,234
Jul-21	605,081	119,110	2,528,930	-	-	99,495
Aug-21	578,059	39,844	-	-	-	717,398
Sep-21	625,056	55,213	470,120	-	-	927,547
Oct-21	446,032	102,250	237,300	-	-	1,238,529
Nov-21	432,803	45,928	31,870	-	-	1,685,390



Dec-21	443,967	101,844	331,610		90,850	1,808,741
Jan-22	222,126	199,224	673,690	-	-	1,556,401
Feb-22	301,108	203,686	-	-	-	2,061,195
Mar-22	324,646	138,844	-	-	443,713	2,080,972
Apr-22	218,281	136,516	-	-	566,590	1,869,179
May-22	323,344	221,947	-	-	436,670	1,977,801
Jun-22	485,536	99,863	-	-	298,599	2,264,600
Jul-22	450,889	87,472	-	-	387,190	2,415,771
Total	7,533,199	1,819,913	7,420,140	-	2,223,612	

Based on those records, there's CSPK had been sold as physical as amount as 7,420 MT. There's CSPK sold as conventional as amount as 403 MT.

Regarding OFI in the previous assessment, the company has coordinated with the sales (marketing department) in showing sales record data for certified products, where the recorded sales balance is in accordance with sales department data.

### 3.8.13 & 3.8.14.

Berangir POM has performed FFB processing to produce CPO and PK only. Conversion factors are based on total processing extraction, through average of all FFB processed.

### 3.8.15.

Berangir Mill has only implemented RSPO mass balance supply chain system. Separation has only conducted through administrative recording.

Procedure of CSPO and CSPK handling is presented in document No. 07B (Rev. 03) dated 02 January 2017 about Certified CPO/PK Handling. The procedure mentioned that if Mill uses the Mass Balance (MB) model with the Fixed system Inventory Periods which means RSPO stock may be negative in period 3 month, must be balanced. Record of certified and non-certified product is using application namely "Weigh Bridge Scale " (WBS V.1.0.0.0.0). Information of RSPO certified and non-certified product is shows through CSPO or CSPK Stamp.

### 3.8.16.

During onsite assessment, whole transaction of CSPO/CSPK has been declared in RSPO IT Platform. For examples:

- CSPK volume sold as physical as amount as 7,420.14 ton.
- CSPO volume sold as physical as amount as 7,700 ton.
- CSPO volume sold as credits as amount as 13,678 ton.

From shipping announcement verification, known that shipping announcement carried out not more than 3 months after dispatch. For example:

- In 4 to 13 November 2021, where there was a sale of 250 ton of CSPO with details of 9 recordings of weighing cards on that date to PT Industri Nabati Lestari, and this was in accordance with the transactions made at RSPO Palmtrace. Where, the shipping announcement was made on 21 December 2022 and confirmed by the recipient on 11 January 2022.
- In 10 March 2022, where there was a sale of 31.87 ton of CSPK with details of 5 recordings of weighing cards on that date to PTPN IV *Pabrik Pengolahan Inti Sawit Pabatu*, and this was in accordance with the

transactions made at RSPO Palmtrace. Where, the shipping announcement was made on 16 March 2022 and confirmed by the recipient on 16 March 2022.

### 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.

Based on management representative interview and document review, the mill not use trademark on its sales activities and communication.

**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

A human rights policy document that defines basic human rights, including reproductive rights, privacy rights, women's rights and children's rights. Issued on 2 January 2015. The policy describes respecting human rights and respecting race, nation, culture, religion and without forced labor, ensuring that all employees receive fair remuneration, fair management and opportunities to develop careers. In addition, the policy explicitly states that the company has a commitment to safeguard human rights and prohibits retaliation against Human Rights Defenders (HRD). The company has socializing this policy to all workers and contractor on each unit.

The commitment of the certification unit in respecting human rights has been quite well implemented in the absence of issues and incidents of human rights violations that occurred in the operational area of plantations and mill. This is evidenced by document study on complaints and grievance document (internal and external) that so far there have been no incidents or issues of human rights violations occurring in the operational area of the certification unit. This policies has been socialized to surrounding community in 08 June 2022, for examples socialization of all company policies, code of ethics, communication procedures and complaint handling.

Based on the results of interviews with community representatives (Silumajang and Sungai Raja Village), it is known that so far from 2021 until now (July 2022) there has never been any intimidation/act of violence committed by the certification unit against workers, communities, contractors, or other parties who cooperate with the company. If there is a problem, usually the unit of certification will negotiate in a good manner and without resorting to violence. This is in line with the results of interviews with representatives of the workers union and gender committee who stated that there had never been any incidents or issues related to human rights violations that occurred in the certification unit operational areas.

Based on the explanation above, during the past year there were no issues / incidents of human rights violations that occurred in the vicinity or the operational area of the certification unit so that there were no acts of intimidation / violence carried out by the certification unit including contracted services such as security services that were contracted and others.

**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

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

- SOP for Internal Communication and Handling of Employee Complaints (No. 19 Rev. 2, effective from 02 January 2015). The procedure states that employee complaints are submitted verbally and in writing to the Labor Union. Then the Labor Union Management examines the problem being complained of and as far as possible the problem

is resolved at the Labor Union level.

- SOP for Handling Customer and Environmental Complaints (No. 13 Rev. 01 dated January 2, 2015). Includes complaints from customers and the surrounding environment received by the head office, complaints received by business units, handling of social unrest in the community, securing demonstrations at the head office. A flow chart is available.

Based on the results of the review of the list of documents for incoming and outgoing letters in 2022 (January-July), it is known that, there is no complaint submitted by the relevant stakeholders to the certification unit. This is evidenced by the logbook in 2022 (January-July) there has been no letter of grievance and complaint submitted by stakeholders during the period. This document in accordance with statements from stakeholders interviewed when the audit was carried out, with the Agencies in Labuhanbatu Utara Regency, representatives of the surrounding village communities and contractors who collaborated with the certification unit stating that they had never sent a letter for complaint to certification unit.

Based on an interview with the Surrounding Village Representative (Silumajang and Sungai Raja Village), it was found that the certification unit had conducted socialization to the Village regarding the mechanism for submitting complaint to the certification unit. If there is a submitting complaint, the village will send a letter or tell the complaint to the certification unit and the response of the request will be provided by the certification unit. In accordance with this explanation, the certification unit already has a record of complaint and there is no existing complaint. Certification unit have person that served as communicators between the company and community so that people who cannot read / write can be informed by the related communicators. In order to conduct consultation and communication with the community, a delegation is appointed with the given authority (in this case, public relation staff for internal/external parties).

Based on this explanation, it can be concluded that the certification unit has procedures/communication systems, complaints and conflict resolutions available for all affected parties, can resolve disputes effectively, in a timely and appropriate manner, and ensure the protection of the identity (anonymity) of the complainant, human rights defenders, community representatives, whistleblowers, if requested, as long as the report is supported by sufficient preliminary evidence.

This system ensures there is no risk of retaliation or intimidation, and follows the RSPO policy of respect for human rights and it can be concluded that the certification unit has procedures to ensure the system is understood by affected parties, including those who cannot read and write that are well documented.

#### **4.2.3 & 4.2.4**

Based on information from management and previous audit (ASA-2 Remote), known that there are complaints from family members regarding the transfer of rights of deceased workers (NIK 4106402) that have not been given yet to the heirs. Based on information from management, known that it was suspected that there was a dispute in the family of the deceased worker, because the husband and son of the deceased both claimed to be the legal heirs, as shown by the following documents :

- Letter of statement issued by the Head of Berangir Plantation Village on April 22, 2021, explaining that the heirs are the children and parents of the deceased.
- Confession from someone who claims to be an heir because he is still a husband based on the Marriage Certificate No. 0069020/II/2020.

Based on the explanation above, the company concluded that it was suspected that there was a dispute because husband of the deceased was not included in the heir certificate issued by the Berangir Plantation Village Head on April 22, 2021. Due to differences in heirs, the company asked the family / heirs to be able to submit Determination of heirs from the religious court through letter no. BER//76/V/2021 dated May 29, 2021. The letter was received by the family of the deceased on May 31, 2021. During the audit activity, the complaint has been resolved and the evidence can be shown, namely:

- Letter of Inheritance Agreement dated 27 August 2021 between the three parties who are the heirs of the deceased workers (NIK 4106402) which states that they have agreed to share the inheritance rights of these workers.

- Letter of Determination of Heirs No. 137/Pdt.P/2021/PA.RAP dated August 25, 2021 from the Rantau Prapat Religious Court which determined the heirs of the deceased workers (NIK 4106402) as a reference for granting the inheritance rights of these workers.

The two letters above are used as the basis for the company to give rights to heirs in accordance with the percentage of the amount set by the Rantau Prapat Religious Court, as evidence that all heirs' rights have been fully granted as shown by the granting of rights for six stages starting from stage one which was given on October 04, 2021 until stage 6 on March 04, 2022. All the files have been notified and informed to the heirs who finally all parties have known that the complaint has been resolved.

In Indonesia, giving freedom to the reporting party to obtain legal and technical assistance from an independent party is allowed and there is none regulation/procedure in certification unit that forbids it. An example is the resolution of the problem described above in which the company provides options/options to the heirs to obtain legal assistance from other independent parties.

Based on the explanation and description above, it can be concluded that the certification unit has a conflict resolution mechanism/procedure which includes the option to obtain legal and technical assistance from an independent party, where the reporting party has the freedom to choose a person or group who can support it and/or act as observers as well as the parties may choose the option of involving a third party mediator.

**Status: Comply**

#### 4.3

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

##### 4.3.1

The company has carried out development around the plantation, among others, through various activities documented in the Social Impact Analysis Monitoring and Management Plan for Semester I of 2021. Based on this document, several CSR programs have been implemented, such as:

- Food assistance to the community around the company.
- Assistance for road repairs for Dusun V in April 2021.
- Construction of a mosque tower in the village of Pasang Lela.
- Paving and upgrading of roads in Pasang Lela Village.

Based on the results of the document review, the company has also contributed to improving the welfare of the community around the plantation by conducting business partnerships such as collaborating with local contractors in the work of transporting fresh fruit bunches (FFB) to the factory.

Based on the results of public consultations with representatives from Sungai Raja Village and Silumajang Village, it is known that the surrounding community also feels the CSR programs created by the company and their proposal submissions are often fulfilled by the company.

**Status: Comply**

#### 4.4

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

##### 4.4.1

Berangir Unit does not have a location permit because it is a long established plantation which originally from of the Dutch colonial N.V. Cultuur Mij. "Serbajadi", which was nationalized based on government regulation no. 19 of 1959 dated May 2, 1959. This is also in line with the results of an interview with the District Land Office. Asahan stated that the land of PTPN IV unit was a originally from Dutch plantation, so it did not have a location permit.

There is no change of document of land use legalities, consist of:

**Land legality**

- HGU Certificate No. 48 for areas 3,288.93 ha which valid until 30 December 2034. The certificate HGU issued based on HGU Decree No. 17/HGU/BPN RI/2013 dated 28 February 2013.
- HGU Certificate No. 22 for area 1,294.74 ha which valid until 19 September 2043. The certificate HGU issued based on HGU Decree No. 49-HGU-BPN RI-2008 dated 7 August 2008.

**Plantation permit:**

Berangir Estate has plantation business permit (IUP-B) for based on Decree of Labuhanbatu Utara Regent No. 503/2159/TAPEM/2012 dated 24 October 2012, covering an area of  $\pm$  4,648.74 ha. While Berangir Mill has had Plantation Business Permit for Processing (Mill) based on Decree of Capital Investment Agency No. 503/01/DPM-PPTSP/IUP-P/2019 dated 12 August 2019 for Mill capacity of 30 MT of FFB/hour.

**4.4.2, 4.4.3, 4.4.4, 4.4.5 & 4.4.6**

During onsite assessment, the company has no new land acquisition. The results of interview with local communities are known that there are no indigenous rights or customary rights. This fact also matched with explanation from relevant agency such as National Land Agency and Plantation Agency.

In conclusion, the company is a nationalization program for foreign companies by government that already have previous land rights, there is no acquisition of land belonging to the surrounding community or other rights that use the FPIC process in its acquisition.

<b>Status: Comply</b>
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**4.5**

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

**4.5.1, 4.5.2, 4.5.3, 4.5.4, 4.5.5, 4.5.6, 4.5.7 & 4.5.8**

There is no new land clearing in PTPN IV Berangir. Berangir Estate has managed since 1974, which previously was owned by PT Wongso Rubber Coy, a rubber plantation company. The land acquisition processed by previous owner, began with land acquisition from community's area by providing compensation in 1977, continued by Berangir Unit and finished in 2005. Furthermore, based on information from representative of Sungai Raja Village and Silumajang Village, 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.

<b>Status: Comply</b>
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**4.6**

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

**4.6.1, 4.6.2, 4.6.3 & 4.6.4**

There is no new land clearing in PTPN IV Berangir. Berangir Estate has managed since 1974, which previously was owned by PT Wongso Rubber Coy, a rubber plantation company. The land acquisition processed by previous owner, began with land acquisition from community's area by providing compensation in 1977, continued by Berangir Unit and finished in 2005.

Furthermore, based on information from representative of Sungai Raja Village and Silumajang Village, 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.

<b>Status: Comply</b>
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**4.7**

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

**4.7.1, 4.7.2 & 4.7.3**

As explained in Indicator 4.5.1, it was mentioned that PTPN 4 Berangir Estates areas, which previously was owned by PT Wongso Rubber Coy, a rubber plantation company. The land acquisition processed by previous owner, began with land acquisition from community's area by providing compensation in 1977, continued by Berangir Unit and finished in 2005.

Based on consultation public information from representative of Sungai Raja Village and Silumajang Village, it was known that there is no any negotiations concerning compensation for loss of legal, customary or user rights.

**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**

As explained in Indicator 4.5.1, it was mentioned that PTPN 4 Berangir Estates areas, which previously was owned by PT Wongso Rubber Coy, a rubber plantation company. The land acquisition processed by previous owner, began with land acquisition from community's area by providing compensation in 1977, continued by Berangir Unit and finished in 2005.

Furthermore, based on information from representative of Sungai Raja Village and Silumajang Village 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. In addition, there are no issues related to land disputes both in the company's operational areas and surrounding areas. This is also proven from the results of field observations related to land boundaries.

**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**

The company has sale and purchase agreements with several outside FFB suppliers, for example:

- CV Kurnia Mitra Mandiri (No. PKS BER/SP.02/VIII/2021)
- PT Aidil Putra Perdana (No. PKS BER/SP.02/VIII/2021)

In the agreement there is an explanation related to the price and payment of FFB, where the purchase price of FFB is determined and announced regularly to the seller every Tuesday, Wednesday, and Friday. FFB prices follow fluctuations in the prices of palm oil and palm kernel in the market. For the payment process, the certificate holder pays via money transfer to the FFB seller's account. Based on interviews with representatives of CV Kurnia Mitra Jaya, the seller had no difficulty in obtaining FFB price information and there were no negative issues related to payment. The company has also shown proof of FFB payment to the seller for the period 12-14 July 2022, which is accompanied by proof of transfer and details of the FFB quantity along with the selling price which has been signed by both parties.

**5.1.2**

Based on the results of interviews with FFB suppliers (CV Kurnia Mitra Jaya), it is known that the company as the FFB buyer always informs the FFB price to the supplier on a regular basis, either via telephone or multimedia message.

**5.1.3**

In the agreement between company and FFB supplier, there is an explanation related to the price and payment of FFB,



where the purchase price of FFB is determined and announced regularly to the seller every Tuesday, Wednesday and Friday. FFB prices follow fluctuations in the prices of palm oil and palm kernel in the market.

#### 5.1.4

Currently the company does not have contracts with independent smallholders or plasma smallholders.

#### 5.1.5

The company has cooperation with local contractors, such as transporting FFB and upkeep activities. All contracts have been agreed between management and the contractor concerned. Example of contracts in units are shown below.

- Work Agreement with CV GAS (No.: GMD-II/BER/Pemel TM Afd I/01/III/2022) related to Mature Upkeep Activities (Chemist and manual).
- PT Aidil Putra Perdana (No. PKS BER/SP.02/VIII/2021) related to FFB supplier.

From the results of the review of the agreement document, the document contains the rights and obligations of each party from the implementation procedure, payment process, price, scope of work, conditions for termination of employment, to the term of the agreement agreed upon and signed by both parties.

#### 5.1.6

For the payment process, the certificate holder pays via money transfer to the FFB seller's account. Based on interviews with representatives of CV Kurnia Mitra Jaya, the seller had no difficulty in obtaining FFB price information and there were no negative issues related to payment. The company has also shown proof of FFB payment to the seller for the period 12-14 July 2022, which is accompanied by proof of transfer and details of the FFB quantity along with the selling price which has been signed by both parties. There are no issues related to late payments, the supplier's why the price has been known transparently and there is no indication of harm to the supplier.

#### 5.1.7

The certification unit showing certificate test result number 510.3/186/DagInd-Met/KHP/10/2021 dated 19 October 2021 with a validity period until 19 October 2022 for weighbridges type GSC with serial number 1108115 from the Department of Commerce and Industry of Labuhanbatu Utara Regency. The third party stated the test results, *"Legally on 2021 according to the law of Republic Indonesia No. 2 of 1981 concerning Legal Metrology"*. With the calibration evidence, the company has shown evidence that the weighing equipment used to weigh FFB from outsiders is minus indications of fraud.

#### 5.1.8.

Currently the company does not have contracts with independent smallholders or plasma smallholders. However, based on the results of interviews with village and community representatives, the company often discusses with independent smallholders regarding support for the legality of land owned by farmers. From this evidence, the company has attempted a land legality and support campaign for farmers as mentioned in the opportunity to improvement of the previous assessment.

#### 5.1.9.

Company has grievance mechanism for external stakeholder, including for smallholder in procedure No. 13 Rev. 01 dated January 2, 2015. However, based on document review of complaint book, there is no complaint from independent supplier.

<b>Status: Comply</b>	
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**5.2**

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

**5.2.1, 5.2.2, 5.2.3, 5.2.4 & 5.2.5**

The company has conducted training activities for several farmer groups around the company, for example in the recording of best plantation practice training activities for independent smallholders on January 31, 2022. In these activities, the company provides training related to oil palm cultivation starting from seeding, plant maintenance, use of chemicals (including pesticides), harvesting to the legality of land ownership. From this evidence, the company has attempted a land legality and support campaign for farmers as mentioned in the opportunity to improvement of the previous assessment.

The company has an annual report that is posted on the PTPN4 website, where the report contains complete information related to the company's business development and other information, such as support from plasma farmers and third party FFB suppliers.

**Status: Comply**

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

**Any form of discrimination is prohibited.**

**6.1.1, 6.1.2 & 6.1.3**

The certification unit already has an Equal Employment Opportunity Policy No. 04 Rev 02 dated 02 January 2015 as follows:

- 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.
- PT. Perkebunan Nusantara IV (Persero) is actively and continuously implementing a systematic and modern business transformation policy in developing human resources.
- 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.

Other than that, certification unit policy towards non-discrimination and equal opportunity is presented in document of Collective Labour Agreement 2022-2023 Chapter II Article 15 and 16. These policy has been communicated to worker. Implementation on policy has reflected in several documents such as employees performance and evaluation, promotion letter and selection of process on job recruitment.

Based on the policy and Collective Labour Agreement that has been explained above, the certification unit will always provide the same opportunities for everyone to work and develop a career in accordance with the competencies and opportunities that exist and do not tolerate discrimination of race, ethnicity, religion and belief. The fundamental aims is to ensure diverse and representative profiles of workers through the promotion equality of labor.

The results of the employment document review prove that certification unit does not discriminate and treat all workers equally, the following is evidence that can be shown by the company:

- The composition of workers consisting of various ethnic groups, religions, gender and workers' origins. The existing workers do not only come from one area but come from several areas spread throughout Indonesia such as Java, Sumatra, and others. During the audit, there was no information regarding migrant or *AKAD* workers (*Angkatan Kerja Antar Daerah*) in certification unit.
- Recruitment of workers based on the results of selection, performance appraisal, ability and expertise of workers. For example harvesting worker who have initial PSG and JSO received based on the results of the selection of job application files, results of health checks and results of interviews. The worker also passed the test and has been accepted as permanent worker in 2020.

- Worker placement and training are carried out in accordance with their expertise / type of work, such as prospective harvest workers are placed as harvest workers and receive regular harvest training.
- Women workers are given equal rights, wages and opportunities to get promotions with male workers of the same type of work, for example there are several upkeep foreman who are female workers.

Based on the results of interviews with workers (harvester, pesticide applicator, upkeep and mill operator), it is known that workers have never felt that the certification unit has discriminated against since they first working until now. This is because all activities from recruitment, performance appraisal, promotion, and union, each worker is given the same opportunity regardless of ethnicity, caste, nationality, religion, disability, gender, sexual orientation, gender identity, membership in worker unions, affiliations. politics, or age. There is no difference between the communication between superior and workers because of the things mentioned above, so that the workers do not feel isolated or discriminated against by the superiors. This has resulted in the absence of discrimination issues from 2021 to the present (July 2022).

Based on the results of the study of labor documents, it is known that since 2021 until now there have been no migrant workers, no daily contract workers (BHL), all workers working in the certification unit are contract worker (PKWT), permanent workers and staff. All the rights for each employment status has been distinguished.

These explanations can conclude that the certification unit has policy and treated all workers equally (based on skill, quality and eligibility) without discrimination based on gender, ethnicity, religion, health conditions or others and has carried out all recruitment activities in accordance with applicable policies and procedures. owned without any act of discrimination.

#### **6.1.4**

A pregnancy test for workers is carried out just to ensure that pregnant workers are not allowed to do work with chemicals, not as a basis for discriminating against these workers. If declared pregnant, the worker will be transferred to a safer job but still equal in terms of wages and other benefits, so that there is no discriminatory action. This is made clear by the results of interviews with women workers in spraying and upkeep activities stating that female workers are required to have monthly pregnancy testing at the clinic to ensure that no female workers working with chemicals are pregnant / breastfeeding and testing the pregnancy is not a discriminatory measure given by the certification unit. However, based on the results of interviews with management and a review of labor documents, currently all female workers who work as pesticide applicators and upkeep workers are over 40 years old and not in their productive period (menopause). Therefore, the company has not carried out pregnancy checks since several years ago.

#### **6.1.5**

The certification unit 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.

Certification unit have gender committee and are still active until today in the certification unit which is with structure is: Founder → Chairperson → Deputy Chairperson → education, socio-cultural and economic section → members. The gender committee has made changes to its composition in 2022, the new management has been approved by the management on 03 January 2022. The structure of the gender committee not only consists of female workers but also includes male workers. The main objective of forming a gender committee is to provide a forum that can accommodate the aspirations / complaints of workers, as company partners in carrying out the activities of socialization related to gender and other policies related to workers' reproductive rights. In carrying out its activities this gender committee always collaborates with the labor union so that the socialization of matters related to women's rights can be conveyed properly and there is no discrimination in terms of gender. The workers also knew of the existence of the gender committee because it had been routinely socialized by its management, the last socialization related to the gender committee and the activity was carried out on 05 July 2021 which was attended by all workers and housing residents. The results of this socialization can be seen with the absence of differences in company operational activities such as promotional activities, the same status of workers without gender bias because overall are given equal opportunities for all genders (male or female) in work.

The results of interviews with upkeep workers (male and female workers) and representatives of the gender committee revealed that until now there were no reports / issues / complaints related to gender reported by the workers and at the moment the activities carried out were gender meetings during children healthcare (*posyandu*), recitation weekly and others,

Based on the explanation above, it can be concluded that the certification unit has a gender committee that is still active and has a program of activities to raise awareness, identify and address issues of concern, and provide opportunities and enhancements for women.

#### 6.1.6

Equal payment of wages has been made by certification unit properly, considering the ability, performance, expertise, length of work and other factors as a basis for remuneration. So that the payment of wages provided is in accordance with the burden / duties / types of work respectively. For example, boiler operator (SBH Grade ID/01 and PSG Grade ID/06), upkeep worker (SWT Grade IC/03 and DRD Grade IA/09), security (WYD Grade ID/03 and HSH Grade ID/05) and harvester (MSP Grade 1A/01 and EWN Grade IA/00) who get wages in July 2022 whose value is in accordance with the minimum wage, but with different amounts based on years of service, ability, attendance and job performance (structure and scale wage). This is in accordance with statements from workers who were interviewed with types of work as harvesters and sprayers who have the same type of work but have different wage scales based on their performance, length of work in the company, productivity and other factors.

As a basis for determining the wage structure above, the company has Decree of PTPN IV Director No. 04.07/Kpts/15/III/2022 dated 31 March 2022 regarding the 2022 Minimum Wage and also contains a structure for the scale of wages for workers based on Grade. The grade with the lowest total wages is Grade IA/00 and the highest wage is Grade IID/06. This decree comes into effect on January 1, 2022 in all PTPN IV business units.

In addition, based on the results of interviews with labour union representatives, it was found that the certification unit already has a wage scale structure for each worker based on position, class, work performance, and not based on gender differences or origins. For example, the lowest wage scale is for contract worker (PKWT) and the highest wage is permanent workers that has been in Grade IID/06.

The results of interviews with workers (harvesting, spraying and mill operators) in note that workers already know that there is a wage scale structure for each level of workers and this has been proven by the difference in the monthly wage income presented on the pay slip. The monthly wages received are in accordance with the grade owned by each worker and so far there have been no complaints / errors regarding this matter.

**Status: Comply**

### 6.2

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

#### 6.2.1

The certification unit has procedures related to recruitment, selection, employment, promotion, retirement and termination of employment which are generally described in the Collective Labour Agreement and others manpower procedures written in Bahasa. This Collective Labour Agreement explains the working conditions and rights / obligations of workers such as, recruitment, selection, transfer, promotion, performance appraisal, remuneration, discipline, overtime, and other provisions. The certification unit can show that the Collective Labour Agreement have been approved by the relevant agencies (has been ratified by Manpower Agency of Sumatera Utara Province with Decree No. 568/20-6/DTK/I/2022 in 19 January 2022 and valid until 31 December 2023).

Based on the results of the review of the updated workforce list document in July 2022, it is known that currently the company only has permanent workers, contract workers (PKWT) and contractor workers who work within the scope of the company's management area. For workers with daily contract worker (BHL) status, the company is no longer owned by the company from the results of field visits in the plantations, interviews with workers and unions and the results of a

review of labor list documents. In addition, this result is also in accordance with the results of interviews with the surrounding village communities (Silumajang and Sungai Raja villages) as well as the families of workers found in the housing complex which stated that the current status of workers working in the company is only permanent workers, contract workers (PKWT) and contractor workers. while for workers with daily contract worker (BHL) status it is not owned by the company.

All the rights for each employment status has been distinguished. Based on the results of interviews with workers in the estate and mill units and representatives of the worker union, it is known that the workers have understood the recruitment, selection, promotion, pay documentation, work condition and other employment procedures contained in the Collective Labour Agreement and in other procedures.

The Collective Labour Agreement has been routinely disseminated by the certification unit to all employees, one example of the socialization that was carried out was on 07 July 2022 which was attended by all workers on muster morning. The results of interviews with workers (harvesters, sprayers, upkeep and mill operators) and worker union know that workers have a sufficient understanding of their rights (wages, overtime, incentives, fines, etc.) listed in the Collective Labour Agreement and in accordance with routine socialization provided by the certification unit. Workers' wages in 2022 have been accordance with the minimum wage set by the government, wage based on years of service, ability, attendance and job performance (structure and scale wage) and there are no late payments every month.

A review of the July 2022 wage document for harvester, upkeep and mill operators proves that the wages received are accordance with the minimum wage and in accordance with the wage scale structure determined by the certification unit for 2022. For example, boiler operator (SBH Grade ID/01 and PSG Grade ID/06), upkeep worker (SWT Grade IC/03 and DRD Grade IA/09), security (WYD Grade ID/03 and HSH Grade ID/05) and harvester (MSP Grade 1A/01 and EWN Grade IA/00) who get wages in July 2022 whose value is in accordance with the minimum wage, but with different amounts based on years of service, ability, attendance and job performance (structure and scale wage).

Based on the description above, it can be concluded that the certification unit already has documentation of wages and work requirements in accordance with applicable labor regulations for workers in the national language, along with explanations for workers in a language they understand.

#### **6.2.2 & 6.2.3**

The certification unit has Collective Labour Agreement are made in a Bahasa that explains the working conditions and rights / obligations of workers such as recruitment, selection, transfer, promotion, performance appraisal, working hours, remuneration, discipline, deduction, overtime, sick leaves, holiday entitlement, maternity leave and other provisions. Explanations related to the contents of the Collective Labour Agreement include:

- Employee Acceptance (recruitment, selection, transfer, promotion, performance appraisal) which explains that all workers wishing to join the company must follow the specified requirements including: being over 18 years old, having a health certificate, taking a selection exam, and other requirements.
- Working Time which explains that there are 2 types of working time in the company, namely by working 8 hours per day or 5 working days in a week and 7 hours per day or 6 working days in a week, in which the total working hours are 40 hours in a week. a week.
- Wages which explains the wage that cannot be lower than the minimum wage set by the government every year, granting rice allowance to all workers according to its calculation, and other explanations.

In addition to being generally stated in Collective Labor Agreement, the certification unit also has a decree, policy, memorandum and work contract for workers in orientation period that specifically explain these matters. An example is:

- Sumatera Utara Governor Decree No. 188.44/746/KPTS/2021 dated November 2021 concerning District/City Minimum Wages in Riau Province in 2022 with the minimum wage in Sumatera Utara Province is IDR 2,522,609.94 and will take effect on January 1, 2022.
- Decree of PTPN IV Director No. 04.07/Kpts/15/III/2022 dated 31 March 2022 regarding the 2022 Minimum Wage and also contains a structure for the scale of wages for workers based on Grade. The grade with the lowest total wages is Grade IA/00 and the highest wage is Grade IID/06. This decree comes into effect on January 1, 2022 in all PTPN



IV business units.

- Salary slips period of July 2022 for boiler operator (SBH Grade ID/01 and PSG Grade ID/06), upkeep worker (SWT Grade IC/03 and DRD Grade IA/09), security (WYD Grade ID/03 and HSH Grade ID/05) and harvester (MSP Grade 1A/01 and EWN Grade IA/00) have a different based on wage scale structure 2022 and all wages above the minimum wage.
- Overtime payment in July 2022 that has been accordance with applicable laws for boiler operator (SBH Grade ID/01 and PSG Grade ID/06) and security (WYD Grade ID/03 and HSH Grade ID/05).
- Unit certification has provisions related to deduction / penalty which have been stated in the Collective Labour Agreement and further explanation is set out in an internal memo.
- In the payroll document, there is information that states the results of the worker's wages in one month according to the work performance of each worker. Payroll has also been accurate for each worker, for example the number of days worked in a month, premium payments, fines, deductions from workers' wages and other information that is in accordance with facts in the field.
- Proof of granting annual leave to employees for examples:
  - ❖ Leave Application Form for workers (SCH) who applied for 1 day leave on 02 July 2022 and was approved by Division Assistant on 02 July 2022.
  - ❖ Leave Application Form for workers (MPB) who apply for leave for 2 days on 05-06 August 2022 and has been approved by Division Assistant on 05 August 2022.
- Etc.

Since 2021 to July 2022 there has been no change in policy, but what has changed is the decision related to the minimum wage which has changed every year following the government's decision. Regarding the change in the minimum wage decision, it has been routinely submitted annually to workers at the beginning of the year and this is reinforced by the results of interviews with field workers and worker union representatives who are clear about any changes in the minimum wage every year. Based on the description above, the certification unit has demonstrated legal compliance related to working conditions, such as compliance with minimum wage, working hours, overtime, maternity leave and other compliance.

The results of interviews with workers (harvesters, sprayers, upkeep and mill operators) and worker union know that workers have a sufficient understanding of their rights (wages, overtime, incentives, deductive, fines, etc.) listed in the Collective Labor Agreement and in accordance with routine socialization provided by the certification unit. Workers' wages in 2022 have been accordance with the minimum wage set by the government and there are no late payments every month, working hours is seven (7) hour a day with 6 days in a week (total of 40 hour of work in a week) and for the overtime has been paid in accordance with applicable regulations.

A review of the July 2022 wage document for harvesters, sprayers, upkeep and mill operators proves that the wages received are accordance with the minimum wage and in accordance with the wage scale structure determined by the certification unit for 2022. For example, workers' wages for boiler operator (SBH Grade ID/01 and PSG Grade ID/06), upkeep worker (SWT Grade IC/03 and DRD Grade IA/09), security (WYD Grade ID/03 and HSH Grade ID/05) and harvester (MSP Grade 1A/01 and EWN Grade IA/00), all wages accordance with the minimum wage and he wage scale structure determined by the certification unit for 2022.

Based on the foregoing, it can be concluded that the certification unit has procedures and provisions related to wages, work requirements (regular working hours, deductions, overtime, sick leave, vacation rights, maternity leave, etc.) well documented and thoroughly implemented in each unit.

#### **6.2.4**

The certification unit has provided welfare facilities to occupants in the form of housing, clinics, water supply, drinking water depot, electricity, education, transportation and other facilities. The results of the field visit in the housing area revealed that workers were provided with adequate housing facilities with 2 bedrooms, 1 bathroom and there were daycare for children. The house is inhabited by 1 family and specifically for workers who are not married then 1 house will be filled by 2 workers. This is in line with the results of interviews with housing residents stating that the facilities



provided by the certification unit are houses, electricity, availability of clean water, transportation of school, school in nearby villages (kindergarten, elementary, middle and high school), child daycare, places of worship (mosque & church), sport facilities and others. In general, the facilities provided by the certification unit are good / suitable for use by workers and their families. The certification unit has also conducted monitoring for the condition of the feasibility of the facilities provided every year, such as housing that is repaired if there is damage (usually if there is damage the worker will inform it and it will be handled directly by the repair company), the availability of electricity that has been provided by the PLN or a generator, and the availability of clean water which is always monitored for its feasibility every 6 months (the results of monitoring clean water in the residential area do not show any test parameters that exceed the threshold).

#### **6.2.5**

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

#### **6.2.6**

In Indonesia no living wage standard is established, so certification unit still implemented the national minimum wages for all workers. In addition to the payment of minimum wages, certification unit has been conduct an assessment of the prevailing wages and in-kind benefits provided to workers in the certification unit aligned with the RSPO Guidance for Implementing a Decent Living Wage and since DLW not available please check the guidance (guidance for prevailing wages calculations). The certification unit has the determination of assessment prevailing wage and all kind of benefits for DLW simulation in 2022 has been included in the calculation of main wage, worker status, housing facility, education, electricity, water sources, healthcare and others. The results of these calculations are known that the standard of DLW currently given / simulated by the certification unit is above the stipulation of the minimum wage.

Based on the explanation above, it can be concluded that the unit of certification has a Decent Living Wage calculation based on prevailing wage and in kind benefits provided by the certification unit.

#### **6.2.7**

Based on the results of the study of the labor list document for the July 2022 period, it is known that currently there are 485 permanent workers and 44 contract workers (PKWT) status who work at PTPN IV Unit Berangir. The entire PKWT has been registered with the Sumatera Utara Provincial Manpower Agency on 18 July 2022.

#### **Non Conformity No. 2022.02**

- Based on the results of field observations and interviews with harvesters at Block 03AB Division 4 and Block 13CC Division 6, it was found that there are still 3 harvesters who are still contract workers (PKWT) in Division 4 and 3 people in Division 6 who have been working since 2021/2022.
- Based on the results of the review of the labor list document for the period of July 2022, it is known that currently the company still has 44 workers with contract workers (PKWT) status who work in Division 1-6 and have been working since July 2021 and February 2022.
- The company can also show a work agreement between contract workers (PKWT) and the company for 3 people in Division 4 and 3 people in Division 6. For example work agreement no. BER/S.Perj/41/VIII/2022 and No. BER/S.Perj/40/VIII/2022 dated 02 August 2022 which is valid for 3 months (31 October 2022).
- The company has a Board of Directors Regulation of PT Perkebunan Nusantara III (Parent Company of PT Perkebunan Nusantara IV) No. HES/PER/05/2019 dated March 22, 2019 regarding Guidelines for Recruitment of Employees at PT Perkebunan Nusantara III and its Subsidiaries, where in Chapter IV concerning the Implementation of Acceptance of contract workers (PKWT) in article 15 it is explained that this contract workers (PKWT) is made for certain jobs according to the type and nature or activity the work will be completed in a certain time such as:

- ❖ Jobs that are once completed or temporary in nature.
- ❖ Seasonal work.
- ❖ Work related to new products/activities or additional products.
- ❖ Work that is expected to be completed in a not too long time.
- Harvesting work is a permanent job, this is because the criteria for harvesting work are included in the explanation of permanent work in Law no. 13 of 2003 (explanation of article 59 paragraph 2) where it reads “*pekerjaan yang sifatnya terus menerus, tidak terputus-putus, tidak dibatasi waktu dan merupakan bagian dari suatu proses produksi dalam satu perusahaan atau pekerjaan yang bukan musiman.*”
- In Government Regulation No. 35 of 2021 on the contract workers (PKWT) section explains that contract workers (PKWT) cannot be held for work that is permanent and contract workers (PKWT) can be held based on a period of time (work that is not completed for too long, seasonal work, work related to new products) or the completion of a particular job (work that once completed and temporary work).

The company has not been able to prove that the application of the use of workers (PKWT) is in accordance with company procedures and government regulations related to the types of work that can use PKWT (seasonal or temporary work).

Minor  
6.2.7 **Status: Non conformance NC.2022.02 with minor category**

### 6.3

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

#### 6.3.1

The 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 is a labor union in the Berangir unit, namely SPBUN Basis Berangir. Labor union that have been registered with the Manpower and Industry Agency of Labuhanbatu Utara Regency in 17 July 2019.

To ensure that workers are given freedom of association, neither the union nor the company force workers to join a worker union, this is evidenced by the presence of workers who have not joined the worker union until the time of the audit, one of which is contract workers (PKWT) who have just joined in the 2021-2022 period. All of the previous permanent employees have joined for a long time (the member who is the last permanent employee to join since 2018).

Based on the results of interviews with the union, the company has facilitated workers in forming a union by giving free time (work permits) if there are important union meetings and not intervening in union activities. The results of interviews with workers revealed that union membership is voluntary.

Based on the foregoing, it can be concluded that the certification unit has published a statement acknowledging the freedom of association and the right to collective bargaining in the national language, in which the statement is explained to all workers in a language they understand and can prove its implementation.

#### 6.3.2

The certification unit has records of meetings between workers and management representatives. The following are examples of records of meetings conducted by worker union in 2022. For examples:

- The trade union meeting on July 6, 2022, which was attended by 8 participants, discussed the addition of workers, the appointment of workers from PKWT to PKWTT and other discussions.
- The trade union meeting on June 23, 2022, which was attended by 8 participants, discussed the plan to increase the manpower, increase the management's concern regarding handling complaints if there were complaints submitted by workers and other discussions.

Based on the results of interviews with worker union and their members who are workers in each unit, it is known that the union holds meetings every month (if there is an issue, if not they will be holds meeting when the issues arrive) with those accommodated in meetings between worker representatives and management representatives. This is also supported by the results of a review of worker complaint documents, it is known that the existing issues are only complaints related to the lack of supporting facilities, but this has also been continuously improved by the certification unit to be better.

Based on this explanation, it can be concluded that every meeting between the certification unit and the worker union has been well documented and available at the time of the audit.

### 6.3.3

The absence of unit certification interference in the selection or operation of labor union activities, this is evidenced by the results of interviews with workers and union representatives stating that in the process of selecting / making decisions and planning activities, members provide input / aspirations to their representatives each to make an election / decision-making and no management has a position as "*Karyawan Pimpinan*" (assistant or above). The employee who currently serves as the Chairman of the Labour Union is not from the "*Karyawan Pimpinan*" (assistant or above) but from "*Karyawan Pelaksana*" (foreman, clerk and field workers), then there will be no conflict of interest that occurs with the company because there are no workers who have the authority as decision makers. The explanation has reinforced the fact that management did not interfere directly / indirectly with the taking decisions and activities carried out by labor unions.

Based on interviews with labor union representatives who explained that the company had given freedom of association and at present labor unions have been formed. The establishment of the union is in accordance with the applicable laws and regulations and has been recorded at the Manpower Office. Certification unit is giving freedom for worker to express their opinion and also, certification unit did not give any intervention related to labor union activity.

<b>Status: Comply</b>
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## 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. That policy states that it is forbidden to employ child labor and under the age of 18 (eighteen) years, certification unit has been implemented the policy with evidenced by the Identity Card (KTP) at the time of employee recruitment. The results of the verification of documents revealed that there were no workers under the age of 18. In addition to having a policy governing the minimum age for workers for workers, the certification unit also includes clauses on child protection and prohibitions on hiring workers under the age of 18 in any agreement with the contractor. The policy was socialized to workers on 07 July 2022 and to the contractor when signing the work agreement.

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

Based on the results of the review of the cooperation agreement document with the contractor for examples is CV GAS and PT Surya Max Industries, it is known that in the agreement has a separate clause to ensure that the contractor does

not employ minors (under 18 years old) and complies with the prevailing laws and regulations in Indonesia.

Based on this, it can be concluded that the unit of certification has a policy on child protection including the prohibition of child labor and has been well documented and known to all workers.

**Status: Comply**

## 6.5

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

### 6.5.1, 6.5.2 & 6.5.3

The certification unit have policy towards preventing sexual and other form of harassment and violence is presented in document Policy No. 06 dated 02 January 2015, issued by PTPN IV Board of Director. Gender Committee has appointed to involved on this matters. Socialization on this matter has been conducted in 11 November 2019. Other than that, certification unit has provided protection for reproductive rights listed in the Collective Labour Agreement regarding to maternity leave and menstrual leave.

This policy above mentioned that employees are obliged to support morality and security in the workplace, as well as to avoid any form of sexual harassment and violence objected to all workers. The policies explains that every worker is entitled to receive protection against sexual harassment in the workplace and sexual harassment is an offense and if convicted of sexual abuse offenders will be penalized in accordance with applicable regulations. The certification unit has socialized to the employees, for example on 07 July 2022 and the representatives of the committee gender are available in each division. One of the programs of the gender committee itself is to socialize all employees regarding the company's commitment to prevent all forms of violence and maintain decency.

The management has carried out an assessment of the needs of young mothers by asking for their opinions, as well as taking actions to meet the needs that have been identified. The last assessment is in January 2022 and there is no young mothers (mothers who have just given birth to their first child). That because all female workers who work as pesticide applicators and upkeep workers are over 40 years old and not in their productive period (menopause), however the company still provides several facilities related to the needs of new mothers such as:

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

Based on interviews with female workers and gender committee, the policy had disseminated to workers through socialization with workers and in the last year period, that hasn't any issue/incident related to sexual harassment, violence at work/reproductive rights. Based on the explanation above, it can be concluded that the certification unit has policies related to preventing harassment, sexual violence, protection of reproductive rights and identifying the needs of new mothers, all of which have been implemented properly and proven according to the results of field observations and interviews with workers.

### 6.5.4

The certification unit has procedures for handling complaints in the SPO document. Internal communication and handling of employee complaints No. SPO 19 Revision 2 effective January 2, 2015. Employee complaints can also be submitted verbally or in writing to representatives of the labor union (SPBUN) and the gender committee. The union and gender committee will convey the solution to the problem to the employee, if the problem cannot be resolved, the employee can make a written complaint to the unit manager. The worker who experience or witness sexual harassment in the workplace can report it immediately to the human resources. All allegations of sexual harassment will be immediately investigated. The confidentiality of employees, witnesses and perpetrators will be protected. When the investigation is completed, employees will be notified of the results of the investigation.

Based on the results of interviews with representatives of labour union and gender committee it is known that the workers have understood the procedures and mechanisms for submitting complaints/complaints to the company, this is because the company has routinely socialized the procedure by posting warnings/complaints. signposts related to this.

Based on the explanation above, it can be concluded that the certification unit has a complaint mechanism that guarantees the anonymity and protection of the complainant which is known by all levels of workers and has been well documented.

**Status: Comply**

## 6.6

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

#### **6.6.1 & 6.6.2**

There are no migrant workers who work in the certification unit operational area. All workers come from within one country (although from various regions). In addition, each worker has been provided with a clear work contract. The rights and obligations of workers are also clearly stated in Collective Labour Agreement, and in work agreements. Based on employee list and observation in field known that there are no migrant workers, forced labor, illegal worker or child worker. Every worker has a work agreement that describe specific job description, there is no substitution of contract without prior consultation and agreement from the worker, for example:

- There is no retention for identity, because all labor documents for individuals are in the form of photocopies and not original items such as ID cards, diplomas, family cards and others.
- There is no contract substitution, because all existing contract workers currently work in accordance with existing contracts such as contract workers for harvesting activities only doing harvesting activities and do not employ workers other than those stated in the contract.
- The freedom of workers in resigning, because if the worker wants to resign there is no understanding or prohibition from the company to the worker concerned.
- There is no coercion in doing overtime work, workers who do overtime at the company can refuse if ordered to do overtime activities because overtime is not the worker's obligation and the company also does not prohibit this.

Based on employee data in July 2022 and interview with workers (mill and estate), most of the workers came from local communities, Javanese, Batak, Melayu and another ethnicity. They have the recruitment process in the certification unit and is in accordance with applicable employee acceptance procedures. Based on the results of interviews with workers in plantation and mill, it is known that currently there are no migrant workers, retention of identity, payment recruitment fees, contract substitution, involuntary overtime, lack of freedom of workers to resign, penalty for termination, debt bondage, and withholding. bondage. This is because the certification unit has carried out its operations in accordance with applicable regulations.

There are no significant obstacles related to employment or violations of Collective Labour Agreement. For example, for the harvesters works daily based in 7 working hours. Certification unit provides output targets that can be obtained in less than 7 hours of work. If the harvester obtains more output within or more than 7 working hours, then the harvester will get the harvest premium payment. No penalty is given to the harvester if it does not get output due to natural factors such as rain. Based on payment list on July 2022, the harvesters have earned in accordance with the minimum wage.

**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 already has a OHS Committee structure for the Estate and Mill units as the person in charge of occupational safety and health (OHS). The company can show the arrangement of the OHS Committee structure for the Mill and Estate units, namely:

#### **Mill**

The OHS Committe structure of the Berangir Mill unit which has been ratified in accordance with the Decree of the Head of Manpower Agency of the Sumatera Utara Province, Number 566/265-7/DTK/SU/VII/2021 on 29 July 2022. Structure



OHS Committee consists of the General Chair, Chair I, Chair II, Secretary, Deputy Secretary, Fire Chief, and other sections. The OHS Committee secretary for Estate unit namely Arbi Firman Batubara, SP who is a General OHS Expert. The company can show the OHS Expert Authority card, certificate, and Letter of Appointment of General Occupational Safety and Health Expert with Number KEP. 5/10179/AS.02.04/IX/2021 on September 10, 2021 with a validity period of 3 years. The results of the document review revealed that the authority card, certificate, and General OHS Expert appointment certificate (SKP) of the OHS Committee secretary valid until 10 September 2024.

### **Estate**

The P2K3 structure of the Berangir Estate unit which has been ratified in accordance with the Decree of the Head of Manpower Agency of the Sumatera Utara Province, Number 566/265-7/DTK/SU/VII/2021 on 29 July 2022. The P2K3 structure consists of the General Chair, Chair I, Chair II, Secretary, Deputy Secretary, Fire Chief, and other sections. The P2K3 secretary for Estate unit namely Arbi Firman Batubara, who is a General OHS Expert. The company can show the OHS Expert Authority card, certificate, and Letter of Appointment of General Occupational Safety and Health Expert with Number KEP. 5/10179/AS.02.04/IX/2021 on September 10, 2021 with a validity period of 3 years. The results of the document review revealed that the authority card, certificate, and General OHS Expert SKP of the P2K3 secretary valid until 10 September 2024.

Companies can show records of P2K3 meetings with workers, for example:

- **POM:** OHS Meeting held on July 8, 2022. The topics discussed risk management implementation plan for 2022, changes to the OHS structure, availability of first aid kits, monitoring of hydrant conditions and emergency response simulation plans. OHS meeting attended by 11 participants (including staff and non staff).
- **Estate:** OHS Meeting held on July 25, 2022. The topics discussed preparation plan for the Republic of Indonesia's Independence Day, evaluation of covid vaccination and implementation of the women leaders series webinar. OHS meeting attended by 12 participants (including staff and non staff).

### **6.7.2**

The company can show procedures related to emergency preparedness and response in the Emergency and Post-Emergency Handling procedure (No. 4.3.16) which was approved by the Unit Manager on December 14, 2013. The contents of the procedure include, among others, objectives, scope, references, definitions, duties and responsibilities of the emergency response team, procedures for controlling and reporting stages, procedures for handling post-conditions and attachments including an organizational structure chart for emergency response. The procedure describes emergency response to fire, natural disasters and riots.

The company did not carry out simulation of emergency response when the aduti activities were carried out. However, based on field observation at Berangir Estate and Berangir POM, it was known there have been assembly point in case of an emergency situation as well as an visitor line.

PT Perkebunan Nusantara IV has a policy regarding OHS which is stated in the Plantation Management System Policy issued on March 26, 2020 by the President Director at point 1 which states that it prioritizes "Occupational Safety and Health" in all aspects of work in order to prevent and reduce accidents and occupational diseases by implementing an occupational health and safety management system (SMK3).

There are workers assigned to the field and other work locations and have received First Aid Training (P3K), for example:

- Misdi : Ser.566.17/PK3/DTK/SU/2021 on 25 August 2021
- Gros MX Tison Sihombing : Ser.566.16/PK3/DTK/SU/2021 on 25 August 2021
- July Syahri Batubara : Ser.566.15/PK3/DTK/SU/2021 on 25 August 2021
- Sulianto : Ser.566.14/PK3/DTK/SU/2021 on 25 August 2021

The certification unit also has a first aid kit in each unit and based on observations in Block 03AB Division 4 Berangir Estate and process station Berangir POM, it is concluded that the contents of the first aid kit are sufficient (21 items). There is also a checklist for observing the contents of the first aid kit which is routinely carried out every month by first



aid workers.

The company can show a record of work accidents for the period January – July 2022. The records of these work accidents have been included in the OHS Quarterly report and have been reported to the relevant agencies. In addition, the company has also evaluated the HIRAC document by identifying risky activities and their control.

#### 6.7.3

Based on the results of field visits and interviews with workers (harvester, pesticide applicator and mill operators) in the Berangir Estate and Berangir POM, it is known that workers have received PPE for free every year according to their respective types of work and if there is PPE damaged, it can be immediately reported to the direct supervisor for replacement. At the time of the audit, all workers were seen to have used PPE in accordance with existing standards and the level of risk, such as pesticide applicators using aprons, masks, face shields, gloves, boots, and others. In addition, the certification unit also has proof of the delivery of PPE to all workers every year and replacement of PPE that is damaged, for example:

- The company can show proof of handover of PPE for the Berangir POM unit for each station. For example, processing shift I in the form of safety shoes, safety helmets, gloves, goggles, masks, ear plugs for 27 workers.
- The company can show proof of handover of PPE for the Berangir Estate unit for each field of work. For example, for harvesters in the form of safety helmets, gloves, boots and *egrek* gloves for 30 workers.

Based on the results of field observations to Berangir Estate, it is known that there is a storage area for PPE and spray equipment as well as sanitation facilities for employees after the spraying job is finished so that workers can change out of PPE, wash and put on their personal clothing. Based on the results of field visits and interviews with workers, it is known that workers have used PPE in full and company management always carries out routine monitoring of workers regarding the use of PPE properly and correctly.

#### 6.7.4

The company have Collective Labour Agreement that describe about workers have the right to receive medical care and be protected by the accident insurance. The management unit show proof of payment of BPJS for all workers. Payments are made every month by percentage according to the regulation. The last payment that has been paid by certification unit is on 29 June 2022 for "BPJS *Ketenagakerjaan*" period of June 2022 and on 04 July 2022 for "BPJS *Kesehatan*" period of July 2022. All proof of payment shown and payment details for the "BPJS *Ketenagakerjaan* and *Kesehatan*" program are in accordance with the current actual conditions / in accordance with the number of existing workers (total of 485 permanent workers and 44 contract workers).

Besides being proven by proof of payment in accordance with the explanation above, this is also proven by the results of field visits where workers during interviews can show "*BPJS Kesehatan and Ketenagakerjaan*" cards which are listed according to their respective names.

Based on the interview with representative of worker union, estate and mill workers, concluded that all employees were aware of the medical service procedures in the event of an accident or illness. All employees interviewed also claimed to have a health BPJS card, if they went to a company clinic there was no fee at all. Based on the foregoing, it can be concluded that the company already has a list of employees participating in the Employment and Health Insurance (BPJS) program along with proof of monthly payments.

#### 6.7.5

The company shows the FR and SR for the period January – December 2021, which are briefly explained as follows:

- $FR = 5 \times 1.000.000 / 407 \times 1.238 \text{ hours} = 9.92327325$
- $SR = 15 \times 1.000.000 / 407 \times 1.238 \text{ hours} = 29.7698198$
- Total Lost Work Days = 15 Working Days

Based on verification document, the company can show proof of work accident claims to agencies related to the conditions of work accidents experienced by workers during 2021. Furthermore, it is known that the management unit

carries out work accident investigations and makes claims to BPJS Ketenagakerjaan in accordance with established procedures.

**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**

Based on the results of document review and interviews with management regarding monitoring and control of plant pests and diseases, it is known that it consists of Global Telling and Effective Telling. Global Telling is carried out every week and Effective Telling is carried out if the pest / disease population increases above the threshold. Based on the results of document review and interviews with management regarding potential pests found in the certification unit, it is known that the most potential pests/disease is ganoderma. Based on the verification results of the ganoderma inventory document, it was known that up to the period of 2022 there have been 39,317 tree attack by ganoderma. In connection with the follow-up to control ganoderma attacks based on the Circular of the Board of Directors No. 04.04/SE/01/II/2014 dated January 03, 2014 regarding the Inventory of Ganoderma Trees and methods of controlling ganoderma, it is known that the action taken is to maintain tree stands with the technique of mounding. On the other hand, according to IPM activity records for January 2021- July 2022 such as program and realization of rat census and leaf eating caterpillar census, it could be concluded that all the census results were still under its economic threshold. There is no invasive species attack. This may lead to zero use of pesticides for pests and disease control. It could be concluded that IPM techniques implemented by biological methods is effective to control pests and diseases, and also to minimize the use of chemicals. Furthermore, according to the pesticides used to record in 2021, agrochemical uses were only implemented for weeds control purposes

#### **7.1.2**

The company shows the types of flora and fauna in the Manage company area. The list of flora and fauna species in the company does not contain invasive species. As for the plantation management, the types of plants used for beneficial plants are *Turnera* and *Antigonon*. Both types are not included in the invasive type.

#### **7.1.3**

Based on document verification, interview with workers and stakeholders sighted that the company does not use fire to control pests and there is no pest infestation outbreak during last year. Therefore, based on field observation to the Berangir Estate sighted that there is no indication of the use of fire for pest control and there are no pest infestation outbreak.

**Status: Comply**

### **7.2**

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

#### **7.2.1 & 7.2.2**

The company has documented records of pesticide toxicity in the document of List of Pesticide 2021. The document is recorded product name, active ingredients, LD50, percentage of active ingredients, total application and total active ingredients. This document is constantly recorded and updated by warehouse officer each month. For example, the use of Metsulindo pesticides with the active ingredient *metil metsulfuron* dermal LD50 > 2,000 mg/Kg, the total use period January - December 2021 is 151 Kg with a use area of 9.207 ha and usage/ha is 0.016 Kg/ha on Berangir Estate.

The company has a Memo from the Plant Division of PTPN IV (No: 04.04 / District-Kebun / M.1238 / XII / 2018, dated 19 December 2018) signed by the Head of the Plant Division of PTPN IV regarding the Use of Chemicals With Active Paraquat Dichloride Materials) which explains that herbicides with active ingredients of paraquat dichloride should not be used except for special conditions (borders), for which the use of these chemicals can be used only for the control of pteridophyta broadleaf weeds (ferns / ferns). Based on document review and field observation, several IPM program with biological approach that has been implemented such as nettle eater caterpillar by planting beneficial plant such as

*Turnera subulata* and *Antigonon leptosus*. Moreover, the company has also conducted early detection routinely listed in the monthly report of early warning system.

#### 7.2.3

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

#### 7.2.4

There is no prophylactic way of using pesticides carried out by the company. The company controls using pesticides if the pest attack census shows results above the threshold. Whereas for weed control If the conditions of the circle and harvest pathway are still quite standard, weed control will be postponed. Based on observations of spraying activities, the application method is not a preventive application but is more selective for locations that have weeds.

#### 7.2.5

The certification unit was showing Director Letter number 04.04/SE/18/X/2016 dated 14 October 2016 about: prohibited active pesticide (Category WHO 1A&1B, paraquat). That letter was addressed to the group manager District I-IV) and all managers cc: Director, Internal Superintendent, and Planning Division. Based on field observation to the chemical warehouse and interview with spraying workers in Division 1 Block I53, sighted that there are no using chemical with categories WHO 1A, WHO 1B and Paraquat since 2016.

#### 7.2.6

The company shows the pesticide training record. The training was carried out with the title "Pesticide Handling Training" for Berangir Estate on June 7, 2022 The training materials include presentations on Spray Application, Types of Hazards/Risk of Work Accidents and Chemical Hazards entering the human body through breathing, food and contact with the skin. Based on interview with spray worker, they also can explain about the spraying procedure, the routinely training were conducted every month by assistant.

The unit of certification has provided a special mixing tank to carry pesticides. In addition, based on a review of documents and pesticide application records, the company also provides clean water, soap and a first aid kit to support the sanitation and OHS aspects required by the spraying team.

Based on the results of interviews with members of the spraying team, it is known that the company has provided a special mixing tank for transporting pesticides. In addition, based on the review of documents and records of pesticide application, the company also provides clean water, soap and a first aid kit to support the sanitation and OHS aspects required by the spraying team. Therefore, based on field observation in the mixing area of Berangir Estate, it is known that there is a warehouse to store all PPE and spraying equipment after use.

#### 7.2.7

The company has the SOP of storage of pesticides (SPO 02 No. Revision 02 dated January 2, 2015). In that procedure explaining the mechanism of the pesticide storage in special warehouses including the mixing place of pesticides to be used in the field in the isolated special place so that does not potentially expose to chemicals outside the warehouse. Regarding OFI at ASA-2, based on field observation at chemical warehouse, it was known that MSDS has available in Bahasa.

#### 7.2.8

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

Based on the results of field visits to landfill and employee housing areas, it was found that there were no former pesticide containers that were discarded at Landfills and there was no reuse of pesticide containers as flowerpots or as water storage. The results of the field visit to the hazardous and toxic waste temporary storage in Berangir Mill revealed that the waste chemical packaging used was stored at the temporary storage and would be handed over to a licensed hazardous and toxic waste collector.

#### 7.2.9

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

#### 7.2.10

The last medical examination carried out for pesticide and chemical handlers was carried out on Agustus 8, 2021 by doctors from PT Prima Medica Nusantara Unit Pabatu Hospital to 34 workers related to chemicals in the Berangir Business Unit (Estate and Mill workers). All workers spray has examined health through inspection types of *cholinesterase* and *spirometri*, to ascertain the condition of workers in good health/normal. The medical examination to spraying worker for the period of 2022 will be carried out based on Letter No. PT.PMN/PTPN IV/72/VIII/2022 dated August 1, 2022.

The results of interviews with pesticide operators in Spray Circle & Path, Division 1 Block I53 that all pesticide operators have been checked health periodically and workers have known the results of the examination. From the results of the examination, there is a recommendation to control the CH doctor. In this regard, the auditor can show evidence of follow-up actions on the recommendation of the audit results.

#### 7.2.11

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

<b>Status: Comply</b>
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### 7.3

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

#### 7.3.1.

Unit of Certification has a waste management plan consisting of:

- Solid Waste  
Solid waste is reused by the certification unit. The solid waste that is reused is EFB which is used back to the land as fertilizer. Meanwhile, shells and fiber are reused as boiler fuel.
- Mill Effluent  
Mill Effluent management, namely by reusing it with land applications. Before being distributed to the Land Application, first the mill effluent is managed in the WWTP pond.
- Domestic Waste  
SOP for household domestic waste management document No. SPO-20, second revision, effective January 2, 2015, in the procedures described relating to waste management from offices and housing, provision of trash bins (trash cans) in offices and housing, making temporary garbage dumps, making a final dumpsite with a size of 1.5 x 2 x 9 meters with a minimum distance of 1 KM from the housing.
- Hazardous and Toxic Waste.  
Unit of Certification has SOP of hazardous and toxic waste management No. SPO 02, revision 3, issued on January 2, 2017, which describes the management of hazardous and toxic waste from the time it is produced until it is submitted to the waste carrier. Unit of Certification also has a temporary hazardous waste storage (*TPS LB3*) permit based on the Letter No. 660/260/DLH-02/2022 dated 16 June 2022 related to Hazardous and Toxic Waste Storage Technical Detail for Berangir Unit.

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 located in temporary hazardous waste storage. The waste stored in the temporary storage warehouse will then be transported by a licensed party once a year. The latest transportation is proven through Electronic Manifest document and the official report of the transportation carried out on 19 May 2022 by PT Veronica Tanagga which is a licensed party. Unit of Certification can show a cooperation agreement with the carrier, which is based on the document of the Cooperation Agreement Number 04.03/S-Perj/08/VI/2022 which was made on 6 June 2022 and is valid until 5 December 2022. Unit of Certification can also show the document the legality of the carrier, such as a valid transportation permit from the Ministry of Environment and Forestry, a valid permit for special goods transportation from the Ministry of Transportation, a valid Business Identification Number and a Cooperation Agreement between the carrier and a licensed processor and/or user.

Unit of Certification can also show documents for storing and handling Hazardous Waste in accordance with their SOPs and Government Regulation Number 22 in 2021. These documents include Manifest, balance sheet, and logbook. Based on the results of the document review by comparing the manifest, the balance sheet and the logbook, it can be seen that the data on waste transported on 19 May 2022 was in accordance with the data recorded in the balance sheet and logbook for the period before the transportation was carried out. Similarly, the comparison between the months after the transportation was carried out (June 2022) starting from empty. Unit of Certification records all waste that enters and leaves the storage warehouse properly so that waste management data can be tracked easily and there are no recording differences.

Result of field visit to hazardous waste storage warehouses at Berangir POM also show that Unit of Certification has carried out hazardous waste management quite well. All obligations listed in the waste storage permit have been fulfilled, such as the availability of fire extinguishers, showers, eyewash, coordinates, alarms, first aid kits, oil traps and appropriate labeling. In addition to good lighting and air ventilation. Unit of Certification also has drainage channels on the outside of the warehouse to anticipate pollution to the surrounding environment. The company has also reported the results of hazardous waste management which is carried out every quarter with evidence of Reporting Documents of Hazardous Waste Management Reports for second quarter of 2022 which were reported to the Environmental Agency of Labuhanbatu Utara Regency and Sumatera Utara Province on 1 August 2022 and to Ministry of Environment and Forestry through SIMPEL with proof of ID TTE 1659281607-2129.

#### **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. Non-hazardous waste that cannot be reused will be disposed of in landfills. Transportation of non-hazardous waste from employee housing or emplacement areas is carried out twice a week 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. Unit of Certification has a policy regarding the prohibition of burning waste, including in landfill areas.

Result of field observations 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. Result of interview with residents of housing complex 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 Unit of Certification as a substitute for fossil fuels (diesel) for power generation in boilers. Some of the solid waste in the form of shells is also sent or sold, while the empty fruit bunches are used as fertilizer. Data on solid waste utilization is explained in more detail in indicator 7.9.1.



Unit of Certification use POME by applying it to the Land Application. The regulation and management of POME 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 Boilers and Gensets.

### 7.3.2

Based on interviews with Manager of Berangir Estate, it was found that they had an understanding of the handling of waste disposal, especially hazardous waste and domestic waste and its management as regulated in Unit of Certification's procedures. The waste warehouse operator can also explain the technicalities related to waste management, such as the treatment of incoming and outgoing goods, recording and reporting, transportation period, handling in the event of work accident and other actions regulated in Unit of Certification's procedures. Result of verification of the Hazardous Waste Logbook document also show that all incoming and outgoing waste has been properly documented and in accordance with its actual conditions.

Result of interview with workers who live in housing complex also stated that waste management carried out by Unit of Certification was very good and regular. Trash cans are provided properly, all waste disposal facilities have also been provided by Unit of Certification waste bins that will be replaced if damaged, hazardous waste warehouses and landfills. Residents of housing complex also understand very well how to separate the types of waste they produce and what types of waste should not be reused.

### 7.3.3

Unit of Certification does not carry out open burning to dispose waste, this can be proven from field observations in housing complex and landfill area, which did not find any traces of burnt waste. Result of interview with employees also stated that they did not burn waste, because they were aware of the prohibition on burning activities and the sanctions they would receive if they burned them. Garbage from housing is disposed of in the bins that have been provided, then transported every 2 times a week and disposed of in landfills and then buried when it is full. Result of field observation in housing complex 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.

<b>Status: Comply</b>
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## 7.4

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

### 7.4.1

The unit of certification shows procedures related to the management of soil fertility so that yields are optimal and have minimal impact on the environment, which among others are listed in the document:

- Fertilization procedure in the immature area, document number 04.1, Revision 00, August 1, 2007. This procedure briefly describes the application of fertilizers based on plant age, frequency of fertilizer application per type of fertilizer and per type of soil.
- Leaf and Soil Sample Analysis Procedure, document number 05.4, Revision 00, dated August 1, 2007, which briefly describes soil analysis carried out every 3 – 5 years and leaf analysis every 1 year.
- Fertilization Procedure in mature area, document number 05.2, Revision 00, dated August 1, 2007
- Fertilization Organization Procedure, document number 05.3, Revision 00, dated August 1, 2007, which among others explains the provision of organic fertilizers (factory waste)

The certification unit shows records of implementation of practices according to established procedures, including:

- Compilation of recommendations for fertilization of the Berangir Estate based on plant leaf nutrient content in 2021, production in 2016-2020, realization of fertilization in 2018-2021, rainfall in 2016-2020 and results of field observations covering plant growth and area conditions, symptoms of nutrient deficiency in plants, the application of technical culture and the implementation of the harvest and other factors related to the effectiveness and efficiency



of fertilization. This can be seen in the 2022 PT PN IV Fertilization Recommendation Report published by PPKS Medan.

- Provision of organic fertilizers (factory waste) such as empty fruit bunch and solid.
- The results of the analysis of oil palm leaves in 2021 for the preparation of fertilization recommendations for 2022 issued by PPKS Medan.
- Documentation of fertilization recommendations and realization in 2020-2022.

#### 7.4.2

To find out the soil fertility, the company conducting of soil and leaf analysis periodically as follows:

- **Soil Analysis Activities** - Laboratory analysis about the condition and soil nutrient content in the soil samples to determine the fertilizer recommendation in maintaining and improving the balance of nutrients in the soil. Parameters measured among others: Texture, acidity (pH), content of C, N, P, K, Mg, Ca, Na, BS, CEC, Al and H. In accordance with the established procedure, soil sample analysis is carried out every 3-5 years. The last soil sample analysis was carried out by PPKS Medan on 8 September 2020.
- **Leaf Analysis Activities** - The results of leaf analysis annually published the recommendations of fertilizer dosage to produce the optimal palm fruit. The principle of fertilization is the provision of treatment on the soil to produce the nutrients required by the palm oil with optimum results. Indicator Major elements namely N, P, K, Ca and Mg and Indicator Minor elements namely B.
- **Visual Analysis Activities** - Visual observations performed every year at the time of leaf analysis activities. Visual observation is a consideration in determining the fertilizer recommendations, deficiency of nutrients and analyze the potential of disease which is likely to become endemic of a particular disease.

The results of leaf analysis for the 2021 period, include:

- **Nutrient Status of Produced Palm Oil Leaves in 2020 Business Unit Berangir**

Unit	Nutrient Status	Nutrient									
		N		P		K		Ca		Mg	
		KCD	%	KCD	%	KCD	%	KCD	%	KCD	%
Berangir	Low	7	4	86	43	7	4	63	32	40	20
	Normal	29	15	71	36	25	13	43	22	41	21
	High	162	82	41	21	166	84	92	46	117	59
	<b>Total</b>	<b>198</b>	<b>100</b>	<b>198</b>	<b>100</b>	<b>198</b>	<b>100</b>	<b>198</b>	<b>100</b>	<b>198</b>	<b>100</b>

- **Nutrient Status of Produced Palm Oil Leaves in 2021 Business Unit Berangir**

Uni	Nutrient Status	Nutrient									
		N		P		K		Ca		Mg	
		KCD	%	KCD	%	KCD	%	KCD	%	KCD	%
Berangir	Low	67	39	74	44	23	14	36	21	2	1
	Normal	56	33	53	31	39	23	94	55	55	32
	High	47	28	43	25	108	64	40	24	113	66
	<b>Jumlah</b>	<b>170</b>	<b>100</b>	<b>170</b>	<b>100</b>	<b>170</b>	<b>100</b>	<b>170</b>	<b>100</b>	<b>170</b>	<b>100</b>

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

#### 7.4.3

Companies can show records of the use of organic materials as a nutrient recycling strategy. For example, the application of empty bunch for the period of July 2022 is 205.83 tons and pome is 8,575 m<sup>3</sup>. Overall, the company has made efforts to maintain and improve soil fertility. Until ASA-4 Assessment, the company has not carried out replanting activities, so there was no use of the palm residue after replanting.

**7.4.4**

The company has recorded inorganic fertilization and organic fertilizing well during 2021 and recorded it in the fertilization month report. The fertilizer NPK used by the company is 2,459.94 tons and urea used is 208.39 tons. Overall, the company has made efforts to maintain and improve soil fertility. Based on verification document of fertilizer's realization, it was known that in general the company has carried out fertilization applications based on recommendations. Visually, there are no symptoms of nutritional deficiencies in the blocks that have been visited.

<b>Status: Comply</b>	
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**7.5**

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

**7.5.1, 7.5.2 & 7.5.3**

The company has Soil Map and Slope Map in the HCV document. Based on legend information related to the slope class, it is explained that the slope of the land in the operational area of Kebun Berangir is on average 2-15 % (flat to wavy). Wavy area is located in the Division III, IV, and V also it was known vegetation conditions on these are maintained naturally.

Based on document verification sighted that the oldest oil palm planted year is year of 2000. Therefore, interview result sighted that the replanting activity will be conducted on 2025. Based on field observation and interview with stakeholders sighted that there are no new development during period of 2020 to 2022.

<b>Status: Comply</b>	
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**7.6**

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

**7.6.1, 7.6.2 & 7.6.3**

The company has Soil Map and Slope Map in the HCV document. Berangir Estate is located in Labuhanbatu Utara Regency at an altitude of 150-200 meters above sea level. Geographically, this area is classified as a tertiary formation with the parent material of sand and clay. The topography in some areas is flat and mostly hilly. Wavy area is located in the Division III, IV, and V also it was known vegetation conditions on these are maintained naturally.

The soil type in most of the area is *Plintic Paleudults* which spreads in wavy to wavy areas, while *Psammentic Paleudults* and *Typic Paleudults* spreads in flat-wavy areas.

Based on document verification sighted that the oldest oil palm planted year is year of 2000. Therefore, interview result sighted that the replanting activity will be conducted on 2025. Based on field observation and interview with stakeholders sighted that there are no new development during period of 2020 to 2022.

<b>Status: Comply</b>	
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**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**

The company has Soil Map and Slope Map in the HCV document. Berangir Estate is located in Labuhanbatu Regency at an altitude of 150-200 meters above sea level. Geographically, this area is classified as a tertiary formation with the parent material of sand and clay. The topography in some areas is flat and mostly hilly. Areas with high slopes occur sporadically in the form of steep hills in Division III, IV, and V. Vegetation conditions on these steep hills are maintained naturally.

The soil type in most of the area is *Plintic Paleudults* which spreads in wavy to wavy areas, while *Psammentic*

*Paleodults and Typic Paleodults spreads in flat-wavy areas.*

Based on the document review and the results of previous assessments, it is known that there is no peat soil in the company's operational area. The oldest oil palm planted year is year of 2000. Therefore, interview result sighted that the replanting activity will be conducted on 2025. Based on field observation and interview with stakeholders sighted that there are no new development during period of 2020-2022.

**Status: Comply**

## 7.8

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

#### 7.8.1

Unit of Certification has identification on water course within its operational area in HCV document and there is also water management plan covered in HCV management plan, environmental management and monitoring plan document (DELH) and riparian protection procedure (No. SPO 05 revision 02 effective January 2, 2015). Among other the plan covers determination of riparian area border, protection of riparian area by not conducting chemical spraying and tree enrichment. The action taken among other by testing periodically river water quality, monitoring volume of water use, applying treated mill effluent to permitted land application. Unit of Certification was conducted water quality testing every semester by accredited testing laboratory by KAN No. LP-1284-IDN. Location of surface water testing conducted in upstream and downstream rivers in the *Berangir, Aek Pandan, Batu Mama, Aek Merah* and *Pasang Lelo* rivers. Based on environmental monitoring analysis in RKL-RPL report in first semester of 2022, it was informed that the company activity has not given negative effect.

#### 7.8.2

Unit of Certification has HCV assessment and river border management procedure on SOP No. SPO 05 revision 02 effective January 2, 2015. Unit of Certification has HCV identification results, river border and protection procedures with a width of 50 m. Based on observation to company's operational area and riparian area in Berangir Estate, it is known that company has done proper ways for maintain and protect the catchment area for example the management efforts carried out including the installation of HCV warning boards, marking of spraying limits in the form of circular yellow paint on the oil palm and planting of woody trees on the river border.

#### 7.8.3

All palm oil mill effluent produced by Berangir Palm Oil Mill are processed at waste water treatment plant before it distributed to estates as land applications. Monitoring of BOD has carried out every month regularly and reported to Environmental Agency every three month. Based on waste water analysis in period January to July 2022, all parameters that tested under the threshold especially BOD and COD. It shows that POME can be applied in to the land application. For examples, BOD on July 2022 is 598 mg/l with threshold 5000 mg/l and pH 6.13. Berangir Palm Oil Mill has a permit for utilizing palm oil waste water on land in accordance with the Decree of the Regent of Labuhanbatu Utara Number: 660/68 / DLH / 2017, valid for five years since it was enacted in 2017. Based on result of interview with Environmental Agency of Labuhanbatu Utara, this permit is still valid since there is no change in land application implementation in the company.

#### 7.8.4

The procedure of water uses monitoring in mill available under document Procedure of Water Treatment Plant. Water consumption monitored by using flowmeters installed in the piping system of WTP. Based on the results of the document review, the company has shown the 2022 water use document which shows the water use for processing in the mill in January-June 2022 is 1.5 m<sup>3</sup>/ton FFB and is in accordance with the specified norm of 1.2 – 1.5 m<sup>3</sup>/ton FFB. Based on document verification regarding OFI in ASA-2, unit of certification has also permit of water utilization for POM based on document of Decree of Sumatera Utara Governor No. 610/1473 and No. 610/1474 which was valid until 3 years since 2020.

**Status: Comply**

## 7.9

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

## 7.9.1

Unit of Certification uses shells and fiber as boiler fuel to generate turbine power, which can reduce the use of fossil fuels. There are the documentation of shells and fiber usage on document of “Efisiensi Penggunaan Bahan Bakar” period January-December 2021. For example, use of shells and fiber period January-December 2021 usage is 10,169.10 ton and 21,136.56 ton respectively, while electricity generated from diesel fuel 2,566,575 kWh. The efficiency renewable energy use per ton of palm product in the mill is 17.0 KWH/Ton FFB, while result Direct fossil fuel used is 0.42 liter/Ton FFB.

Status: Comply

## 7.10

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

## 7.10.1

Unit of certification has carried out an inventory of GHGs contained in Identification of Pollution and Emission in 2021. Based on document analysis, unit of certification has identified all source of GHG produced by its operational activity. Identification of significant sources of GHG emissions are identified and mitigation plans have been developed by the unit of certification covering mills and plantations. Significant GHG emissions include land use change, POME processing, use of fertilizers and pesticides, use of fossil fuels for operations and transportation. The mitigation plans include, among other things, the correct dosage and application of fertilizers as recommended, reducing reuse and recycling, limiting the use of electricity, transportation, and machine maintenance, as well as periodic air quality tests. Unit of certification has also reported the results of the GHG calculation to the public which was submitted to the RSPO GHG website.

Reduction of fossil fuels in unit of certification has been carried out by using fiber and shells for fuel substitution. Unit of certification also uses POME to be applied to land with test results from the monitoring period January-June 2022 which show that all wastewater testing parameters have met the applicable quality standards. Based on the review of documents for example: monitoring of pesticide use, monitoring of diesel fuel, identification of HCVs and others it was found that accurate data has been entered into the RSPO GHG. Calculation of GHG and its monitoring has conducted by sustainable department. GHG emission calculated using RSPO palm GHG calculator 4.0 Summary of GHG emission for Berangir POM and its supply base are listed as follows:

## Summary of Net GHG Emissions

Emissions per product	tCO2e/tProduct
CPO	10.74
PK	10.74
Production	t/yr
FFB processed	150,975.42
CPO produced	33414,73
PK produced	6389,09
Extraction	%
OER	22.13
KER	4.23
Land use	Ha
Planted area on mineral	14582.04
Planted on peat	6065.32

Total area planted	20647.36
Conservation Area (Forested)	669.25
Conservation Area (Non-Forested)	224.56
FFB Production per hectare	7.31

**Summary of field emission and Sinks**

Description	Own		Group		3 <sup>rd</sup> Party		Total
	tCO2e	tCO2e/ tFFB	tCO2e	tCO2e/ tFFB	tCO2e	tCO2e/ tFFB	
Emissions Sources							
Land conversion	41699.13	0.38	164238.46	7.02	0.00	0.00	205937.58
CO2 emissions from fertilizer	2892.74	0.03	12992.27	0.56	0.00	0.00	15885.01
NO2 emissions from peat	0.00	0.00	45403.53	1.94	0.00	0.00	45403.53
NO2 from Fertilizer	1847.54	0.02	7003.07	0.30	0.00	0.00	8850.61
Fuel consumption	167.15	0.00	1177.81	0.05	0.00	0.00	1344.96
Peat oxidation	0.00	0.00	331166.46	14.15	0.00	0.00	331166.46
Sinks							
Crop sequestration	-39525.23	-0.36	-151042.24	-6.45	0.00	0.00	-190567.47
Sequestration in Conservation area	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	7081.33	0.06	410939.35	17.56	1447.41	0.00	419468.09

**Summary Oil Mill Emissions and Credits**

Remarks	tCO <sub>2</sub> e	tCO <sub>2</sub> e/t FFB
<b>Emissions sources</b>		
POME	7634.26	0.05
Fuel consumption	199.44	0.00
Grid electricity	0.00	0.00
<b>Credits</b>		
Export of grid electricity	0.00	0.00
Sales of PKS	0.00	0.00
Sales of EFB	0.00	0.00
<b>Total</b>	<b>7833.70</b>	<b>0.05</b>

**Palm Oil Mill Effluent (POME) Treatment**

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

**POME Divert to Anaerobic Digestion**

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

**7.10.2**

PTPN IV Berangir Unit did not clear any new land after January 1, 2015. Based on interviews with management and document review, it is known that the operational area of Berangir Unit has been managed since 1974 and is currently entering its second planting cycle.

**7.10.3**

Based on document verification, there is no additional new areas in the scope of certification, it is still the same as the previous audit activities. Unit of Certification has identified pollution and emissions activities including GHG. Pollution/emissions come from activities such as land clearing, fertilization and use of chemicals (spray activities), use of solar in transportation, lighting and processing of FFB, and management of POME. Unit of Certification has also implemented of GHG emission management including: establishing a policy of zero burning in land clearing, fertilizer and chemical use in accordance with recommendations, EFB and POME applications on land, routine emission testing, use of fibers and shells as boiler fuel, planting trees in the area riparian.

<b>Status: Comply</b>	
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**7.11**

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

**7.11.1**

Company has a fire prevention and control policy which is contained in Letter No. 04.07/SE/56/VI/2020 dated June 24, 2020 which contains fire prevention and control activities determined by the company including formation of firefighting teams, installation of fire extinguishers and hydrants, building fire monitoring towers, providing firefighting facilities and infrastructure, and perform fire prevention behavior. Based on field visits in replanting area, it was found that the company did not open land by burning in company's operational areal.

**7.11.2**

The fire prevention and control measures for managed areas has been explained on Report of RKL-RPL of first semester of 2022, which period is between January-June 2022. Based on document verification, there were no land fires in operational area of the company in January-June 2022. Based on field observations in each estate and mill, there is no evidence of burning in operational area of the company. Based on interview with management, they opened land using heavy equipment (manually).

**7.11.3**

Company has involved stakeholders on locations border operational areas as an effort to prevent and control fires through firefighting simulation and socialization which was participated by surrounding community and several agencies around the company. Company has shown stakeholders involvement evidence in prevent and control fires as shown in Report of Firefighting Simulation on 8 April 2022 which has been involved workers and surrounding community's representatives as many as 30 participants.

<b>Status: Comply</b>	
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**7.12**

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

**7.12.1 and 7.12.8**

PTPN IV Berangir did not clear any new land after November 2005. Based on interviews with management and document review it was found that the operational area of the Berangir business unit had been managed since 1974 and is currently entering its second planting cycle. The disclosure was sent to the RSPO on 2 August 2018.

**7.12.2**

The company did not clear any new land after 15 November 2018 so the HCV assessment carried out in 2011 is still valid. The company already has documents on the results of the identification of high conservation value areas carried out by PT Surveyor Indonesia in 2011. The scope of this is the PTPN IV Berangir plantation with an area of 4,648.7 ha. The total area of HCV Kebun Berangir is 208.64 Ha consisting of HCV1.1, HCV 1.2, HCV 4.1, HCV 4.2, HCV 6. Identification of HCV by involving local communities through public consultations held on 3 September 2011. Based on the study of the HCV identification document, it is known that there are several wild animals, for example:

**Aves**

- *Burung alap-alap* (Accipter trivirgatus)
- *Ruak-ruak* (Gallicrex sp.)



- *Burung jalak* (*Sturnus contra*)
- *Burung elang bondol* (*Haliastur indus*)

**Mammals**

- *Kukang* (*Nycticebus coucang*)
- *Berang-berang* (*Prionailurus bengalensis*)
- *Tupai* (*Tupaia javanica*)
- *Musang* (*Prionodon linsang*)
- *Landak* (*Hystrix brachyurum*)

**Reptiles**

- *Tokek* (*Gecko gecko*)

**7.12.3**

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

**7.12.4**

Unit of Certification has compiled a 2022 HCV management and monitoring program based on the results of a management review conducted on 28 January 2022. Unit of Certification has implemented HCV management and monitoring plan for 2022 for example:

- Maintain forest / protected / HCV areas. Unit of Certification has carried out the maintenance of the HCV area by installing a signboard and disseminating information to the surrounding community about the presence of HCV in the company area.
- Socializing flora and fauna to the surrounding community. Unit of Certification has conducted outreach to the surrounding community regarding the HCV area and the presence of flora and fauna in the company's area on 12 April 2022. Based on the results of interviews with surrounding community, it was found that Unit of Certification had conducted HCV socialization and the village understood the HCV area and the protection of flora and fauna.
- Monitoring the presence of wild wildlife species carried out in second semester of 2021 includes:
  - 22 Species of birds, such as *Burung Perenjak* (*Orthotomus atrogularis*), *Burung Terocok* (*Pycnonotus goiavier*), *Burung Raja udang* (*Halcyon cyanoventris*) dan *Burung Jalak* (*Sturnus contra*).
  - 10 Types of Mammals such as *Monyet Ekor Panjang* (*Macaca fascicularis*), *Babi hutan* (*Sus verucossus*), *Tupai* (*Tupaia javanica*), *Musang* (*Prionodon linsang*) dan *Kalong* (*Pteropus vampires*).
  - 12 types of reptiles and amphibians such as: *Tokek* (*Gecko gecko*), *Biawak* (*Varanus salvator*), *Kadal* (*Mabouia multifasciata*), *Katak* (*Bufo sp*), *Bunglon* (*Myrmeleon sp*).

**7.12.5**

Based on previous assessments and field visits, it was found that within the company's operational areas there were no HCV areas that conflicted with the rights of local communities.

**7.12.6 & 7.12.7**

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

Company has monitored the biodiversity of flora and fauna in second semester of 2021. For example, based on the monitoring results of flora and fauna in second semester of 2021, several types were found, namely:

- 22 Species of birds, such as *Burung Perenjak* (*Orthotomus atrogularis*), *Burung Terocok* (*Pycnonotus goiavier*), *Burung Raja udang* (*Halcyon cyanoventris*) dan *Burung Jalak* (*Sturnus contra*).
- 10 Types of Mammals such as *Monyet Ekor Panjang* (*Macaca fascicularis*), *Babi hutan* (*Sus verucossus*), *Tupai*

(*Tupaia javanica*), *Musang* (*Prionodon linsang*) dan *Kalong* (*Pteropus vampires*).

- 12 types of reptiles and amphibians such as: *Tokek* (*Gecko gecko*), *Blawak* (*Varanus salvator*), *Kadal* (*Mabouia multifasciata*), *Katak* (*Bufo sp*), *Bunglon* (*Myrmeleon sp*).

In addition, the company has conducted monitoring of HCV areas. Based on the monitoring of the HCV area for the second semester of 2021 period, it was found that there were no indications of fire, no hunting of animals, and no animal traps. The company has also installed a signboard to prohibit hunting, poison fish, and a ban on destroying HCV areas. Besides, company has conducted socialization related to HCV and protected species on 12 April 2022 to workers, contractor and surrounding community which was attended by 13 participants.

Based on the results of interviews with workers, housing complex residents, and representatives of surrounding community, it was found that they understood that it was forbidden to catch or hunt animals. Unit of Certification has carried out socialization about the presence of flora and fauna around the plantation with direct socialization or with a signboard for the species of animals around the estate area.

**Status: Comply**

### 3.2 Conformity Checklist of Certificate and Trademark Use

1.	Evidence of permission or approval certificate and trademark from Certification Body which submitted by Client	X or √
ASA-3 & ASA-4	The company didn't use trademark on the product.	√
	<b>Status: Comply</b>	
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	The company didn't use trademark on the product.	√
	<b>Status: Comply</b>	
3.	Implementation of Certificate and Trademark is not used on product	X or √
ASA-3 & ASA-4	The company didn't use trademark on the product.	√
	<b>Status: Comply</b>	
4.	Controlling of Certificate and Trademark, including withdrawing inappropriate trademark.	X or √
ASA-3 & ASA-4	The company didn't use trademark on the product.	√
	<b>Status: Comply</b>	



### 3.3 Summary of RSPO Partial Certification.

Compliance of the uncertified management units of PT PERKEBUNAN NUSANTARA 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 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 November 2021.

MUTU has verified partial certification for un-certified unit's subsidiary of PTPN IV based on their Time Bound Plan. There is one (14) uncertified mills and twenty six (26) uncertified estates of PTPN IV, MUTU Auditor verified positive assurance against the company internal audit and supporting evidence as well as any information from others sources.

MUTU Auditor has verified company partial certification and concludes that:

- There are no significant land conflicts which have not been declared above.
- The company has 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>	<b>PTPN III</b> Based on document verification sighted that all uncertified unit has conducted LUCA and submitted to the RSPO: <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>

Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<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 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 (Ba- tang 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</p>

Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<p>government about case it. Whereas, Sei Buat 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> 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, Bahrin, Pemi Aprilis, Devis Rachman, Ihwan Rafina, Roland Sinulingga and Endra Gunawan on behalf PT Fodec Khatulistiwa. It has carried out public consultation 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.</li> <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</li> </ul>



Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<p>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.</p> <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 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</p>

Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<p>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></p> <p>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, Solsel, BKC, B. Kausar, and MAI) by Consultant Inovasi Sejahtera Berkelanjutan.</p> <p><b>PTPN VII</b> Bentayan Estate, Sungai Lengi Estate, Sinabing</p>

Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<p>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; 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> <p>c. Internal Memo from Head of Management System for approval a purpose of NPP project for 4 (four) estates (Ba- tang 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.</p> <p>d. Form of Request Budget (No. 3.16/PPAB/07/2018) dated January 29, 2018.</p> <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</p>

Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<p>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 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 No-vember 2005. However the HCV identification document was not available. The HCV assessment will conducted by consultant (Bentayan Estate: 2026; Sungai Lengi Estate: 2022;</p>

Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<p>Senabing Estate: 2025 and Talopino Estate: 2024). 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>
2.1.4	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> KRBTN 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 Estate). 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 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</p>

Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<p>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><b>2nd partial audit was conducted on 24-25 November 2021</b>  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 SENA/BA382/2001 in Tanjung Makmur Village for area 1.25 Ha.</p>
2.1.5	Any Labour disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.	<p><b>PTPN III</b>  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</p>



Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<p>conducted on 8-9 November 2021.</p> <p><b>PTPN V</b></p> <p>There is no labour issue/dispute found during this initial certification audit.</p> <p><b>PTPN VI</b></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><b>2nd partial audit was conducted on 24-25 November 2021</b></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
		<b>PTPN VII</b>  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.
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.	<b>PTPN III</b> <b>KRB TN</b> 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 & Oil Palm 546.41 Ha to Rubber: 1,156.95 Ha and Oil Pal 5,158.33 Ha.  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.  <b>KBDBY</b> <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.  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.  <b>KJLRS</b> IUP on process due to revision of AMDAL document. However there are HGU number 03 year of 1994 with area 2,318.87 Ha.  <b>KKINO</b> 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:

Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<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> <p><b>PTPN V</b> 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> Uncertified management units has complied with applicable legal requirement which supported by some evidences such as :</p> <ol style="list-style-type: none"> <li>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>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>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</li> </ol>

Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<p>Luncuk Estate &amp; PT Bukit Kautsar) have environment document so they has complied with Minister of Environment Regulation no.05 Year 2012 jo Minister of Environment &amp; Forestry Regulation no.P.38/MENLHK/SETJEN/KUM.1/7/2019 or Minister of Environment Regulation no.13 Year 2010 or Minister of Environment Regulation no.14 Year 2010.</p> <p>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.</p> <p>5. Bunut POM and Solok Selatan POM have land application permit so they has complied Minister of Environment Decree no.29 year 2003.</p> <p>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-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 government too (Minister of Forestry Decree no.954/Kpts-II/1999).</p> <p>7. Plantation Business Permit (Izin Usaha Perkebunan) on behalf 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</p>

Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<p>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></p> <p>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 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.</p> <ul style="list-style-type: none"> <li>•</li> </ul>

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

#### 3.4.1. Identification of Findings, Corrective Actions and Observations at ASA-2

<b>NCR No.</b>	<b>:</b>	<b>2020.1</b>	<b>Issued by</b>	<b>:</b>	<b>Trismadi N</b>
<b>Date Issued</b>	<b>:</b>	<b>22 October 2020</b>	<b>Time Limit</b>	<b>:</b>	<b>21 January 2021</b>
<b>NC Grade</b>	<b>:</b>	<b>Major / Critical</b>	<b>Date of Closing</b>	<b>:</b>	<b>4 January 2021</b>
<b>Standard Ref. &amp; Requirement</b>	<b>:</b>	<b>1.1.1.</b> <b>Management documents that are specified in the RSPO P&amp;C are made publicly available.</b>			

**Evidence observed (filled by auditor):**  
During onsite audit activity sighted that the unit of certification is able to shows several public-available documents as follows:

- Report on Management of Hazardous and Toxic Material Waste, Solid Waste and Liquid Waste of Quarter III of 2019 to the Labuhanbatu Utara Regency Environmental Service dated December 10, 2019 (number: BER / X / SPS / XII / 2019)
- Report on Management of Hazardous and Toxic Material Waste, Solid Waste and Liquid Waste of Quarter IV of 2019 to the Labuhanbatu Utara Regency Environmental Service dated February 24, 2020 (number: BER / X / SPS 02 / XII / 2019).
- Report on Management of Hazardous and Toxic Waste, Solid Waste and Liquid Waste of the First Quarter of 2020 to the Labuhanbatu Utara Regency Environmental Office on June 11, 2020 (number: BER / X / SPS / VI / 2019)
- Report on Management of Hazardous and Toxic Material, Solid Waste and Liquid Waste of the Second Quarter of 2020 to the Labuhanbatu Utara Regency Environmental Agency on July 8, 2020 (number: BER / X / SPS / VII / 2019)
- Report on Environmental Management and Monitoring Plan (RKL-RPL) for Semester II 2019 to the Environmental Agency of LabuhanBatu Utara Regency on April 5, 2020 (Number: BER / X / SPS03 / IV / 2020)
- Flora Fauna Monitoring Report semester I 2020 to the Sumatera Utara Province Natural Resources Conservation Center on July 9, 2020 (number: BER / X / VII / 2020)
- Fire fighting preparedness report for Semester I 2020 to the Agriculture Agency of Labuhanbatu Utara Regency dated 22 June 2020 (Number: BER/VI/SPS/68/VI/2020).
- Annual Compulsory Manpower Report (or WLKP) for period 2020 had delivered online as shows through document of Delivery Report Number 21454.20200811.0001 dated 11 August 2020.
- OHS report of third quarter of 2020 to the Manpower Agency of Labuhanbatu Utara dated 22 October 2020 (number: BER/X/SPS.196/X/2020).

There are correction evidences for remote audit nonconformity with number 2020.01, such as:

- Estate Manager letter number BER/MP/Kpts/02/IX?2020 dated 23 September 2020 about: PIC to monitor the compulsory report to the four workers.
- List of compulsory report dated 25 September 2020, there are 13 routinely reports.

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

- Report on Management of Hazardous and Toxic Material Waste, Solid Waste and Liquid Waste of of third quarterly 2020.
- Temporary workers report to the Manpower Agency.

**Non-Conformance Description (filled by auditor):**  
The unit of certification has no been able to show evidence that all reports are publicly available.



<b>Root Cause Analysis</b> (filled by organization audited): Lack of understanding of PIC about the mandatory reports including temporary workers report and hazardous waste management report.	
<b>Correction</b> (filled by organization audited): The certification unit have send the quarter III 2020 report to the environment service on November 17, 2020 and the PKWT report to the Manpower office on December 21, 2020.	
<b>Corrective Action</b> (filled by organization audited): The certification unit updates the monitoring report document to the relevant agencies on 19 December 2020	
<b>Assessor Evaluation and Conclusion</b> (filled by auditor): <b>Verification on 4 January 2021</b> The certification unit was shown several evidences, as follow: 1. Hazardous waste, solid waste and effluent management period on the third quarter of 2020 to the Environment Agency of Labuhanbatu Utara dated 12 November 2020. 2. PKWT report to the Manpower Agency of Sumatera Utara Province with 28 temporary workers dated 21 December 2020.  Auditor conclusion: Based on above explanation this non compliance been fulfilled.	
<b>Verified by</b>	: Trismadi N

<b>NCR No.</b>	: 2020.2	<b>Issued by</b>	: Asystasya Aishah Silalahi
<b>Date Issued</b>	: 22 October 2020	<b>Time Limit</b>	: ASA-3
<b>NC Grade</b>	: Minor / Non Critical	<b>Date of Closing</b>	: 4 January 2021
<b>Standard Ref. &amp; Requirement</b>	2.1.2 There is a documented system in place to ensure legal compliance. This system has a means to track changes to applicable regulations, and includes a list and evidence of evaluation of legal compliance by all contracted third parties, including: recruitment agencies, service providers and workers		
<b>Evidence observed</b> (filled by auditor): The company has an evaluation to ensure legal compliance in the Compliance Evaluation Report document against Laws, Regulations, and Other Requirements Related to the Implementation of RSPO / ISPO. The evaluation applies to the legal compliance of PTPN IV Berangir. The latest update was on 14 September 2020 The company also shows evaluations for contracted third parties. Matters that become the criteria for the assessment include standard work quality, work completion, and payment to casual workers. However, the company does not yet have a list and proof of legal compliance by the contracted third parties.			
<b>Non-Conformance Description</b> (filled by auditor): Related to this, the company has not been able to demonstrate a system to ensure legal compliance, including by all contracted third parties.			
<b>Root Cause Analysis</b> (filled by organization audited): The certification unit has made an evaluation of the contractor's work that assesses legal compliance, but the company has not kept the evaluation document.			

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

- The company re-filed documents on compliance with legal aspects for contractor work.
- Show contractor evaluation documents

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

The certification unit makes Memo on compliance with legal aspects for all contractors.

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

There are no improvement documents in accordance with the root cause analysis, corrections and corrective actions.

**Verification on January 4, 2021**

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

- Memo from the Berangir Estate Manager dated November 2, 2020 No. BER / M-924 / XI / 2020 regarding the fulfillment of legal compliance aspects for contractor workers. The memo explained that the contractor would be evaluated in relation to laws and regulations every month.
- An example of contractor evaluation in 2020 for CV GAS and PT Bravo Anak Kolong with an evaluation date of 10 November 2020. The things that are evaluated include the quality and performance of contractors, timeliness of work completion, compliance with labor regulations, compliance with OHS implementation, housekeeping, and compliance with environmental regulations.

Based on this explanation, this nonconformity have been fulfilled.

**Verified by** : **Asystasya Aishah Silalahi**

NCR No.	: 2020.3	Issued by	: Asystasya Aishah Silalahi
Date Issued	: 22 October 2020	Time Limit	: ASA-3
NC Grade	: Minor / Non Critical	Date of Closing	: 15 July 2021
Standard Ref. & Requirement	: 2.2.2 All contracts, including contracts with FFB suppliers, have separate clauses regarding the fulfillment of relevant legal obligations, and can be proven by the third party concerned		
<b>Evidence observed</b> (filled by auditor): Based on document review of FFB loading worker attendance list of Afdeling I in September 2020 and the recapitulation of premium payment for FFB loading worker it is known that there were 10 FFB loading worker from CV Gas who worked in Afdeling I Berangir. Based on the loader's premium recap in September 2020, it is known that only 4 out of 10 workers have received wages in accordance with the 2020 minimum wage of Sumatera Utara province.			
<b>Non-Conformance Description</b> (filled by auditor): Based on this explanation, it is known that the contractor has not been able to show evidence that it has fulfilled the relevant legal obligations, for example regarding the fulfilment of wages according to the minimum wage.			
<b>Root Cause Analysis</b> (filled by organization audited): The contractor pays wages to employees based on work results (piece rate) and has not yet referred to the minimum wage payment.			
<b>Correction</b> (filled by organization audited): <ul style="list-style-type: none"><li>• The contractor provides payment of wages to workers in accordance with the applicable minimum wages.</li><li>• The company makes a memo to the contractor containing compliance with legal regulations.</li></ul>			

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

The company prepares a contractor evaluation document that contains compliance with labor regulations, including meeting the minimum wage for contractor workers.

**Assessor Evaluation and Conclusion (filled by auditor):**
**Verification January 4, 2021**

The company shows evidence of improvement in the form of:

- An example of contractor evaluation for CV GAS with an evaluation date of 7 December 2020. Matters being evaluated include contractor quality and performance, timeliness of work completion, compliance with labor regulations, compliance with K3 implementation, housekeeping, and compliance with regulations environment.
- List of wages for CV Gas loader employees for the period 2020. All workers have earned wages above the UMP of Sumatera Utara in 2020.

However, there are still questions in the root cause analysis column that still need to be answered by the company. In this regard, the nonconformity have not been fulfilled.

**Verification January 7, 2021**

The company provided additional proof of improvement in the form of a memo from the Berangir Estate Manager No. BER / M-924 / XI / 2020 dated 2 November 2020 regarding Fulfillment of Legal Compliance Aspects for Contractor Workers. The memo informs to ensure legal compliance of contractor workers in accordance with laws and regulations.

The company has also answered questions on root cause analysis, corrections, and corrective action. Based on this explanation, the non-conformities have been closed and will be re-observed in the next assessment.

**Verify July 15, 2021**

The company shows evidence of improvement in the form of:

- Determination of PIC / evaluation officer of third-party work / vendor of Berangir Business unit according to Unit Manager Decree No. BER/MU/Kpts/01/I/2021 January 4, 2021
- Example of PT GAS vendor evaluation in 2020. One of the evaluations stated that participants must comply with the applicable provisions/regulations from the Ministry of Manpower and other authorized/related agencies to the implementation of the work. From the evaluation results, CV GAS has met these requirements.
- Internal memo regarding vendor evaluation dated August 31, 2020 number 04.03/ol/M-422/VIII/2020 from the Head of Planning and Sustainability Section
- Partner/vendor evaluation documents such as PT Jaya Wira Manggara, PT Aidil Putra Perdana, PT Dafa and others
- Calibration of FFB loading wages per person/worker
- The list of workers' salaries will be uploaded in June 2021. The average salary for workers is above Rp. 3,000,000. From the salary list, it is known that the wages of workers are above the local UMK.
- Proof of payment of BPJS Employment for the month of June 2021 which was paid on June 3, 2021 (CV GAS).

Based on the explanation above, it is concluded that the non-conformance is declared Fulfilled, and its consistency will be verified during the field visit.

**Verified by :** Asystasya Aishah Silalahi/ Rizliani Aprianita Hsb

<b>NCR No.</b>	<b>:</b>	<b>2020.4</b>	<b>Issued by</b>	<b>:</b>	<b>Yudhi Yuniarto Tallutondok</b>
<b>Date Issued</b>	<b>:</b>	<b>22 October 2020</b>	<b>Time Limit</b>	<b>:</b>	<b>21 January 2021</b>
<b>NC Grade</b>	<b>:</b>	<b>Major / Critical</b>	<b>Date of Closing</b>	<b>:</b>	<b>7 January 2021</b>

<b>Standard Ref. &amp; Requirement</b>	<b>3.6.1</b> <b>All operational activities risks assessed to identify the H&amp;S issues. Mitigation plans and procedures are documented and implemented.</b>
<b>Evidence observed (filled by auditor):</b> <ul style="list-style-type: none"> <li>The CH has compiled a HIRAC Form for division locations which includes FFB harvesting, budding, fertilizing, circle spraying, loading FFB, handling people with symptoms of COVID-19, preventing transmission of COVID-19, harvesting under the electricity grid, cutting through the grid, road maintenance, operating the water pump machine, loading FFB into baskets, shifting the FFB, lowering the FFB, shifting the FFB using baskets.</li> <li>Based on field observations and verification of the HIRAC Form documents for division locations show that there are still activities that have not identified the potential hazards and risks but are not limited to activities: tuning under the power grid, global telling under the power grid, activities in rinse houses, storage of work tools in the homes of employees and fuel traders in residential areas.</li> </ul>	
<b>Non-Conformance Description (filled by auditor):</b> The CH has not been able to show sufficient evidence that it has carried out the identification of risks and hazards to OHS problems as a whole in the operational area.	
<b>Root Cause Analysis (filled by organization audited):</b> The related officers have not re-evaluated the HIRAC documents so that there are still operational activities in the field where the potential hazards and risks have not been identified.	
<b>Corrective Action (filled by organization audited):</b> <ul style="list-style-type: none"> <li>Memo to the OHS committee to identify risks and hazards of all company operational activities / work in the HIRAC document, not limited to low or rare risks.</li> <li>Memo to all employees regarding the prohibition of storing work tools at home and trading fuel in residential areas.</li> <li>Reprimand for employees who are still storing work tools at home and trading fuel in residential areas.</li> <li>Annual evaluation of HIRAC documents to ensure that all operational activities have identified potential hazards and risks.</li> </ul>	
<b>Assessor Evaluation and Conclusion (filled by auditor):</b> <b>Auditor Evaluation January 7, 2021</b> The company shows evidence of improvement as follows: <ul style="list-style-type: none"> <li>Memo to the OHS committee to identify risks and hazards of all company operational activities / work in the HIRAC document, not limited to low or rare risks.</li> <li>Memo to all employees regarding the prohibition of storing work tools at home and trading fuel in residential areas.</li> <li>Reprimand for employees who are still storing work tools at home and trading fuel in residential areas.</li> <li>Annual evaluation of HIRAC documents to ensure that all operational activities have identified potential hazards and risks.</li> </ul> <p>Based on the foregoing, the non-conformity is declared fulfilled by observation notes in the next assessment.</p>	
<b>Verified by</b>	<b>Yudhi Yuniarto Tallutondok</b>

<b>NCR No.</b>	<b>2020.5</b>	<b>Issued by</b>	<b>Yudhi Yuniarto Tallutondok</b>
<b>Date Issued</b>	<b>22 October 2020</b>	<b>Time Limit</b>	<b>21 January 2021</b>
<b>NC Grade</b>	<b>Major / Critical</b>	<b>Date of Closing</b>	<b>18 January 2021</b>
<b>Standard Ref. &amp; Requirement</b>	<b>3.7.1</b> <b>A documented programme that provides training is in place, which is accessible to all</b>		

	<b>staff, workers, scheme smallholders, and outgrowers taking into account gender-specific needs, and which covers applicable aspects of P&amp;C Principles, in a form they understand and includes assessment of the training</b>
<p><b>Evidence observed</b> <i>(filled by auditor):</i></p> <ul style="list-style-type: none"> <li>The CH has a training program in 2020, for example: plants, administration and general human resources, but there is no operator training program at the Mill.</li> <li>Based on field observations show that the CH has:             <ol style="list-style-type: none"> <li>Generator Set with a capacity of 455 kVA/487.94 HP; turbine engine with a capacity of 910 kVA/975.87 HP and 1000 kVA/1072.38 HP</li> <li>Sterilizer with a capacity of 23.5 tons/hour (2 units) and 20 tons/hour (1 unit), respectively.</li> </ol> </li> <li>Results of interviews with             <ol style="list-style-type: none"> <li>Engine room operators note that the CH has only 1 operator that has license with the initials LJ and registration number 7832/PM/PTP/X/2019 which is valid until 18 October 2024.</li> <li>It is known that the sterilizer operator does not have a license.</li> </ol> </li> <li>The CH does not yet have boiler operator 2nd grade, Electric OHS Expert and boiler operators for sterilizer machines.</li> <li>Permenaker No. 38/2016 Table E states that the initial movers with a capacity of &gt; 214.47 HP must have 1<sup>st</sup> grade operator and 2<sup>nd</sup> grade operator.</li> <li>Permenaker Number 12 Year 2015 Article 7 reads as follows "For companies that have power plants of more than 200 (two hundred) kilo Volt-Ampere are required to have Electric OHS Expert".</li> <li>Permenaker No. 1 of 1988 concerning Qualifications and Requirements for Boiler Operators.</li> </ul> <p><b>Non-Conformance Description</b> <i>(filled by auditor):</i>            The CH has not been able to show sufficient evidence that it has identified the training needs of all employees according to the RSPO principles and criteria.</p>	
<p><b>Root Cause Analysis</b> <i>(filled by organization audited):</i>            Officers do not understand the identification of training needs.</p>	
<p><b>Correction</b> <i>(filled by organization audited):</i>            Identification of training needs has been made</p>	
<p><b>Corrective Action</b> <i>(filled by organization audited):</i>            Monitor and evaluate employees who have licenses as operators and also employees who have and do not have a license.</p>	
<p><b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i>  <b>Auditor Evaluation January 18, 2021</b>            The company shows evidence of improvement, among others:</p> <ol style="list-style-type: none"> <li>Certificate of PT EMCOTAMA with number B.12.1 / EMCOTAMA-SK / I / 2021 dated January 12, 2021 which states that PTPN IV Unit Berangir employees with the initials JP have been registered as participants in Class II sterilizer operator training which will be held on 20-23 January 2021.</li> <li>Certificate of PT EMCOTAMA with number B.12.2 / EMCOTAMA-SK / I / 2021 dated January 12, 2021 which states that PTPN IV Unit Berangir employees with the initials LJ, SK, PN and AS have been registered as training participants for class II engine room operators diesel which will be implemented on 27-30 January 2021.</li> <li>Certificate of PT EMCOTAMA with number B.12.3 / EMCOTAMA-SK / I / 2021 dated January 12, 2021 which states that PTPN IV Unit Berangir employees with the initials PS, RT, ZS and SH have been registered as participants in class I boiler operator training to be carried out on March 1 - 6, 2021.</li> <li>Certificate of PT EMCOTAMA with number B.12.4 / EMCOTAMA-SK / I / 2021 dated January 12, 2021 which states that PTPN IV Unit Berangir employees with the initials DA have been registered as participants of the OHS Electricity Expert training which will be held on February 8-27 2021.</li> </ol>	

The company has also evaluated and revised its corrective actions so that non-conformities are declared fulfilled by observational notes at the next assessment.

Verified by : Yudhi Yuniarto Tallutondok

NCR No.	: 2020.6	Issued by	: Asystasya Aishah Silalahi
Date Issued	: 22 October 2020	Time Limit	: 21 January 2021
NC Grade	: Major / Critical	Date of Closing	: 5 January 2021
Standard Ref. & Requirement	<b>3.8.12</b> <u>Record keeping</u> i. The mill shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of this RSPO Supply Chain Certification Standard requirements. ii. Retention times for all records and reports shall be a minimum of two (2) years and shall comply with relevant legal and regulatory requirements and be able to confirm the certified status of raw materials or products held in stock. iii. For Identity Preserved Module, the mill shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a real-time basis. iv. For Mass Balance Module, the mill: a) Shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a real-time basis and / or three-monthly basis. b) All volumes of certified CPO and PK that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO. c) The mill can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three (3) months. However, a mill is allowed to sell short (i.e. product can be sold before it is in stock.)		

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

Based on palm trace on 19 October 2020, it is known that

Product	License Volume (1 Oct 2019 to 19 Jan 2021) Extension Volume (MT)	Volume Sold as Physical (MT)	Volume sold as credit (MT)	Volume allocated as credit (MT)	Remaining Volume (MT)
CSPK	6,735	6,673.09	0	0	61.91
CSPO	34,285	3,576.37	4,842	1,158	24,708.63
FFB	144,110	0	0	0	144,110

Based on document SCCS Monitoring Berangir 19 July 2019 – October 2020, it is known that

Product	Produksi		Penjualan	
	Certified	Noncertified	Certified	Noncertified
PK	5,211.85	207.86	4,933.00	0



CPO	26,238.99	856.63	4,868.88	10,475.11
FFB	113,630.23	5,452.76	0	0

Based on the data above, it can be seen that there is differences between CSPK and CSPO sales from palm trace and monitoring of SCCS Berangir POM. In addition, the sales of CSPK that are registered to the palm trace are bigger than the actual production of CSPK. (Palm trace sales were 6,673.09 tons, while actual production was CSPK 5,211.85 tons).

Based on interviews with management, it was found that there were sales of CSPK with contracts for old license period, but new sales could be made after a new license (October 2019 - 19 January 2020). Based on CSPK sales recapitulation data, sales for contracts for the old license period amounted to 3,728.56 tons. However, the company has not been able to show the details of sales using the new license quota.

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

Based on the explanation above, Berangir POM has not shown evidence of having recorded all sales data completely

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

Officers do not understand and record all sales data from the marketing department.

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

The sales is recorded completely.

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

Improve sales records in coordination with the Marketing and Planning Division in head office in accordance with PDIK PTPN IV: Handling of Certified Palm Oil products, with document number 04.03 / UNIT / SUS / P / 001.

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

Verification 28 December 2020

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

- A recapitulation of PKS Berangir sales as of 16 November 2020 which explains that the sales of CSPO and CSPK for the license period (1 Oct 2019 to 19 Jan 2021) up to 30 September 2020 are as follows.

Product	Production (ton)		Sales (ton)	
	Certified opening stock +	Noncertified	Certified	Noncertified
PK	5,211.85	207.86	<b>2,944.53</b>	0
CPO	26,238.99	856.63	4,076.37	16,038.03
FFB	113,630.23	4,586.34	0	0

- Data on sales transactions of CSPK and CSPO (palmtrace) for certified product licenses (1 Oct 2019 to 19 Jan 2021), which explains that CSPO sales are 4,076.37 tons and CSPK sales **6,673.09** tons. There is a difference between CSPK sales on palmtrace and the company's mass balance data of **3,728.56** tons because the difference sales for contracts before the active license period (1 Oct 2019 to 19 Jan 2021). However, this transaction was only confirmed by RSPO in November 2019 (after the new license period (1 Oct 2019 to 19 Jan 2021) is active) and deduct the stock of CSPK. However, there are still auditors' questions that still need to be answered by the company regarding the evidence of repairs sent.

Based on this explanation, the discrepancy number 2020. 6 has not been fulfilled

**Verification January 4, 2021**

The auditor has sent the first verification on December 28, 2020 and there are additional questions related to evidence

of improvements and corrective actions submitted, but the company has not answered questions that have been highlighted in yellow.

Thus, the non-conformities cannot be fulfilled.

**Verification January 5, 2021**

The company sends additional correction evidence in the form of:

- Sales recapitulation of PKS Berangir Update which explains that there is an initial stock of CSPK in October 2019 of 1,647 tons. So that, the total of CSPK production for the period October 2019 - September 2020 is 6,858.85 tons, and CSPK sales are 6,673.09 tons. CSPK production is no less than CSPK sales.
- CSPK delivery order for contract No. 0035 / HOLD / PKO-L / N-IV / 2019.

The company has also answered questions in the corrective action column. Based on this explanation, the discrepancy No. 2020. 6 has been fulfilled.

**Verified by :** Asystasya Aishah Silalahi

<b>NCR No.</b>	<b>: 2020.7</b>	<b>Issued by</b>	<b>: Asystasya Aishah Silalahi</b>
<b>Date Issued</b>	<b>: 22 October 2020</b>	<b>Time Limit</b>	<b>: 21 January 2021</b>
<b>NC Grade</b>	<b>: Major / Critical</b>	<b>Date of Closing</b>	<b>: 5 January 2021</b>
<b>Standard Ref. &amp; Requirement</b>	<b>3.8.16</b> <b>Registration of Transactions</b> <ol style="list-style-type: none"> <li>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.</li> <li>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.</li> </ol>		

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

Based on palm trace on 19 October 2020, it is know that

Product	License Volume (1 Oct 2019 to 19 Jan 2021) Extension Volume (MT)	Volume Sold as Physical (MT)	Volume sold as credit (MT)	Volume allocated as credit (MT)	Volume removed (MT)	Remaining Volume (MT)
CSPK	6,735	6,673.09	0	0	0	61.91
CSPO	34,285	3,576.37	4,842	1,158	0	24,708.63
FFB	144,110	0	0	0	0	144,110

Based on document SCCS Monitoring Berangir 19 July 2019 – October 2020, it is known that

Product	Production		Sales	
	Certified	Noncertified	Certified	Noncertified
PK	5,211.85	207.86	4,933.00	0
CPO	26,238.99	856.63	4,868.88	10,475.11
FFB	113,630.23	5,452.76	0	0

Company also showed the shipping announcement for CSPO and CSPK sales/shipping with total announced as follows.

CSPO: 3,576.37 ton

CSPK: 2,944.53 ton

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

Based on data above, company could not showed:

- Shipping announcement made in accordance with SCCS monitoring document and palm trace data
- Removal of certified stock for CSPO that sold as noncertified/conventional

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

The officer has yet to receive data on the shipping announcement and the removal of CSPO certified stock sales.

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

Show the proof of the shipping announcement and the removal of stock.

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

The officer coordinates with the Marketing Division in Head Office to complete the proof of the shipping announcement and stock removal in accordance with PDIK PTPN IV: Handling of Certified Palm Oil products, with document number 04.03 / UNIT / SUS / P / 001.

**Assessor Evaluation and Conclusion (filled by auditor):**
**Verification on 28 December 2020**

The company shows evidence of improvement in the form of:

- A recapitulation of PKS Berangir sales as of 16 November 2020 which explains that the sales of CSPO and CSPK for the license period (1 Oct 2019 to 19 Jan 2021) up to 30 September 2020 are as follows.

Product	Production (ton)		Sales (ton)	
	Certified opening stock +	Noncertified	Certified	Noncertified
PK	5,211.85	207.86	<b>2.944.53</b>	0
CPO	26,238.99	856.63	4,076.37	16,038.03
FFB	113,630.23	4,586.34	0	0

- Remove stock data for non-certified sales with the following details.
  1. Remove stock of 181.4 MT
  2. The volume allocated as credits of 15,000 MT
- Shipping announcement for CSPK. However, the company has yet to show the shipping announcement for the CSPO sale.

In addition, there are also questions on the corrective action table that the company still has to answer.

Based on this explanation, the discrepancy No. 2020.7 has not been fulfilled.

**Verification on January 4, 2021**

The company has sent the shipping announcement document for the CSPO. However, there are still additional questions related to corrective actions that have not been answered by the company.

Thus, the non-conformities cannot be fulfilled.

**Verification on January 5, 2021**

The company has answered questions in the corrective action column. Thus, the nonconformity has been fulfilled.

*Verified by* : **Asystasya Aishah Silalahi**

<b>NCR No.</b>	<b>: 2020.8</b>	<b>Issued by</b>	<b>: Yudhi Yuniarto Tallutondok</b>
<b>Date Issued</b>	<b>: 22 October 2020</b>	<b>Time Limit</b>	<b>: 21 January 2021</b>
<b>NC Grade</b>	<b>: Major / Critical</b>	<b>Date of Closing</b>	<b>: 12 January 2021</b>
<b>Standard Ref. &amp; Requirement</b>	<b>6.2.3</b> <b>There is evidence of legal compliance for regular working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice and other legal labour requirements.</b>		

*Evidence observed (filled by auditor):*

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

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

<b>Employee Initials</b>	<b>Unit</b>	<b>Overtime Paid</b>	<b>Auditor Simulation Results</b>	<b>Variance</b>
LJ	Engine Room	IDR 3,494,782	IDR 3,506,650	<b>- IDR 11,868</b>
SF	Boiler	IDR 2,749,782	IDR 2,852,001	<b>- IDR 102,219</b>
SD	Water Machine	IDR 731,895	IDR 591,888	<b>IDR 140,007</b>

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

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

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

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

*Correction (filled by organization audited):*

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

*Corrective Action (filled by organization audited):*

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

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

**Auditor Evaluation January 12, 2021**

The CH sends proof of repair, including:

1. Machine room operator salary slip with the initials LJ and boiler operator with the initials SF for the period November 2020.
2. The results of the calculation of overtime for machine room operators and boiler operators for the period of November 2020.
3. Attendance and working hours of machine room operators and boiler operators for the period of November 2020.

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

**Verified by :** Yudhi Yuniarto Tallutondok

<b>NCR No.</b>	<b>: 2020.9</b>	<b>Issued by</b>	<b>: Yudhi Yuniarto Tallutondok</b>
<b>Date Issued</b>	<b>: 22 October 2020</b>	<b>Time Limit</b>	<b>: ASA-3</b>
<b>NC Grade</b>	<b>: Minor/Non Critical</b>	<b>Date of Closing</b>	<b>: 15 July 2021</b>
<b>Standard Ref. &amp; Requirement</b>	<b>6.7.2.</b> <b>Accident and emergency procedures in Indonesian language are in place and clearly understood by all workers. Assigned operatives trained in first aid are present in both field and other operations. First aid equipment is available at worksites. Records of all accidents are kept and periodically reviewed</b>		
<b>Evidence observed (filled by auditor):</b> <ul style="list-style-type: none"> <li>Based on the verification document of Hydrant Mobile Inspection on September 21, 2020, found that the tool was in good condition (there were no leaks) and ready for use.</li> <li>Based on field observations in the fire extinguisher simulation activities using mobile hydrant showed that the equipment was not in optimal condition where there was a leak in the nozzle.</li> <li>The CH shows the procedures for handling emergency and post-emergency situations No. 4.3.16. December 14, 2013.</li> </ul>			
<b>Non-Conformance Description (filled by auditor):</b> The CH has not been able to show evidence that emergency response procedures have been implemented, including monitoring of emergency response facilities and infrastructure.			
<b>Root Cause Analysis (filled by organization audited):</b> <ul style="list-style-type: none"> <li>There has not been an evaluation of the results of the OHS inspection monitoring that has been carried out by the officers</li> <li>There is no PIC who is responsible for evaluating the results of OHS inspection monitoring that has been carried out by officers</li> </ul>			
<b>Correction (filled by organization audited):</b> Doing nozzle repair on Hydrant mobile			
<b>Corrective Action (filled by organization audited):</b> <ul style="list-style-type: none"> <li>Evaluating the results of monitoring of OHS inspections that have been carried out by officers</li> <li>Establish a special PIC who is responsible for evaluating the results of the OHS inspection monitoring that has been carried out by officers</li> </ul>			
<b>Assessor Evaluation and Conclusion (filled by auditor):</b> There are no corrective documents in accordance with the corrective root column and corrective actions.			
<b>Auditor Verification on 15 July 2021</b> The company shows evidence of improvements in the form of: <ul style="list-style-type: none"> <li>Root cause analysis, correction, and corrective action.</li> <li>Purchase Note for 2 hoses and copper Nozzles for Hydrant Mobile on 05 July 2021.</li> <li>Minutes of the installation of hoses and Hydrant Nozzles on July 9, 2021.</li> <li>Photo documentation of Hoses and Nozzles that have been installed on the Hydrant and proof that the Hydrant is</li> </ul>			

functioning properly. <ul style="list-style-type: none"> <li>Decision of the PKS Berangir Unit Manager with the Number PKS-BER/MU/Kpts/01/I/2021 regarding the monitoring and evaluation officers of the K3 inspection results of the PKS Berangir business unit on January 5, 2021.</li> <li>Checklist for monitoring facilities and infrastructure for emergency response and K3 PKS Berangir in July 2021.</li> <li>Evaluation of the suitability of the results of monitoring facilities and infrastructure for emergency response and K3 PKS Berangir in July 2021</li> </ul>	
Based on the evidence of improvement shown, the nonconformity in this indicator is declared Fulfilled and will be observed again when the onsite audit is carried out.	
<b>Verified by</b>	<b>: Rahmat Abdiansyah</b>

NCR No.	: 2020.10	Issued by	: Yudhi Yuniarto Tallutondok
Date Issued	: 22 October 2020	Time Limit	: 21 January 2021
NC Grade	: Major/Critical	Date of Closing	: 20 January 2021
Standard Ref. & Requirement	6.7.3 Workers use appropriate personal protective equipment (PPE) which is provided free of charge to all workers in the workplace, to cover all potentially hazardous operations, such as pesticides application, machine operations, land preparation, and harvesting. Sanitation facilities for those applying pesticides are available, so that workers can change out of PPE, wash and put on their personal clothing.		
<b>Evidence observed (filled by auditor):</b> <ul style="list-style-type: none"><li>Based of field observations and interviews with mill employees (3 people) show that employees use PPE (shoes) that they buy themselves. It was further explained that the last PPE was given by the CH in 2019.</li><li>Based on interviews with management show that the provision of PPE to employees is carried out once in 1 year (last 2019).</li><li>Based on document verification of the 2019 PPE Distribution show that the last PPE was given on December 27, 2019.</li><li>Permenakertrans No. 8/2010 Article 2 states that employers are required to provide PPE for workers/laborers in the workplace free of charge.</li></ul>			
<b>Non-Conformance Description (filled by auditor):</b> <p>The CH has not been able to show evidence that it has provided PPE free of charge to all workers in the workplace which includes all operations.</p>			
<b>Root Cause Analysis (filled by organization audited):</b> <p>The provision of PPE's by the company has not been realized until the end of 2020.</p>			
<b>Correction (filled by organization audited):</b> <ul style="list-style-type: none"><li>The company has distributed replacement PPE to all employees</li><li>The standard for providing PPE has been stipulated in article 49 and article 50 of the CLA (Collective Labor Agreement) between SP-BUN and PTPN IV Management.</li><li>The company has prepared a PPE replacement standard in its Circular Number: PKS.BER / SE / Intern / 17 / I / 2021.</li></ul>			
<b>Corrective Action (filled by organization audited):</b> <p>Monitoring the use of PPE, the condition of the PPE and replacing the PPE if it is deemed unsuitable for use.</p>			



**Assessor Evaluation and Conclusion (filled by auditor):**
**Verification on 20 January 2021**

The company sent proof of improvement in the form of revisions related to corrective actions, corrective actions and sent several documents, including:

1. Monitoring of employee PPE for the period January 2021
2. The mechanism for giving and changing employee PPE.
3. Documentation of employee PPE replacement distribution.

Based on the foregoing, the discrepancy is declared fulfilled by the observation note in the next assessment.

**Verified by :** Yudhi Y Tallutondok

<b>NCR No.</b>	<b>:</b>	<b>2020.11</b>	<b>Issued by</b>	<b>:</b>	<b>Trismadi Nurbayuto</b>
<b>Date Issued</b>	<b>:</b>	<b>22 October 2020</b>	<b>Time Limit</b>	<b>:</b>	<b>ASA 3</b>
<b>NC Grade</b>	<b>:</b>	<b>Minor/Non Critical</b>	<b>Date of Closing</b>	<b>:</b>	<b>07 January 2021</b>
<b>Standard Ref. &amp; Requirement</b>	<b>:</b>	<b>7.3.2</b> <b>Proper disposal of waste material, according to procedures that are fully understood by workers and managers, is demonstrated.</b>			

**Non-Conformance Description & Evidence observed (filled by auditor):**

- SOP for Domestic waste Management with No.SPO 20 No. Revision 02 dated January 2, 2015, which states that each employee collects his / her trash in the trash can provided and cleans the surrounding yard. Waste disposal by sorting organic and inorganic waste.
- The results of interviews with residents of PKS employee housing show that domestic waste is collected next to the house by making a hole and then burning it.
- The results of a field visit to PKS employees' housing found piles of domestic waste next to the housing estate and there were burn marks.
- The results of a field visit to Afdeling 6 employee housing found piles of domestic waste and burn marks.
- The results of the field visit to Afdeling 4 employee housing found 2 waste burning spots.
- The results of field visits to the area around the clinic were found by employees burning rubbish.

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

Based on this evidence, the company has not been able to show evidence that the waste disposal is in accordance with procedures that are fully understood by workers.

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

The company has SOP No. 20 regarding the processing of household domestic waste, and some employees still control domestic waste by burning it and collecting the waste by making holes in residential areas. This is due to the absence of confirmation and outreach to employees regarding domestic waste control in accordance with the SOP.

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

- The company makes a memo according to the SOP and asks employees to transport piles of domestic waste in each section and emplacement to the landfill that has been provided in each area and emplacement and separates organic and inorganic waste.
- The company made a warning to employees for burning domestic waste.

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

- The company conducts outreach to employees not to burn and transport domestic waste to the Landfill that has been provided.
- The company made a memo that prohibits domestic waste control by burning it and transporting domestic waste to the landfill that has been provided.

**Assessor Evaluation and Conclusion** *(filled by auditor):*
**Auditor Verification dated December 28, 2020:**

There are no repair documents in accordance with the root cause column, corrections and corrective actions.

**Auditor Verification dated January 04, 2021:**

The company has sent evidences of improvement in the form of:

- Root cause analysis, correction, and corrective action.
- Minutes of socialization of SOP for Domestic Waste Management to PKS, Afdeling IV and VI employees on December 17 and 23, 2020.
- Memo for controlling domestic domestic waste with number BER / M-143 / XII / 2020 dated December 03, 2020 which explains the prohibition of controlling domestic waste by burning.
- Documentation of transportation of domestic waste to the landfill.
- Letter of warning to employees who burn domestic waste on October 29 and 30, 2020.

However, there are still notes and questions from auditors that need to be completed by the company, so that the Non Conformance in this indicator are declared Unfulfilled.

**Auditor Verification dated January 07, 2021:**

The company has completed root cause analysis, corrections and corrective actions according to the auditor's notes and questions. Based on this, the non-conformity of this indicator is stated as fulfilled.

**Verified by** : **Trismadi Nurbayuto**

<b>NCR No.</b>	<b>: 2020.12</b>	<b>Issued by</b>	<b>: Trismadi Nurbayuto</b>
<b>Date Issued</b>	<b>: 22 October 2020</b>	<b>Time Limit</b>	<b>: ASA 3</b>
<b>NC Grade</b>	<b>: Minor/Non Critical</b>	<b>Date of Closing</b>	<b>: 04 January 2021</b>
<b>Standard Ref. &amp; Requirement</b>	<b>: 7.3.3 The unit of certification does not use open fire for waste disposal</b>		

**Non-Conformance Description & Evidence observed** *(filled by auditor):*

- The results of interviews with residents of PKS employee housing show that domestic waste is collected next to the house by making a hole and then burning it.
- The results of a field visit to PKS employees' housing found piles of domestic waste next to the housing estate and there were burn marks.
- The results of a field visit to Afdeling 6 employee housing found piles of domestic waste and burn marks.
- The results of the field visit to Afdeling 4 employee housing found 2 waste burning spots.
- The results of field visits to the area around the clinic were found by employees burning rubbish.

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

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

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

The company already has SOP No. 20 regarding household domestic waste processing, however, some employees still control domestic waste by burning it.

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

- The company transports piles of domestic waste in each area to the Landfill and separates organic and inorganic waste.
- The company made a warning to employees for burning domestic waste.

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

- The company conducts outreach to all employees not to burn.
- The company made a memo to prohibit domestic waste control by burning it.

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

**Auditor Verification dated December 28, 2020:**

There are no repair documents in accordance with the root cause column, corrections and corrective actions.

**Auditor Verification dated January 04, 2021:**

The company has sent evidences of improvement in the form of:

- Root cause analysis, correction, and corrective action.
- Minutes of socialization of SOP for Domestic Waste Management to PKS, Afdeling IV and VI employees on December 17 and 23, 2020.
- Memo for controlling domestic domestic waste with number BER / M-143 / XII / 2020 dated December 03, 2020 which explains the prohibition of controlling domestic waste by burning.
- Documentation of transportation of domestic waste to the landfill.
- Letter of warning to employees who burn domestic waste on October 29 and 30, 2020.

Based on the evidence of improvement, the Non-Conformance on this indicator is declared Fulfilled and will be re-observed in the next assessment.

**Verified by** : Trismadi Nurbayuto

NCR No.	: 2020.13	Issued by	: Trismadi Nurbayuto
Date Issued	: 22 October 2020	Time Limit	: ASA 3
NC Grade	: Minor/Non Critical	Date of Closing	: 15 July 2021
Standard Ref. & Requirement	7.8.3 Mill effluent is managed according to applicable regulations. The quality of mill effluent discharged, especially BOD (Biochemical Oxygen Demand) is monitored in accordance with applicable regulations.		
Non-Conformance Description & Evidence observed (filled by auditor):			
<ul style="list-style-type: none"><li>• The company has a permit for utilizing palm oil waste water on land in accordance with the Decree of the Regent of Labuhanbatu Utara Number: 660/68 / DLH / 2017, valid for five years since it was stipulated in 2017. The permit states that the application area is 97 ha and control land is 2 ha.</li><li>• Based on the results of field visits to WWTP and interviews with WWTP officers, it was found that the outlet flow meter was damaged and not installed. So far, the company has performed a manual calibration to determine the amount of mill effluent applied to the Land Application.</li><li>• Total POME Utilization for the period of July 2020 was 7,550 M3, August 2020 was 9025 M3, September 2020 was 9750 M3.</li></ul>			

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

Based on this evidence, the company has not been able to show evidence that monitoring the volume of mill effluent applied to the land uses accurate data.

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

The condition of the wastewater treatment plant has not been monitored yet

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

Replace and install the WWTP pump outlet flowmeter

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

- Monitoring conditions and wastewater treatment plants in the Berangir POM
- Establish a PIC who is responsible for monitoring the conditions and wastewater treatment plants in the Berangir POM

**Assessor Evaluation and Conclusion (filled by auditor):**
**Auditor Verification (15 July 2021)**

The company has conducted root cause analysis and determined corrections and corrective actions. In addition, the company has shown evidence of improvements in the form of:

- Letter No. 023/PMJ/SP/11/2021 dated February 24, 2021 regarding the receipt of 2 units of flowmeters by PTPN IV Unit Berangir from PT PMJ.
- Minutes of Land Application Flowmeter Installation on June 17, 2021 which contains the implementation of the installation of flowmeters on pipes leading to Land Application at Berangir POM by the Engineering Team of the General Workshop and Electrical Division.
- Monitoring the Condition of the Water Treatment Plant in Quarter IV 2020 – Quarter II 2021. Based on this document, monitoring is carried out on the condition of buildings, pumps, electromotors, pipe installations and flowmeters. For example, the results of monitoring carried out in the second quarter of 2021 showed that the WWTP (Waste Pool) flowmeter was in good condition.
- Decree of Berangir Business Unit Manager No. BER/MU/Ktps/03/II/2021 dated January 5, 2021, which contains the appointment of monitoring and evaluation officers for environmental monitoring and management in the Berangir POM and Plantation Business Units.

Based on the explanation above, the nonconformity in this indicator is declared Fulfilled.

**Verified by :** Rizliani Aprianita Hasibuan

NCR No.	: 2020.14	Issued by	: Trismadi Nurbayuto
Date Issued	: 22 October 2020	Time Limit	: ASA 3
NC Grade	: Minor/Non Critical	Date of Closing	: 15 July 2021
Standard Ref. & Requirement	: 7.8.4 Mill water use per tonne of FFB is monitored and recorded.		
<i>Non-Conformance Description &amp; Evidence observed (filled by auditor):</i> <ul style="list-style-type: none"><li>Records of water use for FFB processing in the period July 2020 totaling 20,429 M3; August 2020 as many as 23,142 M3 and September 2020 as many as 23,256 M3.</li><li>Based on the results of field visits and interviews with WTP station officers, it was found that the water flow meter to the processing station was damaged and had not functioned for more than 1 year.</li></ul>			
<b>Non-Conformance Description (filled by auditor):</b> <p>Based on this evidence, the company has not been able to show evidence of the amount of calculated water use for processing accurately.</p>			

<b>Root Cause Analysis (filled by organization audited):</b>	
The condition of the clean water treatment plant has not been monitored yet	
<b>Correction (filled by organization audited):</b>	
Replace and install the WTP pump outlet flowmeter	
<b>Corrective Action (filled by organization audited):</b>	
<ul style="list-style-type: none"> <li>Monitoring conditions and wastewater treatment plants in the Berangir POM</li> <li>Establish a PIC who is responsible for monitoring the conditions and clean water treatment plants in the Berangir POM</li> </ul>	
<b>Assessor Evaluation and Conclusion (filled by auditor):</b>	
<b>Auditor Verification (15 July 2021)</b>	
The company has conducted root cause analysis and determined corrections and corrective actions. In addition, the company has shown evidence of improvements in the form of:	
<ul style="list-style-type: none"> <li>Minutes of Water Meter Installation No. 0410/AIN/PT/BAPMTU/VII/2021 dated July 13, 2021, conducted by PT Airi Insan Nusantara.</li> <li>Monitoring the Condition of Water Treatment Plants in Quarter IV of 2020 – Quarter II of 2021. Based on this document, monitoring is carried out on the condition of buildings, pumps, electromotors, pipe installations and flowmeters. For example, the results of monitoring carried out in the second quarter of 2021 show that the flowmeter of the WTP Station is in good condition.</li> <li>Decree of the Berangir Business Unit Manager No. BER/MU/Ktps/03/II/2021 dated January 5, 2021, which contains the appointment of monitoring and evaluation officers for environmental monitoring and management in the Berangir POM and Plantation Business Units.</li> </ul>	
Based on the explanation above, the nonconformity in this indicator is declared Fulfilled.	
<b>Verified by</b>	<b>: Rizliani Aprianita Hasibuan</b>

<b>NCR No.</b>	<b>: 2020.15</b>	<b>Issued by</b>	<b>: Trismadi Nurbayuto</b>
<b>Date Issued</b>	<b>: 22 October 2020</b>	<b>Time Limit</b>	<b>: 21 January 2021</b>
<b>NC Grade</b>	<b>: Major/Critical</b>	<b>Date of Closing</b>	<b>: 12 January 2021</b>
<b>Standard Ref. &amp; Requirement</b>	<b>7.12.4</b> Where HCVs, HCS forests after 15 November 2018, peatland and other conservation areas have been identified, they are protected and/or enhanced. An integrated management plans to protect and/or enhance HCV and HCS forests, peatland and other conservation areas are developed, implemented and adapted if necessary, and contains monitoring requirements. The integrated management plan is reviewed at least once every five years. The integrated management plan was developed in consultation with relevant stakeholders and includes the directly managed area and any relevant wider landscape level considerations (where these are identified).		
<b>Non-Conformance Description &amp; Evidence observed (filled by auditor):</b>			
<ul style="list-style-type: none"><li>• The company has an HCV management and monitoring plan for the period of Semester 1 of 2020 which includes: Signboard Conditions, Biodiversity of Flora and Fauna, Intensity of disturbance to river boundaries and springs from fire hazards, Changes in river width, and river water quality.</li><li>• The company has carried out management and monitoring of HCV such as Monitoring Signboard in July 2020, Monitoring Flora and fauna in July 2020, conducting water quality testing in semester 1 of 2020, Monitoring fire hazard intensity inspection in July 2020, and Monitoring River width monitoring in July 2020.</li><li>• Based on the report on the results of HCV identification carried out by PT Surveyor Indonesia in 2011, it is known that there are areas identified as HCV 4.2, namely areas that are important for erosion and sedimentation control, namely <i>Jagat</i> Hill, <i>Soleh</i> Hill, <i>Jalal</i> Hill, <i>Monyet</i> Hill and <i>Terjal</i> Hill.</li><li>• Based on the results of a field visit to the <i>Jagat</i> Hill HCV area in Block 05 AF Afdeling III, it was found that there were</li></ul>			

traces of burning wood in the area.

- Based on interviews with Assistant Afdeling III, it was found that the Jagat Hill HCV area was often used for human activities such as camping.
- Based on interviews with HCV / PPD Officers, it is known that the HCV Semester 1 2020 management and monitoring plan has not been prepared in consultation with stakeholders.

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

Based on this, the company has not been able to show evidence of:

- Results of a review of the HCV management and monitoring plan (min 5 years)
- Monitoring Program for disturbance of HCV areas 4.2.
- Evidence that an HCV management and monitoring plan has been developed in consultation with stakeholders.

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

Related officers do not understand the 2020 HCV management and monitoring program

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

The company reviews the HCV management and monitoring plan, monitors the disturbance of the HCV 4.2 area and consults with stakeholders for the HCV management and monitoring plan.

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

The company conducted training for related officers regarding the 2020 HCV management and monitoring program at the ISO Estate Berangir room on 02 November 2020.

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

**Auditor Verification dated December 28, 2020:**

There are no repair documents in accordance with the root cause column, corrections and corrective actions.

**Auditor Verification dated January 04, 2021:**

The company has sent evidences of improvement in the form of:

- Root cause analysis, correction, and corrective action.
- HCV Management and Monitoring Training Webinar on November 2, 2020 for 5 Officers, namely Assistant for Plantation personnel, General Assistant, Document Control Officer (PPD) for Estate and Mill.
- The HCV 4.2 area monitoring program is to monitor the value of ecosystem services in the HCV 4.2 area. based on the results of monitoring carried out on 30 October 2020 on the HCV of Bukit Jagad, Bukit Soleh, Bukit Jalal, Bukit Monyet and Bukit Terjal, it is known that there is no indication of disturbances such as landslides, encroachment and tree felling, etc.
- Review of the Management Plan and monitoring of HCV areas with the community for the first semester of 2020. Based on the results of the review, the HCV management and monitoring plan is still relevant and is still being continued in the 2020 HCV area management and monitoring.
- The HCV Semester II 2020 management and monitoring plan, namely:
  - a. Monitoring the Condition of the HCV Signboard.
  - b. Diversity of flora and fauna species.
  - c. The intensity of the disturbance to the area of river boundaries and springs from the danger of fire.
  - d. Change in river width.
  - e. River water quality.
  - f. Monitoring the intensity of disturbances such as landslides, encroachment and logging in HCV 4.1 & 4.2 areas.
  - g. Monitoring of discharge, sedimentation and water quality.
  - h. Monitoring the success rate of the river border rehabilitation program.
  - i. Umbul Monitoring.
  - j. Monitoring the existence of graves and ensuring the condition of the security fence.

However, there are still auditor notes that need to be completed by the company (in the correction column), so that the



Non-Conformance on this indicator is declared Unfulfilled.

**Auditor Verification dated January 12, 2021:**

- Review of the Management Plan and monitoring of HCV Areas with the community for the Semester I 2020 period which was conducted on 30 October 2020.
- Documentary evidence of activities and attendance list of the people involved.

Based on this evidence, the non-conformity on this indicator is declared Fulfilled.

<b>Verified by</b>	<b>:</b>	<b>Trismadi Nurbayuto</b>
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**3.4.2. Identification of Findings, Corrective Actions and Observations at ASA-3 (remote) Assessment**

<i>NCR No.</i> :		<i>Issued by</i> :	
<i>Date Issued</i> :		<i>Time Limit</i> :	
<i>NC Grade</i> :		<i>Date of Closing</i> :	
<i>Standard Ref. &amp; Requirement</i> :			
<i>Non-Conformance Description &amp; Evidence observed (filled by auditor):</i>			
There are no NC during the S-3 remote audit assessment			
<i>Root Cause Analysis (filled by organization audited):</i>			
<i>Correction (filled by organization audited):</i>			
<i>Corrective Action (filled by organization audited):</i>			
<i>Assessor Evaluation and Conclusion (filled by auditor):</i>			
<i>Verified by</i> :			

**3.4.3. Identification of Findings, Corrective Actions and Observations at ASA-3 & ASA-4 (onsite) Assessment**

NCR No.	:	2022.01	Issued by	:	Briyogi Shadiwa
Date Issued	:	9 Agustus 2022	Time Limit	:	7 November 2022
NC Grade	:	Major	Date of Closing	:	7 November 2022
Standard Ref. & Requirement	:	3.6.2 The effectiveness of the H&S plan to address health and safety risks to people is monitored.			
Evidence observed (filled by auditor)					
<ul style="list-style-type: none"><li>Based on the verification of the OHS's Work Program Document for the 2021 period, it is known that point 9 related to health checks has been realized by the company in November 2021.</li><li>Until the time of the audit activity, the company has not been able to show documentation of general health examination activities for all employees.</li></ul>					
Reference:					
<ul style="list-style-type: none"><li>Permenaker 2 of 1980 concerning Health Checks.</li></ul>					
Non-Conformance Description (filled by auditor):					
The company has not been able to show sufficient evidence of monitoring the effectiveness of the OHS plan, especially regarding the realization of general health checks in accordance with the established program.					
Root Cause Analysis (filled by organization audited):					
<ul style="list-style-type: none"><li>The effectiveness of the OHS plan that has been prepared and evaluated has not been monitored.</li><li>Limited understanding of the PIC in showing evidence of general health examination results during audit activities.</li></ul>					
Correction (filled by organization audited):					
<ul style="list-style-type: none"><li>Shows the results of the general health examination contained in document No. POLK/BER/32/IV/2022 dated 12 April 2022. The document informs that 378 workers have received the "HEALTHY" status.</li><li>Showing the evaluation results of the 2021 P2K3 plan.</li></ul>					
Corrective Action (filled by organization audited):					
<ul style="list-style-type: none"><li>The company has established a health check mechanism as stated in the document Letter No. BER/SE/42VIII/2022 concerning the Mechanism of Health Examination of Employees/I Berangir Estate and the Appointment of Health Monitoring Officers, Letter No. Ber/Kpts/.../VIII/2022 dated 30 August 2022.</li><li>The company has appointed a PIC along with their duties and responsibilities.</li><li>The company plans a time frame for evaluating the P2K3 plan for the following year.</li></ul>					
Assessor Evaluation and Conclusion (filled by auditor):					
Verification on October 21, 2022					
Companies can show documents:					
<ul style="list-style-type: none"><li>Internal Memo of Planning and Sustainability No. 04.03/KOL/eM-583/VIII/2022 dated 4 August 2022 concerning Measurement of Occupational Health and Safety in 2022 which will be carried out on 9-24 August 2022 by PT Prima Medica Nusantara.</li><li>Letter No. BER/SE/70/VIII/2022 dated 10 August 2022 regarding Advanced Health Examination of Berangir</li></ul>					

Gardens. Based on document verification, it was found that there were instructions to bring 51 employees to carry out further health checks related to cholinesterase, spirometry and audiometry.

- Health check results:
  - cholinesterase: laboratory analysis results based on sample testing dated 12 October 2022 issued on 22 August 2022 informed that 2 out of 24 workers had mild intoxication.
  - spirometry: results of laboratory analysis based on sample testing dated 12 October 2022 issued on 10 September 2022 informed that 2 out of 3 workers experienced "RR".
  - audiometry: results of laboratory analysis based on sample testing dated October 12, 2022 issued on September 10, 2022 for 3 workers with normal status.
- Letter No. BER/X/29/VIII/2022 on 15 August 2022 regarding Follow-Up of Health Examination Results. The letter informed the results of an examination from Pabatu Hospital on October 12, 2022 that 2 workers experienced severe intoxication during the cholinesterase examination and 2 workers experienced "RR" during the spirometry examination.
- Letter No. BER/X/32/VIII/2022 on 26 August 2022 addressed to PT Priima Medica Nusantara. The information contained in the letter contains directions for the implementation of general health checks for 310 workers in Berangir Estate.
- Document Schedule for Routine General Health Checkups for Berangir Plantation Unit employees/i made by the Plantation Personnel Asst and POM Administrative and Personnel Asst on August 29, 2022. Based on the results of document verification it is known that the management unit has scheduled the implementation of health checks in stages over the period September 2022 – September 2023.

Based on the results of document verification, it is known that there is information on the implementation date of the implementation of the health check which is not continuous and the management unit has not been able to inform the results of the implementation of the general health check. Furthermore, there is still the auditor's response to the description of root cause identification, correction and corrective action.

Based on the description above, it can be concluded that the discrepancy in this indicator has not been fulfilled.

#### **Verification on November 7, 2022**

Companies can show documents:

- The results of the general health examination contained in document No. POLK/BER/32/IV/2022 dated 12 April 2022. The document informs that 378 workers have received the "HEALTHY" status.
- Document Letter No. BER/SE/42/VIII/2022 concerning Mechanism of Health Examination for Employees/i of Berangir Estate dated 30 August 2022.
- Appointment of Health Monitoring Officer, Letter No. Ber/Kpts/.../VIII/2022 dated 30 August 2022
- Monitoring document for the implementation of medical examinations in 2023, in which the company has planned clearly related to the implementation of monitoring of health examinations in 2023 which is prepared in order to ensure that the health examination activities can run as they should.
- Monitoring document for the 2022 P2K3 work program and planning for its evaluation in 2023 to see its effectiveness.
- P2K3 program documents for 2021 and evaluation results in 2022 along with evaluation results so that periodic health checks that cannot be carried out in 2021 will be carried out in 2022.

Based on the verification results mentioned above, to ensure non-conformities do not recur, the management unit establishes a monitoring system that aims to monitor the effectiveness of health inspection activities. Therefore, it can be concluded that the discrepancy in this indicator has been fulfilled and will be observed in the next audit activity.

**Verified by** : **Briyogi Shadiwa**

<b>NCR No.</b>	<b>:</b>	<b>2022.2</b>	<b>Issued by</b>	<b>:</b>	<b>Rindu Galih Rezza Rachmansyah</b>
<b>Date Issued</b>	<b>:</b>	<b>9 August 2022</b>	<b>Time Limit</b>	<b>:</b>	<b>Recertification</b>
<b>NC Grade</b>	<b>:</b>	<b>Minor</b>	<b>Date of Closing</b>	<b>:</b>	
<b>Standard Ref. &amp; Requirement</b>	<b>:</b>	<b>6.2.7</b> <b>Permanent fulltime employment is used for all core work performed by the unit of certification. Casual, temporary and day labour is limited to jobs that are temporary or seasonal.</b>			
<b>Evidence observed (filled by auditor)</b> <ul style="list-style-type: none"> <li>Based on the results of field observations and interviews with harvesters at Block 03AB Afdeling 4 and Block 13CC Afdeling 6, it was found that there are still 3 harvesters who are still contract workers (PKWT) in Afdeling 4 and 3 people in Afdeling 6 who have been working since 2021/2022.</li> <li>Based on the results of the review of the labor list document for the period of July 2022, it is known that currently the company still has 44 workers with contract workers (PKWT) status who work in Afdeling 1-6 and have been working since July 2021 and February 2022.</li> <li>The company can also show a work agreement between contract workers (PKWT) and the company for 3 people in Afdeling 4 and 3 people in Afdeling 6. For example work agreement no. BER/S.Perj/41/VIII/2022 and No. BER/S.Perj/40/VIII/2022 dated 02 August 2022 which is valid for 3 months (31 October 2022).</li> <li>The company has a Board of Directors Regulation of PT Perkebunan Nusantara III (Parent Company of PT Perkebunan Nusantara IV) No. HES/PER/05/2019 dated March 22, 2019 regarding Guidelines for Recruitment of Employees at PT Perkebunan Nusantara III and its Subsidiaries, where in Chapter IV concerning the Implementation of Acceptance of contract workers (PKWT) in article 15 it is explained that this contract workers (PKWT) is made for certain jobs according to the type and nature or activity the work will be completed in a certain time such as: <ul style="list-style-type: none"> <li>❖ Jobs that are once completed or temporary in nature.</li> <li>❖ Seasonal work.</li> <li>❖ Work related to new products/activities or additional products.</li> <li>❖ Work that is expected to be completed in a not too long time.</li> </ul> </li> <li>Harvesting work is a permanent job, this is because the criteria for harvesting work are included in the explanation of permanent work in Law no. 13 of 2003 (explanation of article 59 paragraph 2) where it reads <b>"pekerjaan yang sifatnya terus menerus, tidak terputus-putus, tidak dibatasi waktu dan merupakan bagian dari suatu proses produksi dalam satu perusahaan atau pekerjaan yang bukan musiman."</b></li> <li>In Government Regulation No. 35 of 2021 on the contract workers (PKWT) section explains that contract workers (PKWT) cannot be held for work that is permanent and contract workers (PKWT) can be held based on a period of time (work that is not completed for too long, seasonal work, work related to new products) or the completion of a particular job (work that once completed and temporary work).</li> </ul>					
<b>Non-Conformance Description (filled by auditor):</b> The company has not been able to prove that the application of the use of workers (PKWT) is in accordance with company procedures and government regulations related to the types of work that can use PKWT (seasonal or temporary work).					
<b>Root Cause Analysis (filled by organization audited):</b> -					
<b>Correction (filled by organization audited):</b> -					
<b>Corrective Action (filled by organization audited):</b> -					

Assessor Evaluation and Conclusion (filled by auditor):	
-	
Verified by	:



**3.4.4. Opportunity for Improvement**

No	Ref. Std.	Description
1	2.1.3	<p><b>Legal or authorized boundaries are clearly demarcated and visibly maintained and there is no planting beyond these legal or authorized boundaries.</b></p> <p>During the observation in Afdeling IV, it was found that 2 BPN stakes had no information on stake numbers. Currently, the company has programmed to improve the condition of some of these stakes based on the letter from the Berangir unit manager No.: BER/04.01/eM-145/VIII/2022.</p> <p>Companies are encouraged to ensure that the BPN benchmark has been corrected by completing the stake number according to the direction of the relevant agency.</p>

**3.4.5. Noteworthy Positive Components**

No	Description
1	Information exchange is quite dynamic.
2	All employees have received booster vaccines.

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

Public Issues (Institution/ NGO/Community)	Auditor Verification
<b>National Land Agency of Labuhanbatu Utara Regency</b> <b>Interviewee: Head of Dispute Control and Handling Section</b> <ul style="list-style-type: none"> <li>• There are no additions related to land use permits and location permits.</li> <li>• Company has a good relationship with National Land Agency.</li> <li>• There are no problems related to land conflicts and dispute which has been reported to National Land Agency.</li> <li>• Company has routinely reported its report of land utilization to National Land Agency.</li> <li>• Communication between company and National Land Agency works well.</li> </ul>	<p>There is no negative issue that needs to be further clarified.</p>
<b>Environmental Agency of Labuhanbatu Utara Regency</b> <b>Interviewee: Head of Agency</b> <ul style="list-style-type: none"> <li>• Company already has environmental documents and environmental permits, such as hazardous waste temporary storage permits and LA permits which are still valid and have not changed.</li> <li>• Company has submitted mandatory reports such as Hazardous Waste Management Report and Liquid Waste Management Report every quarter, as well as <i>RKL-RPL</i> Report every semester to Environmental Agency of Labuhanbatu Utara Regency.</li> <li>• There are no issues/reports of environmental pollution due to company's operational activities.</li> <li>• There were no land fires in and around company during 2021-2022.</li> </ul>	<p>There is no negative issue that needs to be further clarified.</p>
<b>Agriculture Agency of Labuhanbatu Utara Regency</b> <b>Interviewee: Plantation Seed Supervisor</b> <ul style="list-style-type: none"> <li>• Company has obtained latest plantation business assessment in 2022.</li> <li>• Company has submitted reports on plantation business activities and fire reports on a regular basis every semester.</li> <li>• Company has implemented CSR programs for the surrounding community, such as improving facilities and infrastructure, scholarships, etc.</li> <li>• No complaints were reported to Plantation Agency as a result of plantation operations.</li> </ul>	<p>There is no negative issue that needs to be further clarified.</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
<p><b>Manpower and Industrial Agency of Labuhanbatu Utara Regency</b> Interviewee: Labor Inspector</p> <ul style="list-style-type: none"> <li>• Company already has a CLA and Worker Union that has been ratified by agency.</li> <li>• Company has submitted regular reports to Manpower Agency such as manpower report, OHS Committee report, and contract worker records.</li> <li>• Company has implemented minimum wage for all workers.</li> <li>• Company has provided <i>BPJS Kesehatan</i> and <i>BPJS Ketenagakerjaan</i> to all workers.</li> <li>• There are no issues or reports of child labor, as well as forced labour, discrimination, and violence against workers in the company.</li> </ul>	<p>There is no negative issue that needs to be further clarified.</p>
<p><b>Silumajang Village</b> Interviewee: Village Head</p> <ul style="list-style-type: none"> <li>• Communication between company and Silumajang Village went smoothly. The grievance mechanism was well understood by village representatives.</li> <li>• There are no land disputes between community and company.</li> <li>• There is no environmental pollution due to company's operational activities.</li> <li>• There were no land fires in the company or in Silumajang Village in last 1 year.</li> <li>• Community feels the impact of company's existence in the aspect of labor recruitment.</li> <li>• There are no complaints from public about the existence of company.</li> </ul>	<p>There is no negative issue that needs to be further clarified.</p>
<p><b>Sungai Raja Village</b> Interviewee: Village Head</p> <ul style="list-style-type: none"> <li>• Communication between company and Sungai Raja Village went smoothly. The grievance mechanism was well understood by village representatives.</li> <li>• There are no land disputes between community and company.</li> <li>• There is no environmental pollution due to company's operational activities.</li> <li>• There were no land fires in company or in Sungai Raja Village in last 1 year.</li> <li>• Community feels the impact of company's existence in the aspect of labor recruitment.</li> <li>• There are no complaints from public about the</li> </ul>	<p>There is no negative issue that needs to be further clarified.</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
existence of company.	
<b>CV Kurnia Mitra Mandiri (FFB Supplier)</b> <b>Interviewee: Director</b> <ul style="list-style-type: none"> <li>• FFB suppliers have been working with company for 3 years.</li> <li>• FFB supplier already has a cooperation agreement with company which is still valid today.</li> <li>• FFB prices are updated daily via <i>whatsapp</i>. The price set is in accordance with provisions set by local Plantation Service.</li> <li>• FFB suppliers have complied with provisions in agreement with the company including OSH (PPE) and employment obligations (<i>BPJS</i> and minimum wages).</li> <li>• There were no complaints while working with company.</li> </ul>	There is no negative issue that needs to be further clarified.
<b>CV Perkasa Aidil Zukiansyah Pasaribu (Local Contractor)</b> <b>Interviewee: Director</b> <ul style="list-style-type: none"> <li>• Contractor is engaged in plant upkeep.</li> <li>• Contractor has been working with company for 5 years and has a current contract.</li> <li>• Contractor is required to fulfil OHS and PPE obligations to contractor workers in carrying out work in company.</li> <li>• There were no problems or complaints while working with company.</li> </ul>	There is no negative issue that needs to be further clarified.
<b>PT Aidil Putra Perdana (Local Contractor)</b> <b>Interviewee: Director</b> <ul style="list-style-type: none"> <li>• Contractor is engaged in construction material procurement.</li> <li>• Contractor has been working with company for 2 years and has a current contract.</li> <li>• Contractor is required to fulfil OHS and PPE obligations to contractor workers in carrying out work in company.</li> <li>• There were no problems or complaints while working with company.</li> </ul>	There is no negative issue that needs to be further clarified.

Public Issues (Institution/ NGO/Community)	Auditor Verification
<p><b>Worker Union (SPBUM) Unit of Berangir</b> <b>Interviewee: Head of Worker Union</b></p> <ul style="list-style-type: none"> <li>• Worker Union have been registered with local Manpower Office since 2021.</li> <li>• Company has implemented a minimum wage for all workers.</li> <li>• Company has provided guarantees in form of <i>BPJS Kesehatan</i> and <i>BPJS Ketenagakerjaan</i> to all workers.</li> <li>• Company has provided PPE to all workers. Replacement of PPE is routinely carried out every year. PPE that is damaged and lost will be replaced by company.</li> <li>• Company has provided housing facilities, clean water, and electricity allowances to employees. The condition of employee housing is still in a usable condition.</li> <li>• There is still Contract Worker/<i>PKWT</i> as harvester.</li> <li>• There are no cases between workers and companies that have not been resolved in the last 1 year period.</li> <li>• There were no issues of discrimination, forced labor, child labor, and sexual harassment in the last 1 year period.</li> <li>• No complaints from workers were reported to Worker Union.</li> </ul>	<p>There is no negative issue that needs to be further clarified.</p>
<p><b>Gender Committee</b> <b>Interviewee: Head of Gender Committee</b></p> <ul style="list-style-type: none"> <li>• Gender Committee consists of workers from POM and Estates.</li> <li>• There were no issues/reports of discrimination, forced labour, child labor, and sexual harassment in the last 1 year period.</li> <li>• No complaints from workers were reported to Gender Committee.</li> </ul>	<p>There is no negative issue that needs to be further clarified.</p>
<p><b>RSPO Complaint Reference No. RSPO/2019/12/IR on 06 May 2019 with the summary of Complaint related to:</b></p> <ul style="list-style-type: none"> <li>• <b>Alleged salary fraud for 7 laborers, no festive holidays and no bonus for day laborers.</b></li> </ul>	<p><u><b>Day Laborers.</b></u> Based on the results of verification of employment documents and interviews with workers and management, it is known that currently there are only 3 statuses of workers working in the company, namely:</p> <ul style="list-style-type: none"> <li>• Permanent workers are workers who have become permanent workers in accordance with the Decree of the Board of Directors of PTPN IV for the Appointment of Permanent Workers. Where workers with this status are divided into 2, namely Implementing Workers (Karpel) and Leadership Workers (Karpim).</li> <li>• Contract workers (PKWT), are workers employed by</li> </ul>



Public Issues (Institution/ NGO/Community)	Auditor Verification
	<p>the company on a contract basis for a certain period of time and only for harvest work. (this has become a non-compliance with indicator 6.2.7)</p> <ul style="list-style-type: none"> <li>Contractor workers are workers employed by contractors in collaboration with the company for operational activities in plantations and factories such as FFB transportation, plant maintenance and others.</li> </ul> <p>For Day laborers, it is no longer used by the company and was not found during field observations, interviews or document verification. This is because the company only has 3 status workers at this time as described above.</p> <p><b><u>Salary Fraud</u></b></p> <p>The results of interviews with workers in plantations and factories for permanent workers (harvesters, upkeeps and process operators), contract workers (harvesters) and contractor workers (pesticide applicators) show that the company has never committed fraud related to the provision of wages because the wages have been adjusted to provisions set by the company (wage scale structure) for permanent workers, providing wages above the minimum wage for contract workers (PKWT) and for contractor workers being given wages in accordance with the wage agreement in the work agreement between the contractor and the worker (where the wages are in accordance with minimum wages). This can be proven by verifying the wages of the workers in July 2022 where the wages given are in accordance with the minimum wage setting as well as with the established wage scale structure.</p> <p>This is also supported by the results of interviews with labor unions and contractors who stated that wages for all workers had complied with government regulations starting from the minimum wage and there were no violations of this.</p> <p><b><u>No Festive Holidays and No Bonus</u></b></p> <p>In accordance with the results of interviews with workers in plantations and factories for permanent workers (harvesters, upkeeps and process operators), contract workers (harvesters) and contractor workers (pesticide applicators) it is known that the company provides weekly holidays to its workers every Sunday, holidays on National holidays including holidays / Christmas. This is evidenced by the absence of operational activities in the plantations or factories on holidays in accordance with the absence of workers in July 2022. This has also been regulated in the company's CLA related to employee rest days and</p>



Public Issues (Institution/ NGO/Community)	Auditor Verification
	<p>holidays.</p> <p>For the provision of bonuses to workers is always given annually by the company, especially for workers from the company has been given regularly every year. This is based on the results of interviews with workers in the plantations and factories. As for contractor workers, this is not given because the workers who work with them are not permanent workers and the turnover is quite high every month, so the contractor does not give bonuses to their workers.</p>
<p><b>RSPO Complaint Reference No. RSPO/2019/11/IR on 23 April 2019 with the summary of Complaint related to:</b></p> <ul style="list-style-type: none"> <li>• Temporary workers and contract issues.</li> <li>• Wages and overwork.</li> </ul>	<p><b><u>Temporary workers and contract issues.</u></b></p> <p>Based on the results of verification of employment documents and interviews with workers and management, it is known that currently there are only 3 statuses of workers working in the company, namely:</p> <ul style="list-style-type: none"> <li>• Permanent workers are workers who have become permanent workers in accordance with the Decree of the Board of Directors of PTPN IV for the Appointment of Permanent Workers. Where workers with this status are divided into 2, namely Implementing Workers (Karpel) and Leadership Workers (Karpim).</li> <li>• Contract workers (PKWT), are workers employed by the company on a contract basis for a certain period of time and only for harvest work. (this has become a non-compliance with indicator 6.2.7)</li> <li>• Contractor workers are workers employed by contractors in collaboration with the company for operational activities in plantations and factories such as FFB transportation, plant maintenance and others.</li> </ul> <p>For workers with contract status (PKWT) already have a work agreement (contract) with the company in accordance with the specified time period and have been reported to the Manpower Agency of Asahan Regency on 26 July 2022. The work agreement (contract) has also been given to each worker with the same legal force. This is reinforced by the results of interviews with contract workers and the Manpower Agency of Asahan Regency which stated that contract workers had a work agreement (contract) that was in accordance with the regulations and had been registered with the relevant agency.</p> <p>However, the current use of PKWT workers in the company has become a discrepancy in indicator 6.2.7, because workers use contract workers (PKWT) on permanent jobs (in this case harvest work).</p> <p><b><u>Wages and Overwork</u></b></p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
	<p>The results of interviews with workers in plantations and factories for permanent workers (harvesters, upkeeps and process operators), contract workers (harvesters) and contractor workers (pesticide applicators) show that the company has never committed fraud related to the provision of wages because the wages have been adjusted to provisions set by the company (wage scale structure) for permanent workers, providing wages above the minimum wage for contract workers (PKWT) and for contractor workers being given wages in accordance with the wage agreement in the work agreement between the contractor and the worker (where the wages are in accordance with minimum wages). This can be proven by verifying the wages of the workers in July 2022 where the wages given are in accordance with the minimum wage setting as well as with the established wage scale structure.</p> <p>This is also supported by the results of interviews with labor unions and contractors who stated that wages for all workers had complied with government regulations starting from the minimum wage and there were no violations of this.</p> <p>For overwork, the company has set the terms of working for 6 working days a week or 40 hours a week. This has been regulated in the CLA which has been approved by the relevant agencies in North Sumatra Province. The results of interviews with plantation workers stated that normal working hours from Monday to Friday are 7 hours (07.00 – 14.00) while on Saturday it is 5 working hours (07.00 – 12.00) with a total of 40 working hours in one week. If the worker exceeds the working hours, the worker will be paid overtime and the calculation and payment is deemed appropriate. In addition, if working outside of normal working hours is not approved by the worker, then the worker is not obliged to do work outside of these working hours (overtime work must be agreed by both parties). From the results of the verification of overtime work at the Mill, it is known that no workers who worked overtime in July 2022 were more than 18 hours a week because the average overtime hours of workers in a week in that month were only 14-15 hours.</p> <p>Based on the explanations above, there is no fault from the aspect of payroll or overtime payments made by the company.</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
<p><b>RSPO Complaint Reference No. RSPO/2019/07/IR on 10 April 2019 with the summary of Complaint related to:</b></p> <ul style="list-style-type: none"> <li>• <b>Lack of adequate health and safety equipment</b></li> <li>• <b>Labourer died due to lack of safety equipment</b></li> <li>• <b>No festive holidays for temporary workers</b></li> </ul>	<p><b><u>No festive holidays for temporary workers</u></b> In accordance with the results of interviews with workers in plantations and factories for permanent workers (harvesters, upkeeps and process operators), contract workers (harvesters) and contractor workers (pesticide applicators) it is known that the company provides weekly holidays to its workers every Sunday, holidays on National holidays including holidays / Christmas. This is evidenced by the absence of operational activities in the plantations or factories on holidays in accordance with the absence of workers in July 2022. This has also been regulated in the company's CLA related to employee rest days and holidays.</p> <p><b><u>Lack of adequate health and safety equipment</u></b> Based on the results of field observations in the plantations and factories, it is known that all PPE provided to workers is in accordance with PPE standards set by the company. This is evidenced by the PPE used by pesticide applicators are boots, face shields, gloves, masks and aprons. The PPE used is also in good condition. Based on this, the company has not proven that the PPE provided is appropriate and suitable for use.</p> <p><b><u>Labourer died due to lack of safety equipment</u></b> Regarding workers who died due to not using PPE, this was not found for the period 2021 to July 2022. There were no work accidents that occurred during this period that caused death. This can refer to indicators 6.7.2 and 6.7.5 in the report, where there has never been a work accident that resulted in death during that period.</p>

<b>4.0</b>	<b>CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY</b>
<b>4.1</b>	<b>Formal Sign-off of Assessment Findings</b>
	<p>Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.</p> <p style="text-align: center;">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 – Berangir POM Head of Planning &amp; Sustainability</p>  <p><b><u>Pingok Panggabean</u></b> Monday, 7 November 2022</p> </div> <div style="text-align: center;"> <p>Mutuagung Lestari Lead Auditor</p>  <p><b><u>Briyogi Shadiwa</u></b> Monday, 7 November 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	Plantation Agency	Labuhanbatu Utara Regency	-	Interview by phone	05 August 2022	√	
2	Environmental Agency	Labuhanbatu Utara Regency	-	Interview by phone	05 August 2022	√	
3	National Land Agency	Labuhanbatu Utara Regency	-	Interview by phone	05 August 2022	√	
4	Labor Agency	Labuhanbatu Utara Regency	-	Interview by phone	05 August 2022	√	
5	Sei Raja Village	Labuhanbatu Utara Regency	-	Interview by phone	05 August 2022	√	
6	Silumajang Village	Labuhanbatu Utara Regency	-	Interview by phone	05 August 2022	√	
7	Worker Union of Berangir (SPBUN)	Labuhanbatu Utara Regency	-	Interview by phone	05 August 2022	√	
8	Gender Committee	Labuhanbatu Utara Regency	-	Interview by phone	05 August 2022	√	
9	FFB Supplier (Kurnia Mitra Mandiri)	Labuhanbatu Utara Regency	-	Interview by phone	05 August 2022	√	
10	Local Contractor (CV Perkasa Aidil Zukiansyah Pasaribu and PT Aidil Putra Perdana)	Labuhanbatu Utara Regency	-	Interview by phone	05 August 2022	√	
11	World Wide Fund	Indonesia	<a href="mailto:wwf-indonesia@wwf.or.id">wwf-indonesia@wwf.or.id</a>	Questionnaire by email	26 July 2022		√
12	Wahana Lingkungan Hidup Indonesia	Indonesia	<a href="mailto:informasi@walhi.or.id">informasi@walhi.or.id</a>	Questionnaire by email	26 July 2022		√
13	Sawit Watch	Indonesia	<a href="mailto:info@sawitwatch.or.id">info@sawitwatch.or.id</a>	Questionnaire by email	26 July 2022		√
14	AMAN	Indonesia	<a href="mailto:rumahaman@aman.or.id">rumahaman@aman.or.id</a>	Questionnaire by email	26 July 2022		√
15	Berangir Estate: • 2 foreman and 6 harvester. • 1 head foreman. • 2 census officer. • 1 upkeep workers. • 2 driver and 4 loader (contractor)	PTPN IV – Unit of Berangir	-	Direct Interview	06-08-2022	√	

No	Institution/ NGO/ Community	Address	Phone/ Email	Form of Communication	Date of Contact	Response	
						Yes	No
	workers). • 2 upkeep foreman. • 4 pesticide applicators (contractor workers). • 3 pesticide applicators (permanent workers).						
16	Berangir POM: • 1 security officers. • 3 sortation workers. • 1 weightbridge worker. • 10 mechanics (contractor workers). • 5 process operators. • 2 emergency response officers. • 1 warehouse worker. • 1 WTP operator.	PTPN IV – Unit of Berangir.	-	Direct Interview	05-08-2022	√	



**Appendix 2. Assessment Program**

DATE	5 – 9 August 2022	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
<b>Friday, 5 August 2022</b>		
08.00 – 09.00	<b>Opening Meeting :</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>	<b>All Auditor</b>
09.00 – 12.00	<ul style="list-style-type: none"> <li>Public consultation with stakeholder to relevant agency in Labuhanbatu Utara Regency by Phone / Directly</li> <li>Stakeholder consultation to affected communities surrounding the plantations and previous land owner.</li> <li>Interview with Gender Committee, Worker's Union, Worker's Cooperative (if any), Local Contractor (for Mill and Estate), Third Party Supplier.</li> </ul>	<b>ELU</b> <b>RIU</b> <b>BRI &amp; DAN</b>
12.00 – 14.00	<b>Break</b>	<b>All Auditor</b>
14.00 – 17.00	<b>Field observation to Berangir POM:</b> <ul style="list-style-type: none"> <li>Supply Chain verification (FFB Receiving, Weighbridge, FFB Sorting, Processing Activity, Dispatch CPO)</li> <li>Occupational Health &amp; Safety Aspect (Inspection to Chemical Storage, Hazardous Waste Storage, Fire Control Simulation, POME Pond)</li> <li>Implementation of Employment Procedure and Mechanism Aspect</li> </ul>	<b>BRI &amp; DAN</b> <b>RIU</b> <b>ELU</b>
<b>Saturday, 6 August 2022</b>		
08.00 – 12.00	<b>Field Observation to Berangir Estate</b> Aspect to be verified : <ul style="list-style-type: none"> <li>Implementation of Legal Aspect (Land Ownership, Legal Boundaries);</li> <li>Implementation of Agronomy Aspect (Harvesting &amp; Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application)</li> <li>Implementation of Environmental, Conservation/HCV and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management)</li> <li>Implementation of Occupational Health &amp; Safety Aspect</li> <li>Implementation of Employment Procedure and Mechanism Aspect of Workers Facilities (Housing, School, Worship Place).</li> <li>Interview with related personnel during field observation</li> </ul>	<b>ELU</b> <b>BRI &amp; DAN</b>  <b>ELU</b>  <b>RIU</b> <b>RIU</b>  <b>BRI, RIU &amp; DAN</b>
<b>Monday, 8 August 2022</b>		
08.00 – 12.00	<ul style="list-style-type: none"> <li>Review and completing audit checklist.</li> </ul>	<b>All Auditor</b>
12.00 – 14.00	<b>Break</b>	<b>All Auditor</b>
14.00 – 17.00	<ul style="list-style-type: none"> <li>Document review and completing audit checklist.</li> </ul>	<b>All Auditor</b>

DATE	5 – 9 August 2022	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
	<ul style="list-style-type: none"> <li>Presentation of Daily Progress.</li> </ul>	
<b>Tuesday, 9 August 2022</b>		
08.00 – 09.00	<b>Closing Meeting :</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>	<b>All Auditor</b>
10.00 – 15.00	<b>BERANGIR → KUALANAMU</b>	<b>All Auditor</b>
16.45 – ....	<b>KUALANAMU (KNO) → JAKARTA (CKG) GA-121</b>	<b>All Auditor</b>