

***Roundtable on Sustainable Palm Oil Certification
RSPO*****[✓] Surveillance**

Name of Management : Pabatu Palm Oil Mill subsidiary of PT Perkebunan Nusantara IV subsidiary of
Organisation PT Perkebunan Nusantara III

Plantation Name : PT Perkebunan Nusantara IV – Pabatu Estate and Bah Birong Ulu Estate

Location : Village of Pabatu/Naga, Sub District of Tebing Tinggi, District of Serdang
Bedagai, Province of Sumatera Utara, Indonesia.

Certificate Code : **MUTU-RSPO/072**

Date of Initial Registration : 16 September 2015

Date of Certificate Issue : 21 October 2021 Date of License Issue : 21 January 2023

Date of Certificate Expiry : 20 October 2026 Date of License Expiry : 20 October 2023

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed By	Approved by
ASA-1.1	23 to 28 September 2022	Briyogi Shadiwa (Lead Auditor), Rindu Galih Rezza Rachmansyah, Erika Lucitawati, Alexander Sitio	Ardiansyah	Leonada

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-1.1	10 January 2023

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Figure 1. Location Map of PT Perkebunan Nusantara IV - Pabatu Business Unit

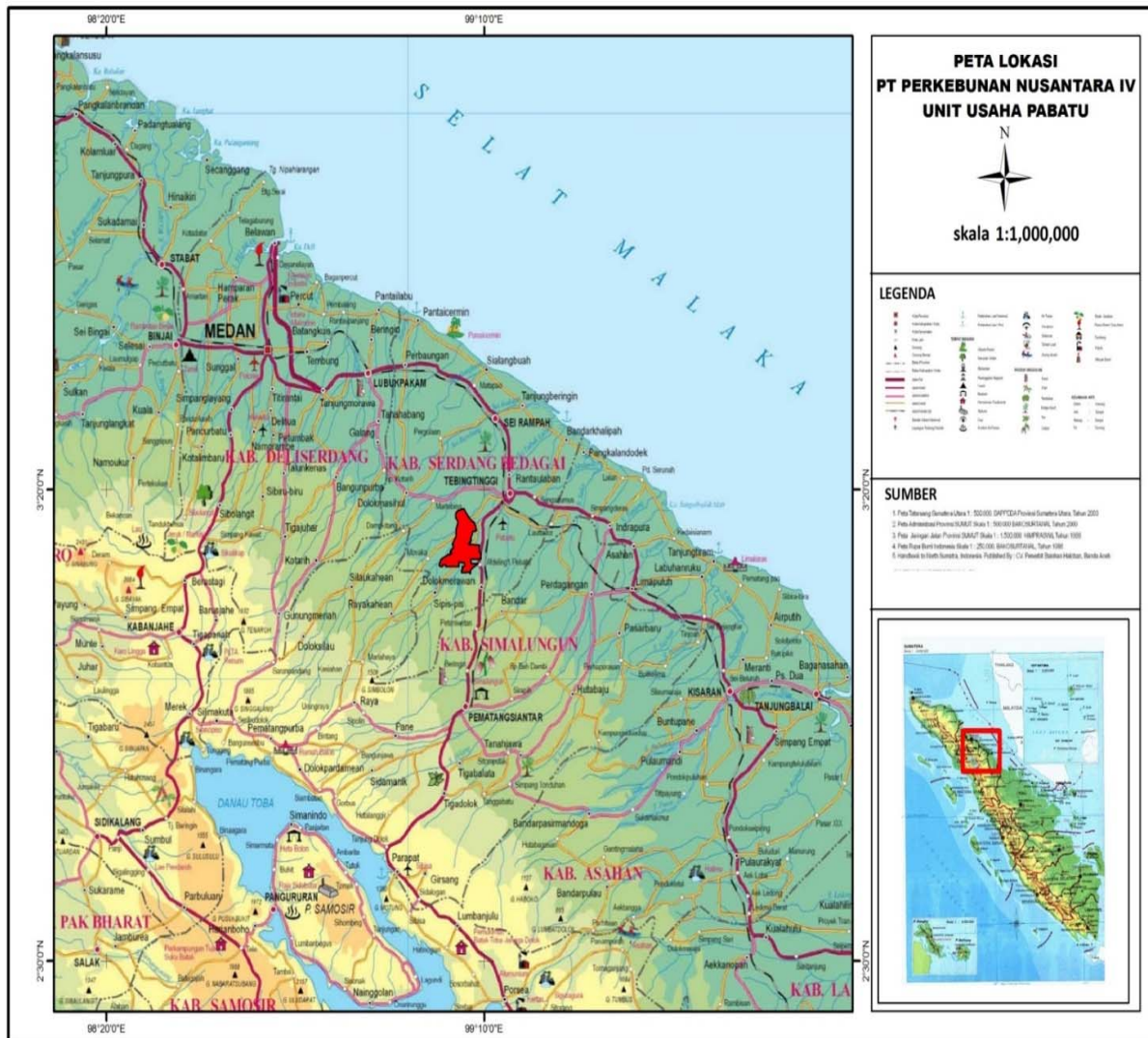


Figure 2. Operational Map of PT Perkebunan Nusantara IV - Pabatu Business Unit

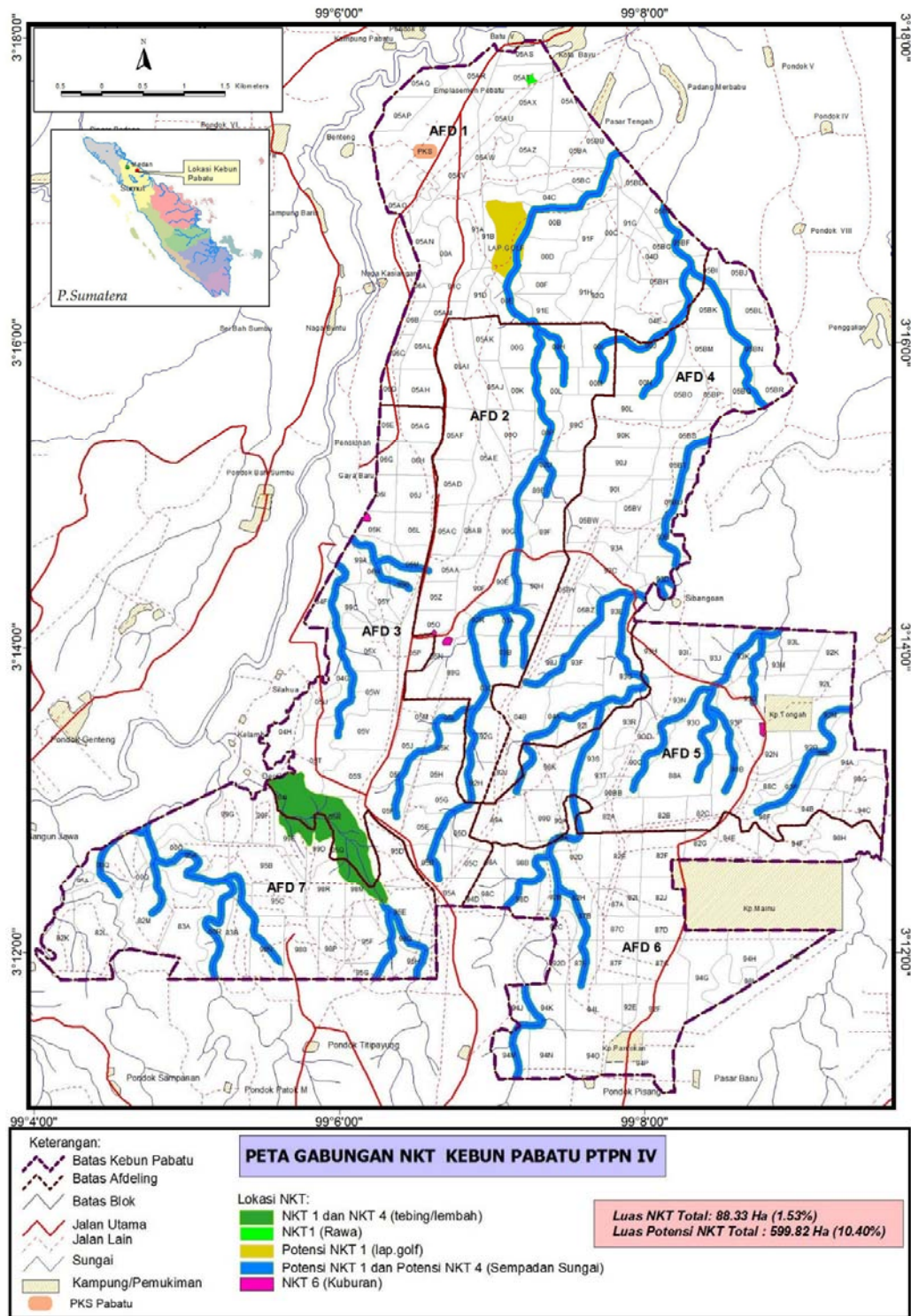
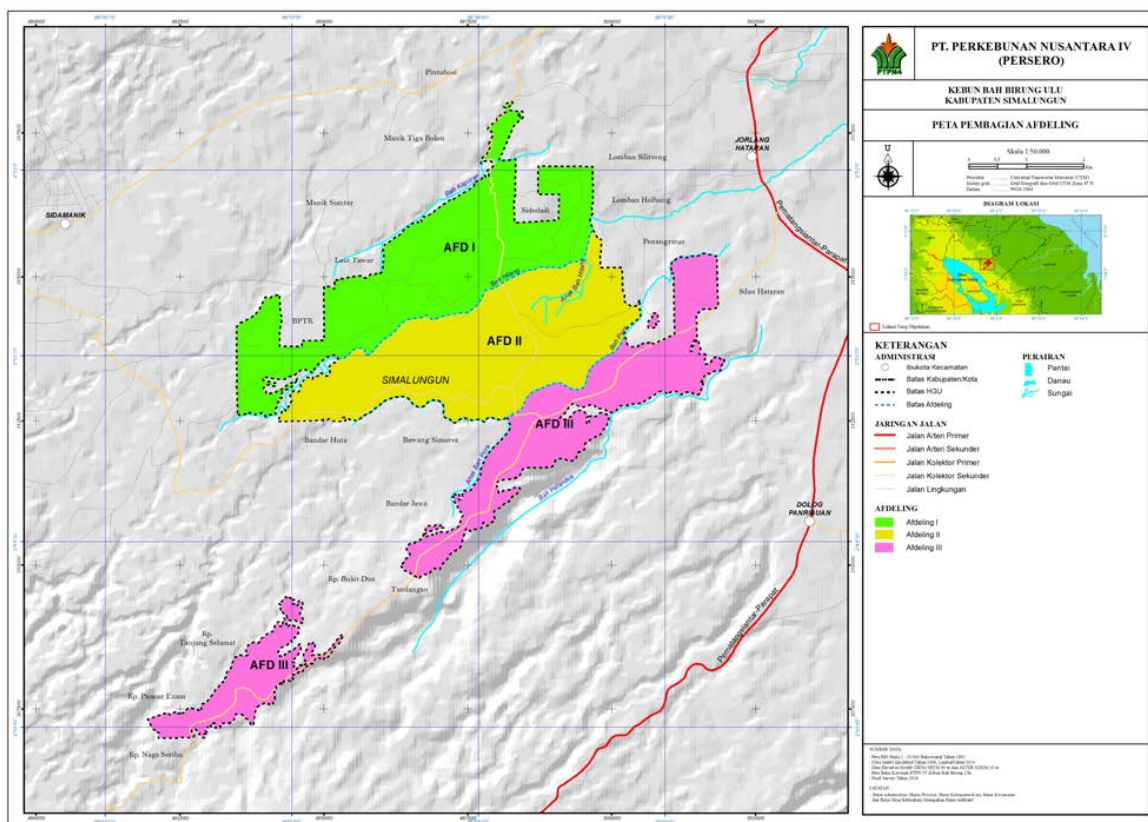


Figure 3. Operational Map of PT Perkebunan Nusantara IV – Bah Birong Business Unit



Abbreviations Used

ACOP	:	Annual Communication of Progress
Afd	:	Afdeling
FIRE EXTINGUISHER	:	<i>Alat Pemadam Api Ringan</i> / fire extinguisher
ASA	:	Annual Surveillance Assessment
BOD	:	Biological Oxygen Demand
BPJS	:	<i>Badan Penyelenggara Jaminan Sosial</i> / Social Security Agency
CB	:	Certification Body
CH	:	Certificate Holder
CPO	:	Crude Palm Oil
CR	:	Collection Road
CSPK	:	Certified Sustainable Palm Kernel
CSPO	:	Certified Sustainable Palm Oil
CSR	:	Corporate Social Responsibility
EFB	:	Empty Fruit Bunch
EIA	:	Environmental Impact Assessment
FFB	:	Fresh Fruit Bunch
FPIC	:	Free, Prior and Inform Consent
FR	:	Frequency Rate
GHG	:	Greenhouse Gases
H&S	:	Health & Safety
HCV	:	High Conservation Value
HGU	:	<i>Hak Guna Usaha</i> (Land Use Rights)
IPM	:	Integrated Pest Management
ISPO	:	Indonesian Sustainable Palm Oil
KER	:	Kernel Extraction Rate
LCC	:	Land Cover Crop
LSU	:	Leaf Sampling Unit
LUCA	:	Land Use Change Analysis
MSDS	:	Material Safety Data Sheet
MR	:	Main Road
NCR	:	Non-Compliance Report
NGO	:	Non-Government Organization
OER	:	Oil Extraction Rate
OHS	:	Occupational Health and Safety
P & C	:	Principle and Criteria
P2K3	:	<i>Panitia Pembina Keselamatan dan Kesehatan Kerja</i> / OHS Committee
PIC	:	Person In Charge
PK	:	Palm Kernel
PKB	:	<i>Perjanjian Kerja Bersama</i> (Collective Labor Bargaining)
PKS	:	<i>Pabrik Kelapa Sawit</i>
POM	:	Palm Oil Mill
POME	:	Palm Oil Mill Effluent
PPE	:	Personal Protective Equipment
PPIS	:	<i>Pabrik Pengolahan Inti Sawit</i> (Palm Kernel Crushing Factory)
PPKS	:	<i>Pusat Penelitian Kelapa Sawit</i>
PTKP	:	<i>Penghasilan Tidak Kena Pajak</i> (Non-taxable income)
PTPN	:	PT Perkebunan Nusantara
PTPN IV	:	PT Perkebunan Nusantara IV
QMS	:	Quality Management System

RC	:	Re-Certification
RKAP	:	<i>Rencana Kerja Anggaran Perusahaan (Corporate Budget Work Plan)</i>
RKL-RPL	:	<i>Rencana Kelola Lingkungan/Rencana Pantau Lingkungan (Environment Management and Monitoring Plan)</i>
RSPO	:	Roundtable on Sustainable Palm Oil
RTE	:	<i>Rare</i> , Endangered, Threatened
SCCS	:	Supply Chain Certification System
SIA	:	Social Impact Assessment
SMK3	:	<i>Sistem Manajemen Keselamatan dan Kesehatan Kerja</i>
SOP	:	Standard Operating Procedure
SPBUN	:	<i>Serikat Pekerja Perkebunan (Worker Union)</i>
SPI	:	<i>Satuan Pengawas Internal / Internal Supervisory Unit</i>
SPO	:	Standard Procedure Operational
SR	:	Severity Rate
SSU	:	Soil Sampling Unit
TBM	:	<i>Tanaman Belum Menghasilkan</i>
TBP	:	Time Bound Plan
TBS	:	<i>Tandan Buah Segar / Fresh Fruit Bunch</i>
TM	:	<i>Tanaman Menghasilkan (Mature Plant)</i>
WTP	:	Water Treatment Plant
WWTP	:	Waste Water Treatment Plant

1.0	SCOPE of the CERTIFICATION ASSESSMENT		
1.1	Assessment Standard Used	<ul style="list-style-type: none"> • RSPO Certification Systems for Principles & Criteria and RSPO Independent Smallholder Standard, Endorsed by the RSPO Board of Governors on 12 November 2020. • Indonesia National Interpretation of Principles and Criteria for Sustainable Palm Oil Production 2018, endorsed on 20th April 2020. 	
1.2	Organisation Information		
1.2.1	Organisation name listed in the certificate	Pabatu Palm oil Mill - PT Perkebunan Nusantara IV	
1.2.2	Contact person	Pirgok Pangabea	
1.2.3	Organisation address and site address	Head Office: Jl Sei Batang Hari No.2, Medan – Sumatera Utara, Indonesia	
1.2.4	Telephone	+62 61-8452244	
1.2.5	Fax	+62 61-8455177	
1.2.6	E-mail	ptb@ptpn3.co.id	
1.2.7	Web page address	http://www.ptpn3.co.id/	
1.2.8	Management Representative who completed the application for certification	Pirgok Pangabea	
1.2.9	Registered as RSPO member	1-0030-06-000-00; 13 December 2006	
1.3	Type of Assessment		
1.3.1	Scope of Assessment and Number of Management Unit	One (1) unit of Palm Oil Mill (Pabatu POM) with one (1) estate (Pabatu Estate). During ASA-1.1 there is extension scope consist of one estate (Bah Birong Ulu Estate)	
1.3.2	Type of certificate	Single	
1.4	Locations of Mill and Plantation		
1.4.1	Location of Mill		
	Name of Mill	Location	Coordinate
			Latitude Longitude
	Pabatu POM	Village of Pabatu/Naga, Sub District of Tebing Tinggi, District of Serdang Bedagai, Province of Sumatera Utara, Indonesia	N 03° 17' 10" E 99° 06' 33"
1.4.2	Location of Certification Scope of Supply Base		
	Name of Supply Base	Location	Coordinate
			Latitude Longitude
	Pabatu Estate	Village of Pabatu/Naga, Sub District of Tebing Tinggi, District of Serdang Bedagai, Province of Sumatera Utara, Indonesia	N 03° 17' 11" E 99° 06' 38"
	Bah Birong Ulu Estate	Village of Bah Birong Ulu Manriah, Sub District of Sidamanik, District of Simalungun, Province of Sumatera Utara, Indonesia	N 02° 50' 55,26" E 98° 58' 49,65"

1.5	Description of Area Statement			
1.5.1	Tenure			
	• State (Pabatu)		5,754.04	Ha
	• State (Bah Birong Ulu)		2,602.95*	Ha
	• Community		-	Ha
	<i>*The certification scope of Bah Birong Ulu Estate is 2,464.90 Ha based on IUP</i>			
1.5.2	Area Statement			
	•	Pabatu Estate (Ha)	Bah Birong Ulu Estate (Ha)	Total (Ha)
	• Total area	5,754.04	2,464.90	8,218.94
	• Mature area	4,605.00	2,370.70	6,975.70
	• Immature area	298.00	-	298.00
	• Roads	462.00	5.73	467.73
	• Drains	40.00	11.84	51.84
	• Buildings + Palm Oil Mill	171.04	24.38	195.42
	• Others (Bamboo, Gliricidia, Hyaten Area)	178.00	-	178.00
	• HCV (In planted area*)	0	52.25	52.25
	<i>HCV area in Pabatu Estate is 88.30 Ha including planted area</i>			
1.6	Planting Year and Cycles			
1.6.1	Age profile of planting year			
	Planting Year	Hectarage (Ha)		
		Pabatu	Bah Birong Ulu	Total
	1995	4.00	-	4.00
	1999	70.00	-	70.00
	2000	63.00	-	63.00
	2003	68.00	-	68.00
	2004	145.00	91.00	236.00
	2005	1,299.00	1,586.70	2885.70
	2006	157.00	24.00	181.00
	2008	-	220.00	220.00
	2009	418.00	-	418.00
	2011	-	14.00	14.00
	2012	235.00	-	235.00
	2013	12.00	-	12.00
	2014	165.00	-	165.00
	2015	205.00	-	205.00
	2016	779.00	221.00	1000.00
	2017	780.00	214.00	994.00
	2018	205.00	-	205.00

	Mature Area	4,605.00	2,370.70	6975.70			
	Rehabilitation	87.00	-	87.00			
	2019	79.00	-	79.00			
	2020	12.00	-	12.00			
	2021	120.00	-	120.00			
	Immature Area	298.00	-	298.00			
	TOTAL	4,903.00	2,370.70	7,273.70			
1.6.2	New Planting area after January 2010		- Ha				
1.6.3	Planting Cycle		2 nd Cycle				
1.7	Description of Mill and Supply Base						
1.7.1	Description of Mill						
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel	
				Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)
	Pabatu POM	30	191,591.22	41,115.63	21.51	9,114.67	4.77
					<i>*Production data source from 12 months before assessment (September 2021 –August 2022)</i>		
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)	%
	Pabatu Estate	5,754.04	4,605.00	95,773.52	20.80	95,773.52	100
					<i>*Production data source from 12 months before assessment (September 2021 to August 2022)</i>		
1.7.3	FFB description from other source						
	Name of sources/Organisation (RSPO certified / non- certified)	Type of Organisation	Number of smallholders	Production Area (Ha)	Supplied to Mill		
					FFB (tonnes/year)		
	Marjandi Estate (RSPO Certified)	PT Perkebunan Nusantara IV	-	-	30,513.78		
	Bah Birong Ulu (RSPO Non-certified)		-	2,370.70	16,334.78		
	Marihat Estate (RSPO Certified)		-	-	338.34		
	Dolok Ilir Estate (RSPO Certified)		-	-	2,370.33		
	Laras Estate (RSPO Certified)		-	-	359.63		
	Adolina Estate (RSPO Certified)		-	-	915.90		
	Bah Birong Ulu Estate (RSPO non-certified)		-	-	16,334.78		
CV Naga Bulan (RSPO Non-certified)	Independent grower	-	-	39.85			
CV Anugerah Sawit	Independent	-	-	167.75			

	Mandiri (RSPO Non-certified)	grower						
	CV. Duta Paliwi (RSPO Non-certified)	Independent grower	-	-	16,237.45			
	PT. Panca Marga Abadi (RSPO Non-certified)	Independent grower	-	-	12,829.61			
	UD Gintar (RSPO Non-certified)	Independent grower	-	-	14,737.22			
	Transfer from DOI POM (RSPO Non-certified)	PT Perkebunan Nusantara IV	-	-	38.95			
	PT Rejeki Abadi Sambosar (RSPO Non-certified)	Independent grower	-	-	934.11			
	TOTAL				95,817.70			
	*Source Production Data on 12 months before assessment (September 2021 to August 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)		Last Year Actual Certified Volume (MT) (September 2021 to August 2022)			
	FFB Processed		134,912		130,271			
	CPO Production		30,869		29,940			
	Palm Kernel (PK) Production		6,427		6,232			
1.8.2	Product selling							
	Type of selling product		Actual selling product for last year (MT) (September 2021 to August 2022)					
	CSPO sold as RSPO certified product		9,598					
	CSPK sold as RSPO certified product		6,118					
	CSPO sold under other scheme		18,934					
	CSPK sold under other scheme		0					
	CSPO sold as conventional		0					
	CSPK sold as conventional		0					
1.8.3	Estimate of Certified FFB Claim							
	Name of Estate	Total Area (Ha)	Planted Area (Ha)		FFB (tonnes/year)	Yield (tonnes/ha/year)		
	Pabatu Estate	5,754.04	4,605.00		96,700	21.00		
	Bah Birong Ulu Estate	2,464.90	2,370.70		42,700	18.01		
	TOTAL	8,218.94	6,975.70		139,400	19.98		
	*Projected FFB production for 12 months of certificate							
1.8.4	Estimate of Certified Palm Product Claim							
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel		Supply Chain Module
				Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)	
	Pabatu POM	30	139,400	29,300	21.02	6,300	4.52	MB

		<i>*Projected CSPO and CSPK production for 12 months of certificate</i>				
1.9	Other Certifications					
	ISCC			EU-ISCC-Cert-ID215-23220869, Valid Until 5 August 2023		
1.10	Time Bound Plan					
1.10.1	Time Bound Plan for Other Management Units					
	Management Unit		Estate (Supply Base)	Time Bound Plan	Location	Status
	Mill	Time bound				
	Pulau Tiga (PTPN I)	2022	Pulau Tiga Estate	2022	Aceh Tamiang District, Aceh Province	Audited on 2022
	Tanjung Seumantoh (PTPN I)	2022	Lama Estate	2022	Aceh Timur District, Aceh Province	-
			Baru Estate	2022	Aceh Timur District, Aceh Province	-
			Tualang Sawit Estate	2022	Aceh Timur District, 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	October 15, 2015 (Certified)

				Province	
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	2020	Hapesong Estate	2020	Tapanuli Selatan District,	October 2020

(PTPN III)				Sumatera Utara Province	(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 (PTPN IV)	2015	Pabatu	2015	Serdang Bedagai, Sumatera Utara	Certified on 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 Birong 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 nd 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 nd

					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 nd 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 nd 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 nd 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 (PTPN 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,	Preparation

				Sumatera Utara	
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	2025	Siak District, Riau Province, Indonesia	-
		Air Molek II	2025	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	2027	Lampung Province	-
Talang Sawit (PTPN VII)	2023	Betung Krawo	2023	Musi Banyuasin District, Sumatera Selatan Province	-
Sungai Lengi (PTPN VII)	2023	Sungai Lengi	2023	Muara Enim District, Sumatera Selatan Province	-
Kertajaya (PTPN VIII)	2022	Kertajaya	2022	Lebak District, Banten Province	-
		Cisalak Baru	2022	Lebak District, Banten Province	-
		Bojongdatar	2022	Lebak District, Banten Province	-
Cikasungka (PTPN VIII)	2022	Cikasungka	2022	Bogor District, Jawa barat Province	-
		Sukamaju	2022	Sukabumi District, Jawa barat Province	-
Gunung Meliau (PTPN XIII)	2022	Gunung Meliau	2022	Sanggau District, Kalimantan Barat Province	-
Rimba Belian (PTPN XIII)	2023	Rimba Belian	2023	Sanggau District, Kalimantan Barat Province	-
		Gunung Mas	2023	Sanggau District, Kalimantan Barat Province	-
		Sungai Dekan	2023	Sanggau District, Kalimantan Barat Province	-
Parindu (PTPN XIII)	2023	Parindu	2023	Sanggau District, Kalimantan Barat Province	-
Luwu (PTPN XIV)	2022	Luwu	2022	Luwu Timur, District, Sulawesi Tengah	-
		Keera-Maroon	2022	Luwu Timur, District, Sulawesi Tengah	-
		Malili	2023	Luwu Timur, District, Sulawesi Tengah	-
		Asera	2023	Luwu Timur, District, Sulawesi Tengah	-
Date Approval TBP on 30 June 2022.					
1.10.2	Progress of Associated Smallholders and Out growers for Certifiable Standard				
	The company has no agreement with any associated smallholders and associated out-growers.				

2.0	ASSESSMENT PROCESS
2.1	Assessment Team
ASA-1.1	<p>1. Briyogi Shadiwa (Lead Auditor). 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 (2018), 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, BMP and OHS aspect.</p> <p>2. Erika Lucitawati. (Auditor) Indonesian citizen. Bachelor of Engineering with major in Environmental Engineering. 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. In this audit, she verified transparency, environmental/conservation and GHG aspects with supervision by Lead Auditor.</p> <p>3. Rindu Galih Rezza Rachmansyah (Auditor) 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 & 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>4. Alexander Sitio (Auditor Trainee). Indonesian citizen, now in the process of studying Doctoral Program at State University of Jakarta in Human Resource Management, Masters in Human Resource Management, University of Jember. Bachelor of Agriculture, Department of Agricultural Socio-Economics, Faculty of Agriculture, University of Lampung. The trainings that have been attended include training for ISO 9001: 2008, ISO 14001: 2004, ISO 17021: 2015, ISO 17065, ISO 19011, and participating in several IHT in the field of environment, Best management practices, and OHS. During this assessment has verified best management practices, OHS. During this assessment has verified best management practices and OHS under supervised by Lead Auditor</p>
2.2	Assessment Methodology, Assessment Process and Locations of Assessment
2.2.1	Figure of person days to implement assessment
ASA-1.1	<p>Number of auditors: 3 auditors and 1 trainee auditor</p> <p>Number of days for ASA-1.1 on Onsite Audit: 6 days.</p> <p>Number of working days for ASA-1.1 on Onsite Audit: 18 Working days.</p>
2.2.2	Assessment Process
ASA-1.1	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT Perkebunan Nusantara IV unit Pabatu POM along with its two main supply estates, namely Pabatu and Bah Birong Ulu Estate to the requirements of RSPO Principles and Criteria For Sustainable Palm Oil Production 2018, The Indonesian National Interpretation, Endorsed by the RSPO Board of Governors on 20th 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.</p> <p>The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) interview, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site.</p> <p>Some opportunities for improvement of the results ASA - 1.1 delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (ASA-1.2).</p>

	<p>Improvement of findings from previous assessment findings were observed by auditors at this ASA - 1.1 assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of ASA - 1.1</p> <p>The assessment program please find Appendix 2.</p>
2.2.3	Locations of Assessment
ASA-1.1	<p><u>Pabatu Palm Oil Mill</u></p> <ul style="list-style-type: none"> • FFB Grading Station. Video observations regarding to environment, worker welfare and OHS aspect. • Loading Ramp Station. Observation and interviews to PPE used by operators, OSH symbols, noise level, visitor line or evacuation path, hand rail, condition of first aid box. • Sterilizer Station. Observation and interviews to PPE used by operators, OSH symbols, noise level, visitor line or evacuation path, hand rail, condition of first aid box operator license. • Tippler/Threshing Station. Observation and interviews to PPE used by operators, OSH symbols, noise level, visitor line or evacuation path, hand rail, condition of first aid box operator license. • Press Station. Observation and interviews to PPE used by operators, OSH symbols, noise level, visitor line or evacuation path, hand rail, condition of first aid box, operator license. • Clarification Station. Observation and interviews to PPE used by operators, OSH symbols, noise level, visitor line or evacuation path, hand rail, condition of first aid box. • Nut and Kernel Station. Observation and interviews to PPE used by operators, OSH symbols, noise level, visitor line or evacuation path, condition of first aid box operator license. • Engine Room. Observation and interviews to PPE used by operators, OSH symbols, noise level, visitor line or evacuation path, hand rail, condition of first aid box operator license, that operated in 2 shifts. • Boiler Station. Observation and interviews to PPE used by operators, OSH symbols, noise level, visitor line or evacuation path, hand rail, condition of first aid box operator license. Sighted 2 set Boiler with capacity 2 x 30 ton/hour that runs simultaneously in 2 shifts. • Processing Station Environment. Observation and interviews to PPE used by operators, OSH symbols, noise level, visitor line or evacuation path, hand rail, condition of first aid box, fire extinguisher, mill drainage and cleanliness. • WTP. Observation and interview with worker related to implementation of water management, OHS, environmental and worker welfare aspects. • WWTP. Observation related to implementation of waste water management, safety, and environmental aspects. • Empty Bunch Area. Observation related to implementation of waste management. • Chemical Storage. Observation related to implementation of chemical management, safety, and environmental aspects. • Oil Storage. Observation related to implementation of chemical management, safety, and environmental aspects • Fuel Tank. Observation related to implementation of chemical management, OHS, and environmental aspects. • Hazardous Waste Storage. Observation and interview with worker related to implementation of hazardous waste management, OHS, environmental and worker welfare aspects • Central Storage. Observation related to implementation of material management, safety, environmental, and worker welfare aspects. <p><u>Pabatu Estate</u></p> <ul style="list-style-type: none"> • FFB Harvesting and loose fruit picker activity, Block 2009 V, Afdeling 7. Observation and interviews and interviews with foreman and harvester related FFB quality, harvesting round, OHS, and employment • Quoting cocoons, Block 2006 G, Afdeling 3. Observation and interviews and interviews with foreman and harvester related quoting cocoons, OHS, PPE and employment • load transport FFB. Block 2005 AY, Afdeling 3. Observation and interviews of load transport FFB employee, OHS, PPE, labor aspect and environment. • Beneficial plant (<i>turnera subulata</i>) Block 2021 D Afdeling 7. Observation and interviews of the management and utilization of beneficial plants.

- **Nursery, Afdeling 4.** Observation and interviews and interviews with foreman and harvester related Nursery quality, OHS, PPE, and employment
- **Contour felt land, Block 2021 E, Afdeling 7.** Observation and interviews of the management and utilization of Contour felt land.
- **Immature Area in Block 2021 D Afdeling 7.** Observation related to replanting activity and immature plant management.
- **Housing Complex of Division I & VII.** Observation and interview with residents related to housing facilities, domestic waste management, and complaint mechanism
- **Day Care of Division I & VII.** Observations and interview with worker regarding to educational facilities in the form of childcare for workers.
- **Landfill Division I & VII.** Observation related to implementation of waste management procedure, OHS, and environmental aspects.
- **PPE Warehouse for Spray Team of Division I & VII.** Observation and interviews related to washing of working tools and PPE of spray team.
- **Central Fertilizer Storage.** Observation related to implementation of material handling, safety, and environmental aspects.
- **Fertilizer Storage in Division I.** Observation related to implementation of material handling, safety, and environmental aspects.
- **Workshop.** Observation and interview with worker related to implementation of workshop activity, OHS, environmental and worker welfare aspects.
- **CD (Civil) Storage.** Observation related to implementation of material handling, safety, and environmental aspects.
- **Pole HGU No. 143, 132, 27, 63.** Field observation related to company operational boundaries area.
- **Riparian Block 04 F and 17 K.** Field Observation Related to environment management.

Bah Birong Ulu Estate

- **FFB Harvesting and loose fruit picker activity, Block 2005 Z, Afdeling 1.** Observation and interviews and interviews with foreman and harvester related FFB quality, harvesting round, OHS, and employment
- **FFB Harvesting and loose fruit picker activity, Block 2008 CD Afdeling 3.** Observation and interviews and interviews with foreman and harvester related FFB quality, harvesting round, OHS, PPE, and employment
- **load transport FFB. Block 2005 BI, Afdeling 2.** Observation and interviews of load transport FFB employee, OHS, PPE, labor aspect and environment.
- **load transport FFB. Block 2008 CD, Afdeling 3.** Observation and interviews of load transport FFB employee, OHS, PPE, labor aspect and environment.
- **Manual Upkeep, Block 2005 AK, Afdeling 2** Observation and interviews and interviews with foreman and harvester related manual upkeep quality, OHS, PPE, and employment.
- **Housing Complex of Division I & III.** Observation and interview with residents related to housing facilities, domestic waste management, and complaint mechanism
- **Landfill Division III.** Observation related to implementation of waste management procedure, OHS, and environmental aspects.
- **PPE Warehouse for Spray Team of Division III.** Observation and interviews related to washing of working tools and PPE of spray team.
- **Central Fertilizer Storage.** Observation related to implementation of material handling, safety, and environmental aspects.
- **Fertilizer Storage in Division I.** Observation related to implementation of material handling, safety, and environmental aspects.
- **Workshop.** Observation and interview with worker related to implementation of workshop activity, OHS, environmental and worker welfare aspects.
- **Oil Storage.** Observation related to implementation of chemical management, safety, and environmental aspects
- **Fuel Tank.** Observation related to implementation of chemical management, OHS, and environmental aspects.

	<ul style="list-style-type: none"> • Hazardous Waste Storage. Observation and interview with worker related to implementation of hazardous waste management, OHS, environmental and worker welfare aspects • Pole HGU No. 111, 110, 109. Field observation related to company operational boundaries area. • Riparian Block 05 R. Field Observation Related to environment management. •
2.3	Stakeholder Consultation and Stakeholders Contacted
2.3.1	Summary of stakeholder consultation process.
ASA-1.1	<p>Summary of stakeholder consultation process</p> <p>Consultation of stakeholders for PT Perkebunan Nusantara IV Unit Pabatu was held by:</p> <ul style="list-style-type: none"> • Public Notification on website of RSPO and PT Mutuagung Lestari on September 2022 • Public consultation with NGOs (by email) such as WALHI, WWF, AMAN and Sawit Watch on 14 September 2022 • Public consultation by phone with government institution in Serdang Bedagai District on 27 September 2022. • Public consultation by phone with communities around on 27 September 2022 • Public consultation by phone with internal stakeholders and local contractor on 27 September 2022. <p>Numbers of input from stakeholders were clarified by PT Perkebunan Nusantara IV Unit Pabatu.</p>
2.3.2	Stakeholder contacted
	Please find appendix 1
2.4	Determining Next Assessment
	The next visit ASA-1.2 will be conducted eight (8) months to twelve (12) months after license issued.

3.0 ASSESSMENT FINDINGS

3.1 Summary of Assessment Report of the RSPO Certification

MUTUAGUNG LESTARI has conducted an assessment of PT Perkebunan Nusantara III subsidiary of PT Perkebunan Nusantara IV operation consisting of one (1) mill and two (2) estates.

During the assessment, there were seven (7) Nonconformities were assigned against Major Compliance Indicators three (3) nonconformity were assigned against Minor Compliance Indicators were identified.

Further explanation of the non-conformities raised and corrective actions taken by the company are provided in section 3.5. The company has already prepared and implemented the corrective actions that had been reviewed and accepted by Auditors in form of documentation evidences e.g. (*document record/photographic/etc...*). Those corrective actions taken that consist eight (8) Major non-conformities had been closed out shall be verified during next assessment.

MUTUAGUNG LESTARI found that Pabatu POM – PT Perkebunan Nusantara IV complied with the requirements of 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	
PRINCIPLE #1 BEHAVE ETHICALLY AND TRANSPARENTLY		
1.1	The unit of certification provides adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.	
1.1.1	<p>Company can show Director Decree No. 04.03/Kpts/02/II/2018 regarding the publication of PTPN IV company documents which regulates the types of company documents and the authority over the publication of company documents. PTPN IV document data is divided into Open Document Data, Closed Document Data, and Confidential Document Data. All public documents and operational related documents are placed in each unit, both estate and mill. For example, company also provides information to relevant stakeholder routinely, for example employment report of RKL-RPL in First Semester of 2022 which is reported to Environmental Agency of Serdang Bedagai Regency and Simalungun Regency on 18 August 2022 and 8 September 2022 respectively. The mechanism for requesting information and responses is listed in the SOP for the Storage Period of Requests for Information and Responses No. SPO 06 No. Revision 03 Effective Date 1 August 2017 with maximum time of responded to information requests is 30 days since mail received</p>	
1.1.2	<p>Based on Director Decree No. 04.03/Kpts/02/II/2018 regarding the publication of PTPN IV company documents, company has list of documents that can be accessed publicly, such as:</p> <ul style="list-style-type: none"> • Company profile • Annual report • Land use title • CSR data • SIA document • HCV document • Complaint and its respond • Etc. 	

These documents are available in estate and mill office. Company also has monitoring and management report, such as OSH implementation report, environmental management and monitoring report, land use report, and plantation activities report.

Public document also can be seen in notice board, such as company's vision and mission, public report, or company's website. Based on interviews with workers and representatives of Kedai Damar Village, it is known that they have known the mechanism for communication and consultation with certification unit. Based on document verification, public documents are available in appropriate language which is Bahasa and are accessible to relevant stakeholders.

1.1.3

The mechanism for requesting information and responses is contained in the SOP for Information and Response Requests Storage Period No. SPO 06 No. Revision 03 Effective Date August 1, 2017. The period of responding to requests for information to stakeholders is a maximum of 30 working days. Special officers who are responsible for providing information and responses at estate and mill is *Asisten Personalia Kebun*.

Company has a record of requests for information and responses listed in the External Communication Recapitulation document, for example Letter No. 18.47/410/166/2022 dated 9 March 2022 from Dolok Merawan District regarding to the Request for CSR Company's Data received on 11 March 2022 and has been responded to.

1.1.4

Communication and consultation process is listed in the SOP Communication and Consultation with the Community No. SPO 03, Revision 03, Effective Date January 2, 2017. The officer in charge of communicating with stakeholders is the HR Assistant. This is explained in the communication and consultation procedure. Code of Conduct & SPO Communication and Consultation has been socialized to stakeholders on 15 July 2022 completed with minutes and attendance list. Those activities had been attended by relevant stakeholder including internal and external stakeholder representatives.

1.1.5

The company has detailed stakeholder information listed in the Company's Stakeholder for 2022 period. This document has contained detail information such as name, position, contact number, and address of stakeholders. Stakeholders consist of Government Agencies, Village Communities, Police, etc. 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 etc.

Status: Comply

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 contractor and worker (contractors and permanent) 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 and contractors.

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 and Internal Audit for Operational in 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/ 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.

Status: Comply

PRINCIPLE #2 OPERATE LEGALLY AND RESPECT RIGHTS

2.1

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

2.1.1

The 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.

- 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).

Environmental Aspect

The certification unit has complied with the regulations, the environment aspect regulations as follows:

- Investment and Integrated Services Office of Serdang Bedagai Regency Decree Letter number 0002/DPMP2TSP-SB/II/2018 dated 22 February 2020 about Hazardous Waste Store License of PTPN IV Pabatu.
- Environment Agency of Serdang Bedagai Regency Letter No. 18.20/660/153/2021 dated April 12, 2021 about Recommendations of Technical Requirements Assessment Result for Licensing of Disposal of Wastewater on Soil (LA) by PT Perkebunan Nusantara IV Pabatu Business Unit.
- Operational License for Hazardous and Toxic Waste Management for Producer No. 503.26/00495/17.4/2021 which has been issued by Investment and One Stop Service Office of Pematang Raya of Simalungun Regency on 3 May 2022. This permit is issued based on the Technical Recommendation for Hazardous and Toxic Waste Management for Hazardous and Toxic Waste Temporary Storage Activities for Producers which is legalized based on Letter No. 660/36/7.3/2021 dated 12 March 2021 by Environmental Agency of Simalungun Regency. The location of Hazardous and Toxic Waste Storage is at coordinates of 2°51'14" N and 98°58'48.7" E with the types of waste allowed to be stored, namely used oil/lubricants, used filters, used rags, hazardous and toxic contaminated waste, used hazardous and toxic waste packaging, used batteries, used TL lamps, electronic waste from office activity, used refrigerants and electronic equipment and hazardous and toxic waste waste from workshop activity.
- Environmental Management Document (*DPLH*) for Palm Oil Plantation PT Perkebunan Nusantara IV (Persero) Bah Birong Ulu Business Unit (compiled by the USU Research Institute in 2011) which has been approved by the Environmental Agency of Simalungun Regency based on Letter No. 371/Sekrt/2011 concerning Recommendations on Environmental Management Documents for Palm Oil Plantation Activities of PT Perkebunan Nusantara IV Unit Bah Birong Ulu, Sidamanik District, Simalungun Regency, dated 3 October 2011. The study area is 2,766.19 ha of palm oil plantation.

Legal

- Have a Business Permit from Simalungun Regency.
- Land Utilization Report to the Land Office of Simalungun Regency on 18 May 2022.

Agriculture and Best Management Practices

- Regulation of republic of Indonesia No. 44 year 2020 related Indonesia's Sustainable Oil Palm Plantation Certification System.
- Doesn't use any pesticide that has been classified in Class 1A and 1B since 2019.

Related to plasma obligations, the company's unit is a nationalized plantation from the Dutch colonial plantation, which was established before the issuance of regulations regarding the obligation to develop plasma plantations, namely Permentan No. 26 of 2007 concerning guidelines for plantation business licensing.

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 Work Basic Guidelines for Identification of Legislation and other Requirements no. document 04.01 / KOL / P / 034 dated 31 August 2018. 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 Happy Jaya, such as List of workers for the period of September 2022 with a total of 15 workers, all of whom are over 18 years of age at the time of work.

2.1.3

Pabatu

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. 143, 132, 27, 63, it is known that the condition of the stakes is maintained and there is no indication of opening outside the limit.

Bah Birong Ulu

The auditor made field observations related to HGU No. 111, 110, 109, it is known that the condition of the stakes is maintained and there is no indication of opening outside the limit. The monitoring and maintenance were conducted every semester (last updated on July 2022).

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.

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. 04.04/S.Per/01/III/2022 dated 28 March 2022 between PTPN IV Unit Pabatu and PT Jaya Wira Manggala for Security Service. 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-TBS/36/II/2021 dated 04 February 2021 between PTPN IV Unit Bah Birong Ulu and CV Hizkia Jaya 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.

Based on the results of a review of the labor list document, it is known that currently the company has as many as 543 workers in the Pabatu Unit, 280 workers in the Bah Birong Ulu Unit and as many as 58 contractor workers who are sampling audits (PT Jaya Wira Manggala, CV Hizkia Jaya, and others).

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
Non-Conformity No. 2020.02

When the audit activity takes place, the company can show some evidence of improvement including:

- Work agreement documents with contractors such as:
 - ❖ Pabatu Mill Unit with PT Jaya Wira Manggala and PT Karya Mandiri.
 - ❖ Pabatu Estate Unit with CV Senang Jaya, CV Cerah Eliando Jaya and CV Tiga Putra Siman.
 - ❖ Bah Birong Ulu Unit with PT Syahrul Akbar Sejahtera and CV Hizkia Jaya
- Documents for compliance with laws and regulations for CV Happy Jaya such as payment of BPJS (Labor and Health) for the September 2022 period for 15 employees on 13 September 2022, payment of wages for the August 2022 period where the result is that workers have earned wages exceeding the minimum wage (work hours in 1 day only for 5 hours), list of labor and provision of PPE.
- Documents for compliance with laws and regulations for CV Tiga Putra Siman such as the payment of BPJS (Employment and Health) for the September 2022 period for 20 employees on September 2, 2022, the payment of wages for the August 2022 period where the result is that workers have received wages exceeding the minimum wage, list of workers and provision of PPE.
- List of Regulations for Contractors which was ratified on 26 September 2022, which contains 25 types of regulations, all of which are supposed to be fulfilled by contractors.

However, from this evidence there are still a number of things that need to be completed, or evidence needs to be shown based on the results of field visits, interviews and document reviews during audit activities, such as:

- Determination of root causes, corrective and corrective actions that have not been completed or changed according to actual conditions during the audit activity.
- Evidence of continued improvement for non-conformity in previous assessments.
- During the site visit, it was found that several contractors were working in the field, such as:
 - ❖ Pabatu Mill Unit with PT Jaya Wira Manggala and PT Karya Mandiri.
 - ❖ Pabatu Estate Unit with CV Senang Jaya, CV Cerah Eliando Jaya and CV Tiga Putra Siman.
 - ❖ Bah Birong Ulu Unit with PT Syahrul Akbar Sejahtera and CV Hizkia Jaya

However, of all the contractors, the company can only show proof of compliance with relevant regulations (wages, BPJS, labor lists and use of PPE) for contractors CV Senang Jaya and CV Tiga Putra Siman, while for other contractors it cannot be shown.

Based on the explanations above, it can be concluded that the non-conformity in this indicator has not been fulfilled so that this becomes a Major discrepancy (Minor Raise to Major).

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 third party (contractors, suppliers and transporters). 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 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 (including for supplier) 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.

2.2.2	Status: Non-conformance No.2020.01 with minor category	
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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 Pabatu Palm Oil Mill are sourced from own estates (Pabatu Estate), and other estate which managed by PTPN IV such as Ajamu, Tanah Itam Ulu and Dolok Ilir Estate. The company receives FFB directly from plantations which are also managed by PTPN IV as well as several collecting agents such as CV Naga Bulan, CV Duta Paliwi and CV Anugerah Sawit 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

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 FFBs that enter the Pabatu Palm Oil Mill are sourced from third parties agent (UD Gintar, CV Duta Paliwi and PT Panca Marga Abadi), known to be the collector.

Companies can show information related to the traceability of FFB suppliers to these collectors, for example:

NO	Supplier		
	CV.Duta Paliwi	Geolocation	Legality
1	ATOK UBAY	N : 03' 30'33.8" E : 99' 06'02.3"	SK DESA
2	APIFUDIN	N : 03' 30'35.9" E : 99' 06'01.6"	SK DESA
3	ASLEN PANJAITAN	N : 03' 30'39.6" E : 99' 06'06.7"	SK DESA
4	ASLEN/JABAT	N : 03' 30'35.5" E : 99' 06'05.7"	SK DESA
5	ASLEN SAHNAN	N : 03' 30'43.5" E : 99' 06'01.3"	SK DESA
	UD.GINTAR	Geolocation	Legality
1	H. MISRUN	N : 03' 25'13.4" E : 99' 01'47.8"	SHM
2	GION	N : 03' 31'30.5" E : 99' 06'27.7"	SK CAMAT
3	ADI	N : 03' 28'21.0" E : 99' 05'47.7"	SK CAMAT
4	GOMBONG	N : 03' 30'21.5" E : 99' 06'58.2"	SK CAMAT

The traceability data is also in accordance with the amount of FFB supply that enters the collection agent. Based on this evidence, the company also has information regarding indirect FFB suppliers. Based on the results of verification of the number of FFB from collectors, the total FFB can still be said to be reasonable for the total indirect suppliers that have been recorded by the certificate holders.

Status: Comply

PRINCIPLE #3 OPTIMISE PRODUCTIVITY, EFFICIENCY, POSITIVE IMPACTS AND RESILIENCE
3.1

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

3.1.1

PTPN IV Unit Pulu Raja POM, Pulu Raja Estate, Pabatu Estate and Bah Birong Ulu Estate have five-year production projections contained in the 5-Year Long-Term Plan for the 2019-2024 period. The document contains estimates, namely statements, production projections (FFB), oil (CPO), core (Kernel), plantation costs, factory costs, oil prices, core prices, revenues from oil sales and core sales, expenses (production costs) and acquisitions. profit/loss (revenue vs cost). Among them are the following Long Term Plan Projections:

Long Term Plan Projection for the 2019-2024 Pabatu POM Period: :

Description	2019	2020	2021	2022	2023	2024
Core Production (ton)	65,538	74,196	91,825	95,359	102,887	109,140
Palm Oil (ton)	16,549	17,945	21,913	22,886	24,693	26,193

Palm Kernel (ton)	3,230	3,585	4,415	4,291	4,630	4,911
FFB selling Price (Rp/kg)	1,396	1,585	1,605	1,653	1,745	1,745

Production Projection of the Long Term Plan for the Period 2019-2024 Pabatu Estate and Bah Birong Ulu Estate:

Unit Estate	2019	2020	2021	2022	2023	2024
Pabatu	72,367	76,497	87,185	95,359	102,887	109,140
Bah Birong Ulu (ton)	61,983	54,208	53,808	55,079	54,609	55,510

Based on information on the results of the document review from the management unit, there is a management plan with a term of 5 years for the period 2020-2024, which is documented and includes business feasibility.

3.1.2

The unit of certification has been able to show a document of the long-term plan for the area of oil palm for replanting which is projected for the next 6 years. Pabatu Estate has a Replanting Planting Program, but Bah Birong Ulu Estate has not carried out replanting for the next 5 years. The following table shows the Pabatu replanting plan for the 2019-2024 period:

Replanting Planting Plan Program for the 2019-2022 Period at Pabatu estate:

Year	Replanting Area (Ha)
2019	94.00
2020	-
2021	138.00
2022	-
2023	156.00
2024	67.00

The company has shown a replanting review document as an example contained in the 2021 Oil Palm Replanting Contractors Weekly Report which explains the progress of the achievements of the work including Land Preparation, Land Processing, Planting and Building LCC, Materials and Tools, Continuing Work, Transport of Seeds, Empty Bunch and Fertilizer, and Heavy Equipment Mobilization. The results of the interview with the management unit of the planning for replanting oil palm plantations in 2023 covering an area of 156 hectares.

3.1.3

The company can show the document for the 2021 plantation management system Management Review Meeting which will be held on June 4, 2022 and is accompanied by a list of attendance that follows 10 participants in the Manager's Meeting Room.

The Pabatu POM and Estate Management Review Meeting discussed the following matters:

- In 2021 Pabatu plantation units have been audited by certification bodies such as:
 - ISO 9001:2015 audit has been carried out on 10 to 11 February 2021.
 - The SMK3 audit has been carried out on 24 to 25 March 2022 by the company's internals.
 - The RSPO audit has been carried out from 18 to 22 June 2021.
 - ISPO audit was conducted on 19 February 2021.
- In 2021 the performance in achieving RKAP production is 91,768,000 kg, the realization is 91,825,350 kg. The production achievement is 57,350 kg or 0.06%. While the percentage of loose fruit until December 2021 with a quality target of 3%, realization of 5.01%.
- The status of preventive actions and corrective actions so that they are sustainable if they are not achieved in accordance with the targets have been made in each division/afdeling.
- Management follow-up for 2021 has shown a pretty good performance, hopefully in 2022, it is necessary to pay attention and be guided together so that what has become the target in the Pabatu plantation unit can be achieved in accordance with what

has been planned/expected by the company.

- Regarding the training that has been carried out in 2021, both organizers from the Central HR department or local units as organizers. As well as socialization to workers and stakeholders have also been carried out.
- Procurement of goods and services for all parts
- Road maintenance has also been carried out properly, be it manual or mechanical work
- For existing partners in the Pabatu plantation unit, such as FFB transportation service providers, to always improve on trucks and FFB loading officers.
- Relationships between the company and its stakeholders.
- Related to internal and external issues and expectations.
- Improve performance in all departments/afdeling so that what has become the company's target can be achieved properly by following existing procedures/IK so that the expected performance can be achieved

The Bah Birong Ulu Estate Management Review Meeting discussed the following matters:

- Integration of ISO 9001:2008 into ISO 9001:2015
- Discussion on the results of internal and external audits of ISO 9001:2015
- Feedback and concern among relevant stakeholders
- Achievement of quality goals and objectives 2021
- Concern about the implementation of quality objectives
- PTKP Status
- Follow up on previous management studies
- Goals for improvement
- Compliance with the criteria and quality of FFB harvest in the field
- Participation in increasing production
- Issues related to External and Internal

Based on information from the results of the document review, the company has conducted regular evaluations to see the realization/achievement of the budget or activity plans that have been made. Evaluation is carried out regularly every month or every year. Monthly evaluation is contained in the Manager's Report every month. The annual evaluation is carried out through a management review meeting.

Status: Comply

3.2

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

3.2.1.

Pabatu estate

Aspects of Best Management Practices

The Company has implemented a commitment to continuous improvement, including:

- The company provides house rinse and house washing equipment and spray PPE. This is in order to minimize chemical contamination of the environment and the company's strong commitment to the motto of going to work clean and coming home from work clean.
- The company has conducted an Early Observation System (EWS) detection check for pests and diseases and the IMS Census is conducted every month.
- Biological control of oil palm leaf-eating caterpillars (UPDKS) by planting and maintaining (conserving) host plants for natural enemies of leaf-eating pests, such as Antigonon leptosus, Cassia cobanensis and Turnera subulata.
- The Pabatu Unit is no longer using a limited pesticide with the active ingredient Paraquat.
- The company has planted beneficial plants in afdeling 1-7 in Pabatu plantations which are well maintained with monthly monitoring.
- Pabatu Estate planted replanting in the sloped land area using the felt system.
- The company has planted ground cover including Leguminosae Cover Crop (LCC), namely Mocuna Bracteata which is well maintained.
- The unit of certification re-uses palm oil waste such as empty fruit bunches, shells and fiber

Bah Birong Ulu estate
Aspects of Best Management Practices

The Company has implemented a commitment to continuous improvement, including:

- The company provides house rinse and house washing equipment and spray PPE. This is in order to minimize chemical contamination of the environment and the company's strong commitment to the motto of going to work clean and coming home from work clean.
- The company has conducted an Early Observation System (EWS) detection check for pests and diseases and the IPM Census is conducted every month.
- Biological control of oil palm leaf-eating caterpillars (UPDKS) by planting and maintaining (conserving) host plants for natural enemies of leaf-eating pests, such as *Antigonon leptopus*, *Cassia cobanensis* and *Turnera subulata*.
- Bah Birong Ulu Estate no longer uses a limited pesticide with the active ingredient Paraquat.
- Bah Birong Ulu Estate planted Mature Crops on a sloped land area using a felt system.

Based on information from the results of document review, field observations and interviews that there is evidence of the implementation of an action plan for continuous improvement, taking into account the main social and environmental impacts and opportunities faced by the certification unit

3.2.2.

The annual report using the RSPO Metric Template has not been presented. NCR No.2022.01

3.2.2	Status: Non-Conformity No. 2022.01	
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3.3
Operating procedures are appropriately documented, consistently implemented and monitored.
3.3.1

The Certification Unit already has SOP procedures regarding factories and plantations as set out in the Standard Operating Procedures (SPO) for Plants/Palm Oil Mills, Tea Plants/Factories, PPIS and Organic Compost Factory issued by PT. Perkebunan Nusantara IV in July 2007. The procedure is available in Indonesian and kept at both the plantation and mill offices.

The SPO is written in Indonesian and stored in the Pabatu POM and Pabatu Estate and Bah Birong Ulu Estate business units.

The document is in the form of Standard Operating Procedures (SPO) for Plants and company policies regarding:

- SOP for Oil Palm Plants (SPO 00 on Background):
Regarding : regarding oil palm agribusiness in Indonesia, biological review of oil palm and oil palm agribusiness in Indonesia with an effective date of 01 August 2007
- SOP for Oil Palm Plants (SPO 01 on Land Development):
Regarding: regulates the Management of Development, HGU, Development Time Table, Design and mapping, Land Clearing, Land Preparation and Preservation, and Road and bridge construction with an effective date of 01 August 2007. In terms of land preparation and preservation, preservation standards are also regulated. sloping land are as follows:

- Degrees	- Percent	- Needs
- 0-2°	- 0-4	- No need for treads/terrace
- 2-6°	- 4-10	- Horse tread in a certain place
- 6-12°	- 10-20	- Horse tread as needed
- 12-20°	- 20-40	- Horse tread required – 1 plant following the contour
- 20-40°	- >40%	- Terrace needed
- >40°	- -	- Don't plant

- SOP for Oil Palm Plants (SPO 02 on New Plants)
Regarding : regulates Replanting, Under Replanting, Peatland Management, Ground Cover Crops and Planting with effective date on August 1, 2007
- SOP for Oil Palm Plants (SPO 03 on Nurseries)
Regarding: regulates the management of nurseries, pests in seedlings, and diseases in seedlings effective from August 1, 2007

- SPO for Oil Palm Plants (SPO 04 on Immature Plants)
Regarding: management of TBM maintenance, fertilization of TBM, weeding of TBM, pests and diseases in TBM, castration and sanitation in TBM as well as aid pollination effective from 1 August 2007
- SOP for Oil Palm Plants (SPO 05 on Mature Crops)
Regarding : regarding management of mature plants, maintenance of roads and bridges, fertilization of mature plants, organization of fertilization, analysis of leaf and soil samples as well as instrument calibration effective from August 1, 2007
- SOP for Oil Palm Plants (SPO 06 on Harvest)
Regarding : regulates harvest management which regulates harvest management, harvest supervision and fines, FFB transportation, harvest premiums, and cultivation technique factors that affect yields effective from August 1, 2007

The document is in the form of Standard Operating Procedures (SPO) for Palm Oil Mills and company policies regarding

- Palm Oil Mill SOP (SPO-01, Weighbridge)
Regarding: regulating functions, machines/equipment, operating procedures, operating supervision and recording and control
- Palm Oil Mill SOP (SPO-02, Loading Ramp)
Regarding : regulating functions, machines/equipment, operating procedures as well as sampling and analysis
- Palm Oil Mill SOP (SPO-03, Boiling Station)
Regarding : regulating functions, machines/equipment and operating procedures
- Palm Oil Mill SOP (SPO-04 on threshing)
Regarding: regulating functions, machines/equipment, operating procedures, recording processes and MPD analysis procedures
- Palm Oil Mill SOP (SPO-05, Empty Fruit Bunch Handling)
Regarding : regulating the functions and operating procedures
- Palm Oil Mill SOP (SPO-06, Press Station)
Regarding regulating functions, machines/equipment, operating procedures, and process supervision
- Palm Oil Mill SOP (SPO-07, Oil Processing and Refining)
Regarding : regulating functions, machines/equipment, operating procedures and process observations
- Palm Oil Mill SOP (SPO-08, Oil Delivery Tank and Palm Kernel Delivery Storage)
Regarding : regulating functions, machinery/equipment, production oil pipes, flow meters, filters and valves as well as shipping procedures
- Palm Oil Mill SPO (SPO-09, How to produce low ALB CPO; ALB <2.5 %, Super CPO/Golden CPO)
Regarding : regulates functions, machines/equipment and operating procedures
- Palm Oil Mill SOP (SPO-10, Quality)
Regarding : regulates the function, quality of FFB, quality of palm oil and quality of palm kernel
- Palm Oil Mill SOP (SPO-11, Laboratory Equipment and Regents)
Regarding : contains goals and procedures
- Palm Oil Mill SOP (SPO-12, Treatment and Use of Analytical Scales)
Regarding : regulates the functions and procedures for care and use
- Palm Oil Mill SOP (SPO-13, Security/Protection of Laboratory Equipment/Materials)
Regarding : contains the objectives and procedures for handling chemicals, security

3.3.2

Based on information from the results of the document review, there is a mechanism to check the implementation of procedures consistently. Some examples include:

- The Pabatu POM, Pulu Raja Estate and Bah Birong Ulu Estate certification units have an RSPO Internal Supervisory Unit that conducts audits covering all plantation and mill operations.
- Pabatu Estate has shown a record of corrective actions for non-compliance with the RSPO Internal Audit Report on 6-10 September 2022.
- Pabatu POM has shown a record of corrective actions for non-conformance to the RSPO Internal Audit Report on 12-15 September 2022.
- Bah Birong Ulu Estate has shown a record of corrective actions for non-compliance with the RSPO Internal Audit Report on 16-17 September 2022.
- The company also has an internal audit mechanism in order to apply the principles and criteria contained in the Internal Audit

of the Internal Audit Unit. This is done to the company's internal and external companies (stakeholders and contractors). Internal audit of SPI is carried out by the certification unit for the period of 2022, including:

- Pabatu POM which was conducted on 7-11 February 2022, as a form of commitment to implementing ISO 37001 (Anti-Bribery Management System) to clients/auditees was asked not to provide anything that could affect the objectivity and independence of the audit.
- Pabatu Estate which was carried out on February 14-18 2022, as a form of commitment to implementing ISO 37001 (Anti-Bribery Management System) to clients/auditees was asked not to provide anything that could affect the objectivity and independence of the audit.
- Bah Birong Ulu Estate which was carried out on August 26, 2022, as a form of commitment to implementing ISO 37001 (Anti-Bribery Management System) to clients/auditees was asked not to provide anything that could affect the objectivity and independence of the audit.
- Pabatu Pom and Pabatu Estate showed the document for the 2021 Management Review Meeting of the plantation management system which was held on June 4, 2022 and was accompanied by a list of attendees who participated in 10 participants in the Manager's Meeting Room.
- Bah Birong Ulu Estate showed the document for the 2021 Management Review Meeting of the plantation management system which was held on March 5, 2022 and was accompanied by a list of attendees who participated in 9 participants in the Manager's Meeting Room.
- EWS detection checks and IPM census are carried out by Pabatu Estate and Bah Birong Ulu Estates every month.
- Pabatu POM, Pabatu Estate and Bah Birong Ulu certification units have documented plantation operational reports such as daily reports, supervisor workbooks, etc. Field visits to plantations showed that the unit had documented daily production report activities which were documented using a computerized reporting system.

Records of inspection records including assessment of the work of contractors in the context of production support both in plantations and factories.

In addition, the company also has an SOP which functions as a guideline in the implementation, monitoring and evaluation of agronomic recommendations. Based on information from interviews and document reviews, the management unit provides a mechanism to check the consistency of the implementation of procedures. Each unit has documented the operational activities of the plantation and factory products such as daily reports, supervisors' workbooks, etc. The field visit to the factory shows that the unit has documented daily activities in daily production reports which are documented using a computerized system

3.3.3

The Certification Unit has carried out internal audit activities for the RSPO Pabatu POM and Pabatu Estate as. For example, based on the internal audit of the RSPO in 2021/2022, it was found that there were 2 Findings of Major status, and 3 Findings of Minor status. When the RSPO internal audit was carried out on 23 -28 September 2022, it was discovered that all non-conformities had been met and records of non-conformities could be shown.

The Certification Unit has shown a record of corrective actions for non-compliance with the Internal Audit Report of the RSPO Pabatu POM and Pabatu Estate on 6-10 September 2022, for example:

Activities at Pabatu Estate:

- Non-conformance 6.7.3 :
The rinse house available at the VII Afdeling office has not shown its suitability and completeness for use by sprayer officers.
- location :
Pabatu Estate afdeling VII
- Findings:
The results of the auditor's review in the field found:
 - Piles of used jerry cans and burlap
 - The storage area outside the rinse house has no cover
 - The door to enter the rinse house is broken
- Corrective/Preventive Actions *) to be taken:
Pabatu Estate on afd VII has returned B3 waste to the central warehouse, the shelter has been closed and the entrance has been repaired
- Fulfillment date :

Closed : It has been fulfilled on September 16, 2022

Activities at Pabatu POM

- Non-conformance 3.6.1 :
All operations are risk assessed to identify Health & Safety issues. Mitigation plans and procedures are documented and implemented.
- location :
Pabatu POM
- Findings:
The results of the auditor's review in the field found: There is no safety chain for gas cylinders.
- Corrective/Preventive Actions *) to be taken:
The installation of safety for gas cylinders has been carried out and socialized about chain safety for gas cylinders
- Fulfillment date :
Closed : It has been fulfilled on September 16, 2022

The Certification Unit has shown a record of corrective actions for non-compliance with the Internal Audit Report of the RSPO Bah Birong Ulu Estate on 16 - 17 September 2022, with 8 major and 3 minor, for example:

- Activities at Bah Birong Ulu Estate
- Non-conformance 6.7.3 :
The rinse house available at the Afdeling III office has not shown its suitability and completeness for use by sprayer officers
- location :
Bah Birong Ulu Estate Afdeling III
- Corrective action requests:
The results of the auditor's review in the field found: There are no shelves for PPE storage and the reservoir outside the rinse house does not yet exist
- Corrective/Preventive Actions *) to be taken:
The PPE storage rack has been made, and the storage tub outside the rinse house has been made.
- Fulfillment date :
Closed : It has been fulfilled on September 17, 2022

Based on the information from the document review and interviews with the management unit, that the company has recorded records of monitoring and follow-up carried out, maintained and available.

There is a report on the Explanation of the Audit Results of the Pabatu Estate SPI (Internal Oversight Unit) on February 14 -18 2022, Pabatu POM on February 7 – 11, 2022 and Bah Birong Ulu Estate on August 26, 2022. The report explains the findings and explanations cause of the findings. The findings based on the Explanation of the SPI Audit Results include the following: MCC performance; PPIS performance; FFB, Palm Oil and Palm Kernel Inspection; Operational Sector; Human Resources and General Finance. The document explains the reasons for the findings.

Based on document review information and interviews with the management unit Records of monitoring and follow-up carried out by the Pabatu POM, Pabatu Estate and Bah Birong Ulu companies have been maintained and available.

	Status: Comply	
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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

Pabatu Unit

Certificate holder has Environmental Impact Assessment (EIA) document which has covered 5,754.76 Ha areas, mill capacity 30 mt FFB/hour, kernel crushing plant, and 3 MW power plant on 2009 approved by Head of Serdang Bedagai Environmental Agency based on letter No: 660/158-B/LH/2009. EIA documents explained activities for estate and palm oil mill.

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

health), socio-cultural aspects, customs and traditions. The assessment was conducted by interview involving stakeholders, such as resident from Padang Merbau, previous head of Naga Kesiangan Village, Head of Bah Damar Village, and so on. After conducting interviews with affected parties, the company conducted public consultations with stakeholders and employees. The public consultation delivered the results of the interviews and was given a question-and-answer session for stakeholders. Company showed photo documentation of interview and minute of meeting of public consultation.

Bah Birong Ulu Unit

Certificate holder has Environmental Impact Assessment (EIA) document which has covered 2,766.19 Ha areas, approved by Environmental Agency of Simalungun Regency based on letter No: 371/Sekrt/2011 on 3 October 2011. EIA document has explained activities for palm oil plantation.

Besides, social impact assessment was conducted in 2016 in collaboration with Surveyor Indonesia involving local communities. Social assessments include impacts on the socio-economic aspects, social aspects (education, health), and socio-cultural aspects (customs and traditions). The assessment was conducted by interview involving stakeholders, such as resident from Villages of Bukit Rejo, Manik Harapan, Dipar Harapan, Pinang Ratus, Parmonangan, Panombean Huta Urung, Jorlang Hataran, Birong Ulu Manriah, Bah Birong Ulu, and Pagar Pinang. After conducting interviews with affected parties, the company conducted public consultations with stakeholders and employees. The public consultation delivered the results of the interviews and was given a question-and-answer session for stakeholders. Company showed photo documentation of interview and minute of meeting of public consultation which was held on 17 November 2016 and attended by 15 participants.

3.4.2**Pabatu Unit**

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

Environmental Impact Assessment (EIA)

Based on the results of the verification of the RKL-RPL document for first semester of 2022, it can be concluded that all the management and monitoring parameters requested in the environmental document matrix have been implemented. Company has also evaluated every parameter of significant impact monitoring carried out as required in *Kepmen LH* 45 of 2005, which includes evaluation of trends, evaluation of critical levels, and evaluation of compliance. Based on the results of the evaluation, it is known that there are several parameters that are not in accordance with the applicable Quality Standards, but the results of interviews, document analysis and observations there are no indications of environmental pollution in the area around the company, this is explained in each related indicator. The effectiveness of environmental management and monitoring can be seen from the results of the analysis and the compatibility between the management and monitoring plans and their implementation in the field.

Based on result of field observation in EFB storage area, WWTP area as well as conservation area, there was no indication or potential for environmental pollution from the company's activities. The result of interview with the community around the company also stated that they did not feel any environmental impacts related to the company's operational activities. The company has also carried out environmental management in accordance with the RKL-RPL by installing signboards for conservation areas, prohibiting land burning, planting local plants on canal borders and so on. Based on the results of interviews with sprayer and fertilization officers, they also stated that they were aware of the prohibition on the use of chemicals in locations close to water sources such as canals, reservoirs, or artificial ponds.

Company has also made an RKL-RPL report every semester which refers to the environmental management and monitoring matrix. Environmental management reports are carried out every 6 months and submitted to the relevant agencies, for example the RKL-RPL Report for first semester of 2022 which is sent to the Environmental Agency of Serdang Bedagai Regency 18 August 2022. Based on the results of interviews with the Environmental Agency regarding reporting on the implementation of RKL-RPL, company routinely submitted the reports and up to the time the audit was conducted there were no complaints or conflicts related to the environment from NGOs or local communities around the company.

Social Impact Assessment (SIA)

The 2009 SIA study results document is used as a guide in the preparation of social impact management programs which are updated annually, for example, the 2022 Social Impact Management and Monitoring Plan document with affected parties. In this document there are several social programs, including public facility and social facility, job opportunity, business opportunity, and disputes with farmers. Program planning is carried out based on the results of questionnaire which is distributed and filled in

October 2021 which has been participated worker's representatives as well as village community around the company. The program is a general plan that will be implemented by the company based on the analysis of stakeholder needs and stakeholder mapping related to the company, either directly or indirectly. Thus, the planned program is directed as far as possible to strengthen the company's relationship, communication, and cooperation with all stakeholders.

The company also evaluates the Management Plan every year to monitor the progress of program management, for example, there are programs that need to be stopped, continued, or added. The evaluation of the management plan refers to the 2021 Social Impact Management result document, the evaluation activity is also a reference in the preparation of the 2022 program. Based on the results of the 2021 Social Impact Management document verification, it can be concluded that all activities listed in the 2021 Social Impact Management Plan have been implemented and carried out. The document also includes social programs to avoid/mitigate negative social impacts, public facility and social facility, job opportunity, business opportunity, and disputes with farmers. No new impacts have been identified by the company, so for the period of 2022, all programs that have been determined in the previous year are continuing. Based on the result of consultation with local village representatives, it was also stated that company was not trying to seize occupied area and tended to give the area to the community.

Interviews with worker representatives also stated that there was no form of discrimination against workers, no underage workers were found, the company has also fulfilled the rights of its employees, several important facilities for employees have been provided by the company such as housing, water, electricity, places of worship, public facilities, educational infrastructure (schools), and other facilities. The resource persons also stated that they can voice their views through their own representative institution or a spokesperson they choose in the evaluation activities to review and develop mitigation plans, as well as monitor the success of the implemented plans. Based on the results of field observations and interviews, it can be concluded that there are no issues related to social impacts that have not been identified by the company. All potential social impacts have been managed properly.

Besides, company has also evidence of implementing environmental and social impact management and monitoring plan, reviewed and updated in a participatory manner by involving relevant stakeholders. Participants for SIA adequate compare to their operational activities. This can be shown based on results of stakeholder questionnaires document regarding management and monitoring of social and environmental impacts review in 2021, which was carried out on October 2021, the company has reviewed the management of social impacts for the period 2021 and developed a social management plan for the period 2022. In the review activity, the company applied the 7 principles of the RSPO regarding the development of plantations that are responsible for social and environmental aspects by referring to the Free, Prior, Informed and Consent (FPIC) Principles. The principle of FPIC which is the basis for the company in carrying out the process of developing oil palm plantations, among others, involves women's representatives, village heads, and all affected parties.

Bah Birong Ulu Unit

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

Environmental Impact Assessment (EIA)

Based on the results of the verification of the RKL-RPL document for first semester of 2022, it can be concluded that all the management and monitoring parameters requested in the environmental document matrix have been implemented. Company has also evaluated every parameter of significant impact monitoring carried out as required in *Kepmen LH* 45 of 2005, which includes evaluation of trends, evaluation of critical levels, and evaluation of compliance. Based on the results of the evaluation, it is known that there are several parameters that are not in accordance with the applicable Quality Standards, but the results of interviews, document analysis and observations there are no indications of environmental pollution in the area around the company, this is explained in each related indicator. The effectiveness of environmental management and monitoring can be seen from the results of the analysis and the compatibility between the management and monitoring plans and their implementation in the field.

The result of interview with the community around the company also stated that they did not feel any environmental impacts related to the company's operational activities. The company has also carried out environmental management in accordance with the RKL-RPL by installing signboards for conservation areas, prohibiting land burning, planting local plants on canal borders and so on. Based on the results of interviews with sprayer and fertilization officers, they also stated that they were aware of the prohibition on the use of chemicals in locations close to water sources such as canals, reservoirs, or artificial ponds.

Company has also made an RKL-RPL report every semester which refers to the environmental management and monitoring matrix. Environmental management reports are carried out every 6 months and submitted to the relevant agencies, for example the RKL-

RPL Report for first semester of 2022 which is sent to the Environmental Agency of Simalungun Regency on 8 September 2022.

Social Impact Assessment (SIA)

The 2016 SIA study results document is used as a guide in the preparation of social impact management programs which are updated annually, for example, the 2022 Social Impact Management and Monitoring Plan document with affected parties. In this document there are several social programs, including public facility and social facility, job opportunity, business opportunity, disputes with farmers, and educational quality improvement. Program planning is carried out based on the results of questionnaire which is distributed and filled in 14 December 2022 which has been participated worker's representatives as well as village community around the company. The program is a general plan that will be implemented by the company based on the analysis of stakeholder needs and stakeholder mapping related to the company, either directly or indirectly. Thus, the planned program is directed as far as possible to strengthen the company's relationship, communication, and cooperation with all stakeholders.

The company also evaluates the Management Plan every year to monitor the progress of program management, for example, there are programs that need to be stopped, continued, or added. The evaluation of the management plan refers to the 2021 Social Impact Management result document, the evaluation activity is also a reference in the preparation of the 2022 program. Based on the results of the 2021 Social Impact Management document verification, it can be concluded that all activities listed in the 2021 Social Impact Management Plan have been implemented and carried out. The document also includes social programs to avoid/mitigate negative social impacts, public facility and social facility, job opportunity, business opportunity, disputes with farmers, and educational quality improvement. No new impacts have been identified by the company, so for the period of 2022, all programs that have been determined in the previous year are continuing. Based on the result of consultation with local village representatives, it was also stated that company was not trying to seize occupied area and tended to give the area to the community.

Interviews with worker representatives also stated that there was no form of discrimination against workers, no underage workers were found, the company has also fulfilled the rights of its employees, several important facilities for employees have been provided by the company such as housing, water, electricity, places of worship, public facilities, educational infrastructure (schools), and other facilities. The resource persons also stated that they can voice their views through their own representative institution or a spokesperson they choose in the evaluation activities to review and develop mitigation plans, as well as monitor the success of the implemented plans. Based on the results of field observations and interviews, it can be concluded that there are no issues related to social impacts that have not been identified by the company. All potential social impacts have been managed properly.

Besides, company has also evidence of implementing environmental and social impact management and monitoring plan, reviewed and updated in a participatory manner by involving relevant stakeholders. Participants for SIA adequate compare to their operational activities. This can be shown based on results of stakeholder questionnaires document regarding management and monitoring of social and environmental impacts review in 2021, which was carried out on December 2021, the company has reviewed the management of social impacts for the period 2021 and developed a social management plan for the period 2022. In the review activity, the company applied the 7 principles of the RSPO regarding the development of plantations that are responsible for social and environmental aspects by referring to the Free, Prior, Informed and Consent (FPIC) Principles. The principle of FPIC which is the basis for the company in carrying out the process of developing oil palm plantations, among others, involves women's representatives, village heads, and all affected parties.

3.4.3

Pabatu Unit

Company has made efforts in implementing the management and monitoring of social and environmental impacts as described in indicator 3.4.2. In addition, the certification unit also makes efforts to periodically update the management in a participatory manner. Some documentary evidence of the efforts that have been made are as follows:

Environmental Impact Assessment (EIA)

The company involves the Environment Agency to monitor the results of environmental management that has been carried out by the company in the form of presenting RKL-RPL reports and other environmental management documents sent every certain period which can be proven in indicator 1.1.2. Based on document review result of those documents, all environmental parameters have met in First Semester of 2022 quality standards set out in the applicable regulations, such as air quality and odor, as well as water surface quality. The company also does not block access to all environmental agencies if they are going to carry out field verification to their management areas. It aims to obtain advice and advice in carrying out environmental management in accordance with the vision, mission, and government programs so that they can run synergistically. Monitoring and updating related to environmental impact management is also carried out in conjunction with an evaluation of HCV management which is described

in more detail in indicator 7.12.4. However, in general, all recommendations from the evaluation of HCV management carried out in a participatory manner will be carried out in line with the management and monitoring of environmental impacts.

Social Impact Assessment (SIA)

Based on analysis of Social Impact Management and Monitoring Review Report in 2021, the social impacts in this assessment are divided into social impacts, economic impacts, and environmental impacts. The social impact assessment is carried out based on the perceptions of community representatives at the assessment location who represent the community. Company has analyzed the positive and negative impacts arising from each activity specifically, for example public facility and social facility that have positive and negative impacts on both external and internal levels, and so on as described in indicator 3.4.2. The company conducts annual evaluations to harmonize data collection related to community perceptions regarding the SIA Management Plan and adjust it to the latest needs according to conditions in the field.

As of in October 2021, the company has reviewed the management of social impacts for the period 2021 and developed a social management plan for the period 2022, in which the process has been participatory by involving relevant stakeholders. In the review activity, the company applied the 7 principles of the RSPO regarding the development of plantations that are responsible for social and environmental aspects by referring to the Free, Prior, Informed and Consent (FPIC) Principles. The principle of FPIC which is the basis for the company in carrying out the process of developing oil palm plantations, among others, involves women's representatives, village heads, land owners around the company's area, and all affected parties.

Bah Birong Ulu Unit

Company has made efforts in implementing the management and monitoring of social and environmental impacts as described in indicator 3.4.2. In addition, the certification unit also makes efforts to periodically update the management in a participatory manner. Some documentary evidence of the efforts that have been made are as follows:

Environmental Impact Assessment (EIA)

The company involves the Environment Agency to monitor the results of environmental management that has been carried out by the company in the form of presenting RKL-RPL reports and other environmental management documents sent every certain period which can be proven in indicator 1.1.2. Based on document review result of those documents, all environmental parameters have met in First Semester of 2022 quality standards set out in the applicable regulations, such as air quality and odor, as well as water surface quality. The company also does not block access to all environmental agencies if they are going to carry out field verification to their management areas. It aims to obtain advice and advice in carrying out environmental management in accordance with the vision, mission, and government programs so that they can run synergistically. Monitoring and updating related to environmental impact management is also carried out in conjunction with an evaluation of HCV management which is described in more detail in indicator 7.12.4. However, in general, all recommendations from the evaluation of HCV management carried out in a participatory manner will be carried out in line with the management and monitoring of environmental impacts.

Social Impact Assessment (SIA)

Based on analysis of Social Impact Management and Monitoring Review Report in 2021, the social impacts in this assessment are divided into social impacts, economic impacts, and environmental impacts. The social impact assessment is carried out based on the perceptions of community representatives at the assessment location who represent the community. Company has analyzed the positive and negative impacts arising from each activity specifically, for example public facility and social facility that have positive and negative impacts on both external and internal levels, and so on as described in indicator 3.4.2. The company conducts annual evaluations to harmonize data collection related to community perceptions regarding the SIA Management Plan and adjust it to the latest needs according to conditions in the field.

As of in December 2021, the company has reviewed the management of social impacts for the period 2021 and developed a social management plan for the period 2022, in which the process has been participatory by involving relevant stakeholders. In the review activity, the company applied the 7 principles of the RSPO regarding the development of plantations that are responsible for social and environmental aspects by referring to the Free, Prior, Informed and Consent (FPIC) Principles. The principle of FPIC which is the basis for the company in carrying out the process of developing oil palm plantations, among others, involves women's representatives, village heads, land owners around the company's area, and all affected parties.

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/1/2022 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 04 April 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.

Related to the Day Laborers/Casual Workers

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:

- 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).
- 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)
- 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.

For Day Laborers/Casual Workers, 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. The last use of daily worker/casual worker based on information from previous reports and information from management was at the end of 2019, when entering 2020-2022 the company no longer used it.

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 PTPN IV Unit Pabatu and workers (SHM & HRI) 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.
- Work Agreement Letter dated 02 August 2022 between the PTPN IV Unit Bah Birong Ulu and workers (BWY & MLD) 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 in Unit Pabatu with NIK 4012706 from harvesting foreman to head of foreman in accordance with the Decree of the General Manager of PT Perkebunan Nusantara IV No. GMD-III/Kpts/R/10/X/2021 dated 30 October 2021. This is based on the results of the assessment of the work performance of class 1A-IID employees for the period 2020 and first semester of 2021 according to Memo No. GMD-III/04.07/97/X/2021 in 30 October 2022.
- Promotion of workers in Unit Bah Birong Ulu 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 in Unit Pabatu 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 in Unit Bah Birong Ulu 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.
- PTPN IV Director Decree No. 04.07/Kpts/29-PAB/VI/2022 dated 24 June 2022 regarding Retirement Employees with NIK 4571 (upkeep worker) who has worked since 01 April 1996 and has retired on 01 April 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) in note 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 August 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 Serdang Bedagai 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

- Pabatu POM already has a Risk Management document for the Factory prepared by Ahmad F. Lubis. The document describes the activities at each station, the risks, dangers, and control measures, starting from the stew station, seed mill station,

clarification station, hoisting crane station, sewage pond, chain station, press station, engine room, steam boiler station and so on. other. The document was revised and reviewed again on January 7, 2022.

- Pabatu Estate already has a Risk Management document for the plantation prepared by Aprizal lubis and Junaidi. The document explains starting from FFB harvesting activities, harvesting FFB under electricity poles, afdeling fertilizer warehouses, loading and unloading FFB, shoots, maintenance of waterways, etc. The document was revised and reviewed again on March 31, 2022.
- Bah Birong Ulu Estate has a Risk Management document for the plantation prepared by Zulfan Amri. The document explains starting from FFB harvesting activities, harvesting FFB under electricity poles, afdeling fertilizer warehouses, loading and unloading FFB, shoots, maintenance of waterways, etc. The document was revised and reviewed again on May 10, 2022.
- The company has also established Standard Operating Procedures on mitigating OHS problems in all aspects of workers both in the field and factory, including SOPs for Accident First Aid and SOPs for Personal Protective Equipment. In addition, the company has also prepared OHS Committee programs, such as routine OHS Committee meetings, HIRAC evaluations, employee periodical MCU, FR/SR work accident data, OHS Committee quarterly reporting and others.

NC. 2022.

Evidence observed (filled by auditor):

Pabatu POM, Pabatu Estates and Bah Birong Ulu Plantations have HIRAC Documents for the plantations prepared by the Risk Management Team and endorsed by the unit manager. The Pabatu POM HIRAC document was ratified on 7 January 2022, the Pabatu Estate HIRAC was ratified on 31 March 2022, and the Bah Birong Ulu HIRAC was ratified on 10 May 2022. In the HIRAC document, the company has not identified the hazards and risks of several activities (but not limited to) as follows:

1. Pest and disease surveillance (EWS)
2. Road Maintenance
3. Ablation
4. Global telling
5. Maintenance of collection point
6. WWTP pool
7. Monitoring of HGU Pegs
8. HCV monitoring
9. Etc

Non-Conformance Description (filled by auditor):

Based on the explanation above, it is concluded that the company has not been able to show evidence that all operational activities in the field have been assessed for risk to identify OHS problems.

3.6.2

The company shows P2K3 meeting recordings, some examples of P2K3 meeting recordings at the certification unit, such as:

- The Pabatu Estate P2K3 Meeting which was held on July 10, 2022 was attended by 12 participants with the following discussion agenda:
- Agenda for OHS Signs with the problem of not having OHS Signs installed in the Afdeling office. Follow up July 30, 2022 with a closed status.
- The fire extinguisher organizer with the fire extinguisher problem is not installed properly. Follow up January 31, 2022 with a closed status.
- The Pabatu estate P2K3 meeting held on 8 June 2022 was attended by 10 participants with the following discussion agenda:
- Agenda for inspection of the work environment with the problem of still piles of garbage in the Afdeling office. Follow-up June 30, 2022 with a closed status.
- Agenda for inspection of the material warehouse with the problem of fire infrastructure facilities in Afdeling 5 not being in the material warehouse. Follow-up June 30, 2022 with a closed status.
- The Bah Birong Ulu Estate P2K3 Meeting which was held on 8 August 2022 was attended by 8 participants with the following discussion agenda:
- FIRE EXTINGUISHER Inspection agenda in several afdeling is not equipped with a label. Follow-up and completion date 31 August 2022 with closed status.
- The agenda for the rinse house inspection with the problem of PPE Chemist is not available, when there is no chemical activity. Follow up on August 31, 2022 with the procurement of PPE. status close

The company has carried out monitoring activities on the effectiveness of the OHS plan, such as:

- Monitoring of hydrant inspections conducted every month.
- Records of OHS inspections at the plantation and factory workplaces every month with form No. FM-4.4.1-01
- Monthly Fire Extinguisher inspection for POM with No. form FM-4.4.1-03.
- Implementation of periodic health checks for workers with high risks such as risks of exposure to chemicals and noise.

The company also shows OHS license monitoring, such as:

- Have a class welder training certificate for example on behalf of Ruslan with certificate number S.274/JL/BINWASK3-PNK3/VIII/2016
- Have a lift and transport aircraft OHS license. For example :
License No. P.15.43160-OPK3-OC/PAA/XI/2020 dated 16 November 2020 and valid until 16 November 2025

Have a certificate & license for a steam aircraft OHS operator, for example:

- Class I Steam aircraft operator license No. reg P.15.7886.OPK3-PUBT-B.I/VI/2020 dated 18 June 2020 and valid until 18 June 2025.
- Class I Steam aircraft operator license No. reg P.15.7885.OPK3-PUBT-B.I/VI/2020 dated 18 June 2020 and valid until 18 June 2025.
- Class I Steam aircraft operator license No. reg P.15.7887.OPK3-PUBT-B.I/VI/2020 dated 18 June 2020 and valid until 18 June 2025.

Have a First Aid Officer License, for example:

- First Aid Officer License No. 566.37/PK3/DTK/SU/2021 on behalf of Afrizal Lubis license expires August 25, 2024
- First Aid Officer License No. 566.38/PK3/DTK/SU/2021 on behalf of Misdi license expires August 25, 2024

The certification unit has provided the Quarter II P2K3 Report for 2022:

- Pabatu Estate with proof of handover on July 2, 2022 from the Regional II Manpower Office of the North Sumatra Provincial Government.
- Pabatu POM by showing proof of handover on July 13, 2022 from the Regional II Manpower Office of the North Sumatra Provincial Government.
- Bah Birong Ulu Estate with proof of handover on 9 September 2022 from the Manpower Office Region III, North Sumatra Provincial Government.

Based on the results of interviews with employees during visits to plantations and factories, it is known that in general employees have understood policies related to OHS and have received socialization related to OHS such as emergency response and the use of PPE.

3.6.1 Status: Non-Conformity No. 2022.02

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 2022 which was made based on the training needs of the workers during the period and was approved by the unit manager (Pabatu and Bah Birong Ulu) 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:

- Socialization of company policies such as sustainability, human rights, environment and others on 14 June 2022 in Pabatu (Estate and Mill) which was attended by 11 participants from related stakeholder (contractors and surrounding communities).
- Socialization of company policies such as sustainability, human rights, environment and others on 07 June 2022 in Unit Bah Birong Ulu which was attended by 22 participants from related stakeholder (contractors and surrounding communities).
- Socialization of company policies such as sustainability, human rights, environment and others on 8 July 2022 in Unit Bah Birong Ulu which was attended by 8 participants from contractors.
- Socialization of company policies such as sustainability, human rights, environment and others on 07 July 2022 in Pabatu (Estate and Mill) which was attended by 18 participants from contractors.

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 an 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

During onsite assessment, the certification unit has shown latest training records related to the RSPO SCCS on 17 February 2022 and was attended by 8 employees including weigh operators, laboratory staff, dispatch crew, sorting employees to security staff.

The auditors also conducted direct interviews with these employees, and the employees claimed to have attended training related to SCCS and were able to demonstrate the SCCS procedures.

Status: Comply

3.8

Supply Chain Requirements for Mills

3.8.1 & 3.8.2

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

Based on surveillance-1.1 assessment, there's no changed information related to SCCS scheme module on Pabatu POM (Mass Balance).

3.8.3.

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

	Last Year Projected Certified Volume (MT)	Actual certified volume (September 2021 – August 2022) (MT)	Estimation for the next 12 months
FFB Processed	134,912	130,271	139,400
CPO Production	30,869	29,940	29,300

PK Production	6,427	6,232	6,300
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3.8.4.

Pabatu POM - PT Perkebunan Nusantara IV has registered in RSPO membership 1-0082-09-000-00 since 29 June 2009.

Unit management shows the registration and reporting requirements for the supply chain including:

- Member ID: RSPO_PO1000002520
- RSPO Member number: 1-0082-09-000-00
- Last license: CB93564

Based on onsite assessment, there's no changed information related to RSPO Membership on Pabatu 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 August 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 12 – 15 September 2022 for all business unit and there is no nonconformity related to supply chain indicators.

Based on the results of the verification of the recording of the management meeting review held on 16 September, 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:

	FFB (MT)
Certified Sources	146,606.28
Uncertified Sources	44,984.94

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. PAB/TTP/MS/122/2022 for CSPO, unique number (PMLK****), Driver name (Initial FBR), product specification (FFA 3.01), buyer name (PT Industri Nabati Lestari), address of buyer, shipping date on 28 April 2022, volume as amount as 29.57 MT and stamped of RSPO Certified MB.

3.8.9 & 3.8.10.

Pabatu 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, Pabatu Palm Oil Mill has record of all CSPO and CSPK, as well as presented in the table bellows:

Palm Kernel Oil

	RSPO Certified	Non Certified	Certified (Physical)	Other Scheme	Conventional
Total (MT)	6,232.73	3,036.55	6,118.78	3,036.55	-

Based on those records, there's CSPK had been sold as physical as amount as 6,118 MT.

Crude Palm Oil

	RSPO Certified	Non Certified	Certified (Physical)	Other Scheme	Conventional
Total (MT)	29,940.35	11,175.27	9,598.11	30,110.12	-

Based on those records, there's CSPO had been sold as physical as amount as 9,598 MT.

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.

Pabatu 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.

Pabatu 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 5,598.56 ton.
- CSPO volume sold as physical as amount as 10,750 ton.

From shipping announcement verification, known that shipping announcement carried out not more than 3 months after dispatch. For example in period 11 February 2022 to 13 April 2022, where there was a sale of 1000 ton of CSPO with details of 32 recordings of weighing cards on that date to PT Musimas, and this was in accordance with the transactions made at RSPO Palmtrace. Where, the shipping announcement was made on 13 April 2022 and confirmed by the recipient on 19 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		
<p>A human rights policy document that defines basic human rights, including reproductive rights, privacy rights, women's rights and children's rights. Issued on 2 January 2015. The policy describes respecting human rights and respecting race, nation, culture, religion and without forced labor, ensuring that all employees receive fair remuneration, fair management and opportunities to develop careers. The company has socializing this policy to all workers and contractor on each unit. In addition, the policy explicitly states that the company has a commitment to safeguard human rights and prohibits retaliation against Human Rights Defenders (HRD).</p> <p>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 07 June 2022 in Bah Birong Ulu Estate and 14 June 2022 in Pabatu (Estate and Mill), for examples socialization of all company policies, code of ethics, communication procedures and complaint handling.</p> <p>Based on the results of interviews with community representatives, it is known that so far from 2021 until now (August 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.</p> <p>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.</p>		
	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; & 4.2.3		
<p>There is no changes related documented system for dealing with complaints and grievance. Company has Procedure for conflicts, complaints, grievance has been maintained and contained in documents as follows:</p> <ul style="list-style-type: none"> 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. <p>Based on the results of the review of the list of documents for incoming and outgoing letters in 2022 (January-August), 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-August) 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 Serdang Bedagai 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.</p>		

Based on an interview with the Surrounding Village Representative, 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. In addition, if the resolution is not found mutually, the complainant can continue the complaint to RSPO through the RSPO Complaints System, and this has been known to the parties interviewed (because the company has informed them).

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.

4.2.4

Based on the results of the review of the list of documents for incoming and outgoing letters in 2022 (January-August), 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-August) 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 Serdang Bedagai 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.

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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. This was further strengthened by the results of interviews with surrounding village which stated that when if their residents had disputes or land claims to the certification unit, the community was given the freedom to ask for legal and technical assistance from independent parties such as lawyers and other parties to manage this matter. This proves that the certification unit in general has carried out its procedures to give the reporting party the freedom to obtain legal and technical assistance from a third party in the event of a dispute.

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 2022. 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 Kedai Damar Village in March 2022.
- Paving and upgrading of roads in Bandar Sakti 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 Bangun 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.

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

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

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

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

Bah Birong Ulu

The company already has land rights in the document of the Decree of the Minister of Agrarian Affairs and Spatial Planning / Head of the National Land Agency (No. 31/HGU/KEM-ATR/BPN/IV/2019) Concerning Renewal of Cultivation Rights No. 1/Bahal Gajah Village, Top Name PT Perkebunan Nusantara IV (Persero) On Land Covering an Area of 2,167.91 Ha Located in Birong Ulu Manriah Village, Bahal Gajah, Bukit Rejo, Manik Hataran, Sidamanik District, Panombeian Hutaurung Village, Pagar Pinang, Bah Birong Ulu, Parmonangan, Sibunga-Bunga, Pinang Ratus, Hutaurung, Jorlang Hataran District, Simalungun Regency, North Sumatra Province on April 22 2019. The document explains that the government gave PT Perkebunan Nusantara IV (Persero) renewal of Cultivation Rights for 35 (thirty five) years from since the expiration date of December 31, 2013 as described in the Revised Land Sector Map dated September 4, 2016 No. 18/09/2014.

The following are certificates of land rights owned by the company:

- HGU Certificate Document No. 98 (NIB 02.09.00.00.00133) on 13 May 2019 with an area of 1,651.92 ha with an expiration date of 30 December 2048.
- HGU Certificate Document No. 99 (NIB 02.09.00.00.00134) on 13 May 2019 with an area of 82.24 ha with an expiration date of 30 December 2048.
- HGU Certificate Document No. 100 (NIB 02.09.00.00.00135) on 13 May 2019 with an area of 292.49 ha with an expiration date of 30 December 2048.
- HGU Certificate Document No. 101 (NIB 02.09.00.00.00136) on 13 May 2019 with an area of 2.08 ha with an expiration date

of 30 December 2048.

- HGU Certificate Document No. 102 (NIB 02.09.00.00.00137) on 13 May 2019 with an area of 139.18 ha with an expiration date of 30 December 2048.

In addition, the Bah Birong Ulu unit company manages land rights belonging to the Bah Butong unit covering an area of 346.29 ha based on the Handover Document (No.TEH/X/07/II/2021). The land rights are based on HGU certificate No. 3 (NIB 02.09.09.01.00001) covering an area of 2,602.95 ha which is valid until 12 November 2038.

The scope of certification for Bah Birong Ulu is in accordance with the area of the IUP, namely 2,464.90 ha, which is explained in the Decree of the Head of Investment Service and One Stop Integrated Licensing Service, Simalungun Regency No. 503/16/17.4/2021 Concerning the Approval of Fulfilling the Commitment of a Cultivation Plantation Business Permit (IUP-B) for PT Perkebunan Nusantara IV Bah Birong Ulu Plantation Business Unit on April 6 2021 for an area of 2,464.90 ha.

4.4.2 – 4.4.6.

During recertification onsite assessment, the company has no new land acquisition. The results of verification and interview with local communities (Kedai Damar, Paritokan, Bukit Rejo Village and FFB suppliers) are known that there are no indigenous rights or customary rights.

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

Status: Comply

4.5

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

4.5.1-4.5.8.

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

Bah Birong Ulu Unit were previously a tea garden owned by the Dutch colonial (N.V. Nationale Industrie & Landbouw Mij) located in Simalungun since 1916 which was nationalized based on Law no. 86 of 1958. Then based on Government Regulation no. 19 of 1959 concerning the determination of Dutch-owned agricultural/plantation companies subject to nationalization which is explained in more detail in State Gazette No. 31 of 1959 mentions one of the plantations that was nationalized, namely the Bah Birong Ulu tea estate. Bah Birong Ulu Estate are based on PP. No. 19 of 1959 became part of the Sumut III State Plantation Company which later changed to PPN Antan VI in 1963. In 1969 it changed its name to PNP VIII and in 1974 it changed to PTP VIII. On March 11, 1996 it became PTP Nusantara IV based on PP No. 9 of 1996.

Furthermore, based on information from representative Village of Kedai Damar, Paritokan, Bukit Rejo 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.

Status: Comply

4.6

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

4.6.1 – 4.6.4.

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

Bah Birong Ulu Unit were previously a tea garden owned by the Dutch colonial (N.V. Nationale Industrie & Landbouw Mij) located in

Simalungun since 1916 which was nationalized based on Law no. 86 of 1958. Then based on Government Regulation no. 19 of 1959 concerning the determination of Dutch-owned agricultural/plantation companies subject to nationalization which is explained in more detail in State Gazette No. 31 of 1959 mentions one of the plantations that was nationalized, namely the Bah Birong Ulu tea estate. Bah Birong Ulu Estate are based on PP. No. 19 of 1959 became part of the Sumut III State Plantation Company which later changed to PPN Antan VI in 1963. In 1969 it changed its name to PNP VIII and in 1974 it changed to PTP VIII. On March 11, 1996 it became PTP Nusantara IV based on PP No. 9 of 1996.

Furthermore, based on information from representative Village of Kedai Damar, Paritokan, Bukit Rejo Village, it was known that there is no new compensation and planting on local people's land.

In conclusion, there's no any compensation conducted right now by certificate holder.

Status: Comply

4.7

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

4.7.1 – 4.7.3.

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

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Furthermore, based on information from representative Village of Kedai Damar, Paritokan, Bukit Rejo 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.

Status: Comply

4.8

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

4.8.1 – 4.8.4.

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

Bah Birong Ulu Unit were previously a tea garden owned by the Dutch colonial (N.V. Nationale Industrie & Landbouw Mij) located in Simalungun since 1916 which was nationalized based on Law no. 86 of 1958. Then based on Government Regulation no. 19 of 1959 concerning the determination of Dutch-owned agricultural/plantation companies subject to nationalization which is explained in more detail in State Gazette No. 31 of 1959 mentions one of the plantations that was nationalized, namely the Bah Birong Ulu tea estate. Bah Birong Ulu Estate are based on PP. No. 19 of 1959 became part of the Sumut III State Plantation Company which later changed to PPN Antan VI in 1963. In 1969 it changed its name to PNP VIII and in 1974 it changed to PTP VIII. On March 11, 1996 it became PTP Nusantara IV based on PP No. 9 of 1996.

Furthermore, based on information from representative Village of Kedai Damar, Paritokan, Bukit Rejo Village, it was known that there is no land dispute case right now between stakeholder and certificate holder.

In conclusion, there's no land dispute issues on certificate holder operational area.

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:

- PT Panca Marga Abadi
- PT Rejeki Abadi Sambosar
- UD Gintar

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 PT Panca Marga Abadi, 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 14 – 15 September 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 (PT Panca Marga Abadi), 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. From the results of the review of the agreement document (PT Syahrul Akbar Sejahtera) 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 PT Panca Marga Abadi, 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 14 – 15 September 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

During onsite assessment there is only one weighbridge at the factory site, the certificate holder has shown evidence of the

calibration results of the weighing equipment in Pabatu POM in the Test Result Information Record (No.: 123/SKHP/M/P2P/XII/2021) in the Legal Metrological Sector of the Serdang Bedagai Regency Government Industry and Trade Office on 28 December 2021. The third party stated the test results, "Validated by affixing a valid calibration mark "21 and JP8" in accordance with Law of the Republic of Indonesia No. 2 of 1981".

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.

Status: Comply

5.2

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

5.2.1, 5.2.2, 5.2.3, 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 been proven 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 recruited 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 (August 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 December 2021. 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 26 October 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, recitation weekly, healthy workout 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, taking into account 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 in Unit Pabatu (SRN Grade IC/07 and WRT Grade ID/01), upkeep worker in Unit Pabatu (AFZ Grade IA/12 and ASS Grade IC/06), security in Unit Bah Birong Ulu (AGN Grade IC/06 and ASR Grade IA/10) and harvester in Unit Bah Birong Ulu (ARH Grade 1A/01 and AST Grade IA/01) who get wages in August 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 line 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.

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 worker list document in August 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 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. This has also been clarified again in indicator 3.5.1 and in the results of public consultations related to the issues in section 3.5.

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 04 April 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 August 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 in Unit Pabatu (SRN Grade IC/07 and WRT Grade ID/01), upkeep worker in Unit Pabatu (AFZ Grade IA/12 and ASS Grade IC/06), security in Unit Bah Birong Ulu (AGN Grade IC/06 and ASR Grade IA/10) and harvester in Unit Bah Birong Ulu (ARH Grade 1A/01 and AST Grade IA/01) who get wages in August 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).

Verification related to "Salary Fraud"

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.

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.

Verification related to "No Festive Holidays and No Bonus"

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.

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.

Verification related to "Religious Bonus Allowance"

Regarding the Religious Holiday Allowance (THR) given to workers, this has been done by the company for all of its employees. For permanent and contract workers (PKWT) who have received Religious Holiday Allowance (THR) in 2022, this is supported by the results of interviews with plantation, mill and trade union workers who stated that every year workers (permanent and contract workers) receive the Religious Holiday Allowance (THR). The company always provides the Religious Holiday Allowance (THR), usually no later than 2 weeks before Eid al-Fitr in accordance with government regulations.

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 explain 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 Sumatera Utara 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 August 2022 for boiler operator in Unit Pabatu (SRN Grade IC/07 and WRT Grade ID/01), upkeep worker in Unit Pabatu (AFZ Grade IA/12 and ASS Grade IC/06), security in Unit Bah Birong Ulu (AGN Grade IC/06 and ASR Grade IA/10) and harvester in Unit Bah Birong Ulu (ARH Grade 1A/01 and AST Grade IA/01) have a different based on wage scale structure 2022 and all wages above the minimum wage.
- Overtime payment in August 2022 that has been accordance with applicable laws for boiler operator in Unit Pabatu (SRN Grade IC/07 and WRT Grade ID/01) and security in Unit Bah Birong Ulu (AGN Grade IC/06 and ASR Grade IA/10).
- 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 (SRH) who applied for 3 day leave on 23-25 August 2022 and was approved by Afdeling Assistant on 22 August 2022.
 - ❖ Leave Application Form for workers (MSD) who apply for leave for 1 days on 06 September 2022 and has been approved by Afdeling Assistant on 06 September 2022.
- Etc.

Since 2021 to August 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 August 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 in Unit Pabatu (SRN Grade IC/07 and WRT Grade ID/01), upkeep worker in Unit Pabatu (AFZ Grade IA/12 and ASS Grade IC/06), security in Unit Bah Birong Ulu (AGN Grade IC/06 and ASR Grade IA/10) and harvester in Unit Bah Birong Ulu (ARH Grade 1A/01 and AST Grade IA/01), all wages accordance with the minimum wage and the wage scale structure determined by the certification unit for 2022.

Verification related to "Wages and Overwork"

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.

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.

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. Based on the explanations above, there is no fault from the aspect of payroll or overtime payments made by the company.

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.

Non-Conformity No. 2022.03

- Based on observations and interviews with contractor workers at Pabatu Estate, there were 2 loading workers in Afdeling 3 from CV Tiga Putra Siman and 2 loading workers in Afdeling 1 from CV Cerah Eliando Jaya who stated that they had worked for more than a year but had not yet have a work agreement with the contractor. This also cannot be proven by the contractor until the audit activity ends.
- Based on observations and interviews with contractor workers at Pabatu Mill, there were 1 heavy equipment operator from CV Karya Mandiri who stated that they had worked for more than a year but until now they did not have a work agreement with the contractor. This also cannot be proven by the contractor until the audit activity ends.
- Based on observations and interviews with contractor workers at Bah Birong Ulu Estate, there were 2 loading workers in Afdeling 2 from PT Syahrul Akbar Sejahtera and 3 loading workers in Afdeling 3 from CV Hizkia Jaya who stated that they had worked for more than a year but until now do not have a work agreement with the contractor. This also cannot be proven by the contractor until the audit activity ends.
- In addition, 2 loading workers (PT Ridho Akbar Sejahtera) in Afdeling 2 Bah Birong Ulu Estate also stated that fire extinguishert from working with the contractor, the workers also worked with the company as harvesters from 07:00 to 10:00 (before worked

as a contractor loading worker) at Block 2005 BI Bah Birong Ulu Estate and this has been happening for several months (has received monthly wages). The results of a review of the labor list document for the August 2022 period found that there were 35 workers who had PKWT Candidate status and did not have a work agreement with the company.

The company has not been able to prove that all workers (including contractor workers) have a well-documented work agreement with the company or the contractor.

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 committee gender, 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 conducting 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. 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. All of the simulations given have taken into account actual and rational prices according to the location of the units in each region, so that this can be used as a standard. 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 (calculations made for workers with the lowest class have exceeded the stipulation of the minimum wage so that it can be said that the company has provided a decent wage in accordance with the living needs of workers in that location).

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**Non-Conformity No. 2022.04**

- Based on the results of field observations and interviews with harvesters at Block 2009 V Afdeling 5 in Pabatu Estate and Block 2005 Z Afdeling 1 in Bah Birong Ulu Estate, it was found that there are still 4 harvesters who are still contract workers (PKWT) in Afdeling 5 and 3 people in Afdeling 1 who have been working since 2021/2022.
- Based on the results of the review of the labor list document for the period of September 2022, it is known that currently the company still has 87 workers with contract workers (PKWT) status who work in Pabatu Estate and 35 workers in Bah Birong Ulu.

- The company can also show a work agreement between contract workers (PKWT) and the company for 2 people in each estate (Pabatu and Bah Birong Ulu) 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).

Status: Comply

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-BUM*) 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 Unit Pabatu and Bah Birong Ulu, namely SPBUN Basis Pabatu and Bah Birong Ulu. Labor union that has been registered with the Manpower Agency of Serdang Bedagai Regency. To ensure that workers are given freedom of association, neither the union nor the company requires 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 2020). Apart from that, if workers want to join a union, workers must register to become members of the management (without any interference/intervention from the company) and the main condition is that the person must be an employee of the company (permanent or contract).

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 labor union in 2022. For examples:

- The labor union meeting on July 2022, which was attended by 10 participants, discussed the addition of workers, the appointment of workers from PKWT to PKWTT and other discussions.
- The labor union meeting on August 2022, which was attended by 10 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.

Status: Comply

6.4

Children are not employed or exploited.

6.4.1; 6.4.2; 6.4.3 & 6.4.4

Company has a policy on child labor No. Policy 03 No. Revision 02, effective date January 2, 2015 which states that children under 18 years old may not work for the company. 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 June 2022 in Bah Birong Ulu Estate, 14 June 2022 in Pabatu (Estate and Mill) 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 work agreement document with the contractor, 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 work place, as well as to avoid any form of disexual 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 21 October 2021 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 07 April 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 is no migrant workers, forced labor 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 August 2022 and interview with workers (mill and estate), most of the workers came from local communities, Javanese, Batak, Melayu and other 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 is 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 August 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 has a P2K3 organizational structure for Pabatu POM and Pabatu Estate which has been approved by the Manpower Office of the UPT Labor Supervision Region II of the North Sumatra Province Government in the 2022 period. The P2K3 structure of the Pabatu POM, Pabatu Estate and Bah Birong Ulu Business Units includes:

- Approval of P2K3 structure for Pabatu POM unit.
 - Decree of the Head of UPT Labor Supervision Region II of the Manpower Office of North Sumatra Province with the number 480-7/DTK/WILII/SU/2022 concerning the Ratification of the Committee for the Trustees of Occupational Safety and Health at PT Perkebunan Nusantara IV Pabatu POM Unit dated September 6, 2022. The letter stated that the P2K3 secretaries were Alfin Pane and Ahmad Fakhrumazi Lubis.
 - Decree of the Minister of Manpower of the Republic of Indonesia number 5/3862/AS.02.04/IX/2019 on 2019 concerning the Appointment of General Occupational Safety and Health Expert on behalf of Ahmad Fakhrumazi Lubis. This decision

is valid for 3 years from the date of stipulation.

- Approval of the P2K3 structure of the Pabatu Estate unit.
 - Decree of the Head of UPT Labor Supervision Region II of the Manpower Office of North Sumatra Province with the number 136-7/DTK/WILII/SU/2022 concerning the Ratification of the Committee for the Trustees of Occupational Safety and Health at PT Perkebunan Nusantara IV Unit Pabatu Estate dated March 18, 2022. The letter stated that the P2K3 secretaries were Junaidi Abdullah and Aprizal Lubis.
 - OHS Expert Authority Card No. Reg 43040/PK3/AJ/12/2021/P1 on 10 September 2021 and valid until 10 September 2024 on behalf of Afrizal Lubis
 - Letter of appointment of general occupational safety and health expert Decree of the Indonesian Ministry of Manpower Number: 5/10173/AS.02.04/IX/2021 on behalf of Afrizal Lubis on September 10, 2021, valid for 3 years until September 10, 2024
- Approval of the P2K3 structure of the Bah Birong Ulu Estate unit.
 - Decree of the Head of UPT Labor Supervision Region II of the Manpower Office of North Sumatra Province with number 566/446-7/DTK/SU/WILIII/2022 concerning the Ratification of the Committee for the Trustees of Occupational Safety and Health at PT Perkebunan Nusantara IV Unit Bah Birong Ulu Estate dated August 16, 2022. In the letter it is known that the secretary of P2K3 is Zulfan Amri.
 - OHS Expert Authority Card No. Reg 43044/PK3/AJ/12/2021/P1 on 10 September 2021 and valid until 10 September 2024 on behalf of Zulfan Amri
 - Letter of appointment of general occupational safety and health expert Decree of the Indonesian Ministry of Manpower Number: 5/10177/AS.02.04/IX/2021 on behalf of Zulfan Amri on September 10, 2021, valid for 3 years until September 10, 2024

The company also regularly conducts P2K3 meetings every month, for example:

- P2K3 Meeting of Pabatu Estate Unit: P2K3 Meeting for 2022 period on 12 September 2022 which was attended by 8 participants in the Manager's Office meeting room. The company has also submitted P2K3 Reports to relevant agencies, for example the P2K3 Report for the second quarter of 2022 submitted to the UPT Supervision of the Manpower Service Region II, Serdang Bedagai Regency, Tebing Tinggi City, North Sumatra Province Government on July 2, 2022.
- P2K3 meeting of Pabatu POM unit: P2K3 meeting for 2022 period on 5 September 2022 which was attended by 9 participants in the Manager's Office meeting room. The company has also submitted a P2K3 Report to the relevant agencies, for example the P2K3 Report for the second quarter of 2022 was submitted to the UPT Supervision of the Manpower Office Region II of the North Sumatra Provincial Government on July 13, 2022.
- Bah Birong Ulu Estate P2K3 Meeting: P2K3 meeting for the 2022 period on 11 August 2022 which was attended by 20 participants in the Manager's Office meeting room. The company has also submitted a P2K3 Report to the relevant agencies, for example the P2K3 Report for the 2nd quarter of 2022 was submitted to the UPT Supervision of the Manpower Office Region III of the North Sumatra Provincial Government on September 9, 2022.

Based on information from the results of the document review, it shows that the person in charge of Occupational Safety and Health (K3) has been identified and there is a record of periodic meetings between the person in charge and the workers. The interests of all parties related to safety, health, welfare are discussed at the meeting and any issues that arise are recorded.

6.7.2

The unit of certification has demonstrated environmental procedures related to emergency preparedness and response in the Emergency Management and Post-Emergency Procedures No. PUR-PL-MU-01 which was ratified by the Unit Manager effective October 1, 2018. The contents of the procedure include, among others, the objectives, scope, references, definitions, duties and responsibilities of the emergency response team, procedures for controlling and reporting stages, post-handling procedures, circumstances and appendices including emergency response organizational structure chart. The procedure describes emergency response to fire, natural disasters and riots.

The company has carried out activities to minimize the risk of fire, the company has made efforts, including preparing fire fighting facilities and infrastructure, and forming an emergency response team in each afdeling. To maintain the skills of the emergency response team in dealing with fires, there is a fire emergency response simulation program. These activities are carried out regularly every year.

The company has 4 licensed first aid workers, for example on behalf of Afrial Lubis who has attended training on K3 guidance in the field of first aid in the workplace. Some examples of officers who already have a first aid license:

- Pabatu Estate First Aid Officer License:
 - An Afrial Lubis with License No. 566/P3K/DTK/SU/2021 with a validity period until August 25, 2024.
 - Misdi. License with No. 566-38/P3K/DTK/SU/2021 with a validity period until August 25, 2024.
- Bah Birong Ulu Estate First Aid Officer License: Riyani. With License No. 566-12/P3K/DTK/SU/2021 with a validity period of up to 25 August 2

Regarding to previous improvement of NCR related to medical examination, the company shows the results of the follow-up medical examination of Pabatu Estate with letter no: RS.Pab/Pab/124/V/2022 on May 20, 2022 ratified by the Head of Hospital PT. Prima Medica Nusantara. The results of the follow-up examination of the Pabatu Estate GMCU participants were 16 employees, one example of a recommendation from a doctor is: Afdeling IV worker on behalf of Herlina Siregar conclusion of Hypertension and Heart Disease, advice/instruction: The condition of the employee does not affect the work process, the employee's physical is still able to work at positions that require strong physique (harvest, loader and others)

The company shows the results of Pabatu estate's follow-up medical examination with letter no: RS.Pab/Pab/124/V/2022 on 20 May 2022 ratified by the Head of Hospital PT. Prima Medica Nusantara. The results of the follow-up examination of the Pabatu Estate GMCU participants were 16 employees, one example of a recommendation from a doctor is: Afdeling IV worker on behalf of Herlina Siregar conclusion of Hypertension and Heart Disease, advice/instructions: The condition of the employee does not affect the work process, the employee's physical is still able to work in the position who need a strong physique (harvest, loader and others)

The company has also carried out special medical examinations, some examples of special health examination activities are, among others:

- Pabatu Estate was carried out on August 19, 2022 with the type of examination Cholinesterase, Spirometry, Audiometry for the period of 2022 with OHS measurement documents for occupational health in 2022 with letter no. PT.PMN/PTPN IV/72/VIII/2022 the number who took part in the health examination was 34 participant. However, the results of the special medical examination have not been released and are still waiting for the results from the Pabatu Hospital.
- Bah Birong Ulu Estate was carried out on August 29, 2022 with the type of examination Cholinesterase, Spirometry, Audiometry for the period of 2022 with a report document on the Implementation of the Work Environment Test and health examination for employees in 2022 with the letter number ULU/X/65/VIII/2022 participated in the health examination, namely 19 participants. However, the results of the special medical examination have not yet been issued and are still waiting for the results from the hospital.

In the Occupational Health and Safety Management System (SMK3) document regarding Inspection and testing with document number: 4.4.1 Revision No: 03 which took effect on January 5, 2015 there is an obligation for the company to conduct monthly inspections of hydrants and fire extinguishers. The company has shown a recording of the 7 Hydrant and fire extinguisher inspections for the period January-August 2022 with the results of the inspection being in good condition.

Regarding to previous improvement of NCR related to emergency response and fire equipment, based on field observation at Bah Birong & Pabatu Estate and POM, it was known there have been assembly point in case of an emergency situation as well as an evacuation route and first aid box.

OFI 6.7.2

Regarding the first aid officer license, Pabatu POM has submitted a proposal letter for training first aid officers on June 14, 2021 on behalf of: Eva Herawati, M. Syarif, and Benny Lovita Tampubolon who until the time of the ASA 1.1 audit, the management unit has not been able to show the first aid officer license for Pabatu POM approved by the Manpower Office of North Sumatra Province

Based on the explanation above, it is concluded that the company has not been able to show evidence that the emergency response cannot be used at any time.

6.7.3

The company has shown the 2022 PPE handover documents for mills and plantations from afdeling I-VII. As for the provision of PPE for the 2022 period, it was only handed over to employees on January 25, 2022. Based on the results of interviews with

management, information was obtained that the company had replaced damaged PPE in January 2022. The company also showed recordings of examples of replacement of damaged PPE at Pabatu Estate, some examples of receipts it includes:

- Receipts for replacement of PPE for employees implementing Afdeling 1 for a total of 67 employees on January 25, 2022 in the form of shoes, shoes, blue helmet, cloth masks, ash masks, rubber gloves, face shield safety helmets, waist bags, safety glasses, apron, chemical work clothes, cloth gloves, egrek gloves, ax gloves.
- Some examples of PPE replacement recipients in afdeling 1 are:
 - Recipient of replacement of PPE for harvest workers on behalf of ahmad adnan in the form of replacement of rubber boots/APE, helmet safety face shield, egrek gloves, ax gloves.
 - Recipients of replacement of PPE for maintenance personnel, namely on behalf of Rizal Faisal in the form of replacement of damaged PPE in the form of shoes, blue helmet, mask material, ash mask, rubber gloves, apron, work clothes, t-shirt gloves.
 - The recipient of PPE replacement is on behalf of Ahmad Adnan as a spraying employee in the form of changing rubber boots/APE, blue helmet, chemical mask, rubber gloves, safety glasses. Apron, t-shirt gloves, chemical work clothes.
 - Receipts for replacement of PPE for employees implementing Afdeling 7 for 47 employees on January 25, 2022 in the form of shoes, shoes, blue helmet, cloth masks, ash masks, rubber gloves, face shield safety helmets, waist bags, safety glasses, apron, chemical work clothes, cloth gloves, egrek gloves, ax gloves.
- Some examples of PPE recipients in Afdeling 7 are:
 - Recipient of PPE replacement on behalf of Ahmad Adnan as a spraying employee in the form of changing rubber boots/APE, blue helmet, chemical mask, rubber gloves, safety goggles. Apron, t-shirt gloves, chemical work clothes.
 - Recipients of replacement of PPE for maintenance personnel, namely on behalf of Mariani in the form of replacement of damaged PPE in the form of shoes, blue helmet, mask material, ash mask, rubber gloves, apron, work clothes, t-shirt gloves.
 - Recipient of replacement of PPE for harvest workers on behalf of Susi Lestari in the form of replacement of rubber boots/APE, helmet safety face shield, egrek gloves, ax gloves.

Based on information from the results of the document review that Pabatu estate, Pabatu POM, Bah Birong Ulu Estate have carried out the PPE replacement process procedure in the form of shoes, shoes, blue helmets, cloth masks, ash masks, rubber gloves, helmet safety face shields, bags waistband, safety glasses, aprons, chemical work clothes, cloth gloves, egrek gloves, ax gloves in the period of 2022.

Based on the results of field observations in Afdeling I & VII of Pabatu and Afdeling III of Bah Birong Ulu housing complex, the company has provided a rinse house as a place for workers to store work tools that come in contact with chemicals, especially for spray power and also for fertilizing. The place is equipped with a place for bathing and washing.

NC: 2022

The results of observations and interviews with harvest workers at the Bah Birong Ulu Afdeling Plantation 1 Block 2005 Z, it was found that there were 3 harvesters with PKWT status and 1 harvest foreman who used PPE in the form of boots that were damaged/torn and still used for work. The information is that for now, the PPE (boots) used are owned by the company (not the PPE provided free of charge by the company) because the previous PPE has been damaged and the replacement from the company has not been carried out (PPE distribution is given once a year). In addition, there is also 1 type of PPE that is not used at work, namely the use of leather gloves in accordance with the HIRAC listed in it.

In the HIRAC document for the Bah Birong Plantation which was ratified on 10 May 2022, which explains that for harvesting activities in the Estate, it is mandatory to use PPE in the form of Helmets, Boots, Leather Gloves. and Glasses.

Non-Conformance Description (filled by auditor):

Based on this evidence, the company has not been able to prove that PPE has been provided to all workers in proper condition and is provided free of charge.

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.

Pabatu Estate and Mill

The last payment that has been paid by certification unit is on 29 August 2022 for "BPJS *Ketenagakerjaan*" period of August 2022 and on 23 August 2022 for "BPJS *Kesehatan*" period of August 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 (543 workers).

Bah Birong Ulu Estate

The last payment that has been paid by certification unit is on 29 August 2022 for "BPJS *Ketenagakerjaan*" period of August 2022 and on 23 August 2022 for "BPJS *Kesehatan*" period of August 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 (280 workers).

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 has recorded a work accident document using a Lost Time Accident (LTA). One example of a Lost Time Accident calculation is as follows:

Lost Time Accident at Pabatu Estate September 2021 – August 2022

- Number of employees for the period September 2021 – August 2022 = 545 people
- Work activity in a year = 48 weeks
- Work activity in a week = 40 hours
- Total working hours of employees in 1 year = 1,920 hours
- Due to permission, illness and other reasons, workers are absent 0.002% of the total working hours
- During September 2021 to August 2022 there were 5 minor accidents Total hours worked period Total hours worked by employees in January - August 2022 = $545 \times 48 \times 40 = 1,048,400$ hours
- Number of absences for the period September 2021 - August 2022 = $0.002\% \times 1,048,400 = 20,928$
- Number of actual working hours of employees = 1,048,400
- Frequency rate (FR) : $\frac{5 \times 1.000.000}{1.048.400 \text{ hours}} = 4,78$

So, the frequency level shows that in the period September 2021 - August 2022 there are 5 work accidents per 5 million employee hours

The number of days lost for the period September 2021 – August 2022 is as follows:

- People died: 0 days
- Totally paralyzed: 0 days
- People lose eye function: 0 days
- Permanently disabled: 0 days
- STMB people for 40 days: 0 days
- People with minor injuries for 2 days: 0 days
- Can work immediately: 1 day
- Frequency rate (SR): $\frac{1 \times 1.000.000}{1.048.400 \text{ hours}} = 0,95$

For the period September 2021 – August 2022, there are 0.95 lost days per 1 million employee hours worked.

Lost Time Accident at Bah Birong Ulu Estate September 2021 – August 2022

- Number of employees for the period September 2021 – August 2022 = 246 people
- Work activity in a year = 48 weeks

- Work activity in a week = 40 hours
- Total working hours of employees in 1 year = 1,920 hours
- Due to permission, illness and other reasons, workers are absent 0.002% of the total working hours
- During September 2021 – August 2022, there were 0 (zero) minor accidents Total hours worked period Total hours worked for employees in January - August 2022 = $246 \times 48 \times 40 = 472,320$ hours
- Number of absences for the period January - August 2022 = $0.002\% \times 472,320 = 20,928$
- Number of actual working hours of employees = 472,320
Tingkat kekerapan (FR) : $\frac{0 \times 1.000.000}{472,320 \text{ hours}} = 0,00$

So, the frequency level shows that in the period September 2021 – August 2022 there are 0 (zero) work accidents per million employee hours worked.

The number of days lost Bah Birong Ulu Estate for the period September 2021 – August 2022 is as follows:

- People died: 0 days
 - Totally paralyzed: 0 days
 - People lose eye function: 0 days
 - Permanently disabled: 0 days
 - STMB people for 40 days: 0 days
 - People with minor injuries for 2 days: 0 days
 - Can work immediately: 0 days
- Frequency rate (SR): $\frac{1 \times 1.000.000}{472,320 \text{ hours}} = 0,00$

For the period September 2021 – August 2022, there are 0.00 days lost per 1 million employee hours worked.

Based on the information on the results of the document review, the company has shown a record of work accidents using LTA calculations. Based on the recorded work accident data at Pabatu Estate for the period September – August 2022, it is known that there were 5 cases of minor accidents with FR 4.78 and SR 0.95. Work accident recording data for Bah Birong Ulu Estate for the period January - December 2020, it is known that there are zero (0) cases of minor accidents with FR 0 and SR 0

6.7.3 Status: Nonconformity No. 2022.5 with Major category

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

7.1

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

7.1.1

The unit of certification has standard operating procedures on pest and disease control, for example as stated in SPO No. 05.10-12 Revision No. 00, pages 191 to 193 dated August 1, 2007 concerning Pests and Diseases in Mature Crops. The SOP explains several points regarding pest and disease control, including several examples of discussions about disease symptoms, prevention of treatment of diseased trees, types of pests that often cause damage to crop areas, early observation systems (EWS), pest eradication, evaluation of census results. observation, identification and disease symptoms.

In Standard Operating Procedure No. 04.3 No Revision 00 dated August 1, 2007 regarding Pests and Diseases in Immature Crops, in the SOP some examples of discussion include explanations of the types of pests that often cause damage in the TBM area, symptoms of attack, census methods, attack criteria, prevention, and control methods.

Pabatu Estate has carried out monitoring activities for the symptoms of the UPDKS pest attack, including conducting global telling (early warning system/early detection) and finding symptoms of attacks above the threshold, then effective telling (detailed census). After that, if it is found that the observations are above the threshold, chemical control will be carried out. Then, Natelling was carried out (observation after controlling) to see the effectiveness of the control.

The unit of certification has been able to show the pest control documents contained in the Pest Control monitoring data. Based

on documents and interviews with the management unit, information was obtained that there was no rat attack in the past year. As for the example of monitoring UPDKS pest attacks, for example the results of the census in August 2022, the first year of planting 2005 with an area of 369 Ha, obtained the results of a control area of 10 Ha. Then chemical control was carried out using a delta dose of 250cc/principal, the amount of use was 2.5 liters using a pulsog K22 Bio tool. Then nateling was carried out with control results of 94.30% with 1.1 caterpillars / midrib. These results indicate already below the threshold and chemical control is discontinued. This is in line with the results of field observations, where the auditor found no indications of rat attack at the Afdeling 7 (Pabatu Estate) and Afdeling 3 (Bah Birong Ulu Estate) location.

Pabatu Estate has shown a recapitulation document of pest and disease detection for the period 2021 and January to September 2022. Based on the recapitulation, it is known that no pest and disease attacks have crossed the threshold.

Biological control

The company has controlled UPDKS pests by planting and maintaining natural enemies of UPDKS such as Antigonon and Turnera subulata/ulmifolia. The company demonstrated an antigonon development and maintenance program up to the period of 2022 with a total of 4,752 trees spread in afdeling I – VII. Meanwhile, based on the turnera maintenance documents, up to the period of 2021 there are 4,752 turnera principals scattered in afdeling I – VII. Based on observations at Afdeling 7 Block 2021 D to F along CR and MR, it is known that the company has also carried out biological control by planting antigonone plants and Turnera subulata/ulmifolia along CR and MR.

Bah Birong Ulu Estate has carried out monitoring activities for the symptoms of the UPDKS pest attack, including conducting global telling (early warning system/early detection) and finding symptoms of attacks above the threshold, then effective telling (detailed census). After that, if it is found that the observations are above the threshold, chemical control will be carried out. Then, Natelling was carried out (observation after controlling) to see the effectiveness of the control.

Bah Birong Ulu Estate has shown a recapitulation document of pest and disease detection for the period 2021 and January to September 2022. Based on the recapitulation, it is known that no pest and disease attacks have crossed the threshold.

Based on the information from the document review and interviews with the management unit of Pabatu Estate and Bah Birong Ulu Estate, the plan and realization of planting beneficial plants have been carried out. The Company has used useful plants, including Turnera subulata/ulmifolia and Antigonon. Erosion resistant plants include siamang trees and vetiver grass.

Based on pest and disease monitoring reports (EWS) and censuses in March and May at the Pabatu Estate and Bah Birong Ulu Estate units that the rat attack was below the threshold with an average observation result of 0 (zero percent), therefore the company did not use maintenance of owls (Owl Cage/ Gupon)

Based on information from the Pabatu Estate and Bah Birong Ulu Estate unit document reviews that pest and disease control plans are implemented and monitored monthly to ensure effective pest control.

7.1.2

Certification Unit uses useful plants to control UPDKS pests by planting and maintaining beneficial plants such as Turnera subulata and antigonon which grow naturally and are maintained by the company. The unit of certification does not use introduced invasive species in accordance with Permen LHK No. P.94/MENLHK/SEKJEN/KUM.1/12/2016. Regarding Invasive Types, the company can show records of Beneficial Plant monitoring in monitoring its spread.

Based on document review information, the company does not use any invasive species introduced in accordance with government regulations in force in the managed areas. The company grows useful plants, namely Turnera subulata and antigonon. In addition, based on the results of interviews with company management, it is known that the company also uses plants that grow naturally and are maintained by the company.

7.1.3

Based on information from document studies, field observations, and interviews with the surrounding village community, the Plantation Service and field visits, it was found that there was no information on the use of fire for pest control in the last 1-2 years

Status: Comply

7.2
Pesticides are used in ways that do not endanger health of workers, families, communities or the environment.
7.2.1

The company can show a list of pesticides used and the target pests from the use of these pesticides, including the following:

Some examples of the use of Pabatu Estate Pesticides for 2022

No	Name of Active Ingredient	Active Ingredient	No. Registration	Target
1	Elang 480 SL	Isoprofil Aminaglyphosate 480 G/L	RI.010300119941170	Broad-leaved weeds
2	Scud 100 EW	Cypermethrin I	RI010101200933368	Horn beetle
3	Starane 290 EC	Fluroksipir Heptil Ester 290 G/L	RI.010311988854	Broadleaf and woody weed/Macuna
4	Amistartop	Aoxistobini	RI.0102120005228	Broadleaf and woody weeds/Macuna
5	Garlon	Triklopil butoksi etil	RI. 0103011984695	Broad-leaved weeds
6	Gempur	Isopropil amina glyphosat	RI. 01030120041971	Broad-leaved weeds
7	Sevin 85 SP	Kalbaril 85%	RI. 010101197422	Setothasea asigna Fire caterpillar, fruit sucker (helopeltis) cocoa
8	Capture	Cypermethrin I	RI. 01010120072927	Horn beetle
9	Deltamethrin 25 EC	Insektisida	RI. 01010120021684	Setothasea asigna fire caterpillar, fruit sucker (helopeltis) cocoa
10	Santafuron	Metil Metsulfuron	RI01030120072800	Ferns, broadleaf weeds and narrow leaf weeds
11	Metsulindo	Metil Metsulfuron	RI01030119991484	Ferns, broadleaf weeds and narrow leaf weeds

Some examples of the use of Bah Birong Ulu Estate Pesticides for 2022

No	Name of Active Ingredient	Active Ingredient	No. Registration	Target
1	Gempur	Isopropil amina glyphosat	RI. 01030120041971	Broadleaf weed
2	Metsulindo	Metil Metsulfuron	RI01030119991484	Ferns, broadleaf weeds and narrow leaf weeds
3	Starane 290 EC	Fluroksipir Heptil Ester 290 G/L	RI.010311988854	Broadleaf and woody weed/Macuna
4	Percis 30 EC	Delta Metrin 30 G/l	RI.010120042302	Broadleaf and woody weed/Macuna

The results of interviews with Pabatu Estate spray workers (at the time of the audit there was no spraying activity, while the spray workers were transferred to cocoon picking work in the mature and immature maintenance) it was concluded that the workers knew about the function of the chemicals used and were selective when spraying activities, for example for glyphosate, it is used to spray discs and harvesting path only, while weeds in the dead gate are not sprayed

7.2.2

The company shows a record of pesticide use contained in the Pesticide Use Record document which contains information on information on the type of pesticide used, active ingredient content, targeted area, amount of active ingredient applied per hectare, unit of use, period of use and LD-50. Examples of pesticide use:

LD50 (rat)

(mg/kg) B.a/Ha

Some examples of the use of Pabatu Estate Pesticides for the 2022 period:

Product Name	Active Ingredient	LD50 (rat) (mg/kg)	Area of application (ha)	Number of applications (Ltr or Kg)	B.a/Ha	% Active Ingredients Per Ha
Elang	Glyposat	5600	4,829	1,456.95	0.30cc/Ha	0.14
Metsulindo	Metil Metsulfuron	2510	4,829	201.17	0.00g/pkk	0.01
Staren 290 EC	Fluroksipir Heptil Ester 290 G/L	5000	333	49.03	0.15cc/Ha	0.07
SCUD 100 EW	Sipermetrin 100 G/L	3000	298	274.98	0.92	0.44

Some examples of use of Bah Birong Estate pesticides for the 2022 period:

Product Name	Active Ingredient	LD50 (rat) (mg/kg)	Area of application (ha)	Number of applications (Ltr or Kg)	B.a/Ha	% Active Ingredients Per Ha
Gempur	Glyposat	5600	2,420	4,114.00	0.30cc/Ha	0.14
Metsulindo	Metil Metsulfuron	2510	2,420	133.10	0.00g/pkk	0.01
Staren 290 EC	Fluroksipir Heptil Ester 290 G/L	5000	2,420	10.70	0.15cc/Ha	0.05

Based on the results of interview information and document review, there are records of pesticide use (including the active ingredients used and the LD50 of the active ingredients, treatment area, number of active ingredients used per ha and number of applications).

7.2.3

The company does not use pesticides prophylactically. The company only controls using pesticides if the results of the pest attack census are above the threshold. If it is still below the threshold, the company will not use chemical control.

In terms of biological control of UPDKS pests, the company plants and maintains host plants for natural enemies of UPDKS pests such as *Turnera subulata* and *antigonon*. One example for Pabatu Estate shows the *antigonon* development and maintenance program until the period of 2021 with a total of 403 trees spread in afdeling I – VII. Meanwhile, based on the *turnera* maintenance documents, up to the period of 2021 there are 4752 *turnera* principals scattered in afdeling I – VII. Based on the results of observations along CR and MR, it is known that the company has also carried out biological control by planting *antigonone* plants

along CR and MR.

In addition, the company also uses chemicals for weed control on a regular basis. Based on information from management, it is known that the application method is not a preventive application, but is selective for locations that have weeds.

7.2.4

Pabatu Estate and Bah Birong Ulu Estate do not use prophylactic pesticide applications. The company controls using pesticides if the results of the pest attack census are above the threshold. If the attack of pests and diseases is still below the threshold, the company does not use chemical control.

7.2.5

Pabatu Unit has Circular No: PAB/SE/33/IX/2022, dated 12 September 2022 signed by the Unit Manager regarding the program to reduce the use of paraquat. It was explained that the use of these pesticides must be minimized and should only be used in extraordinary conditions, so to exit the Pabatu Plantation Unit will carry out a program to reduce the use of paraquat by prioritizing manual control and biological control.

Memo from the Plant Section of PTPN IV No: 04.04/District-Kebun/M.1238/XII/2018, dated December 19, 2018 signed by the Head of the Plant Section of PTPN IV regarding the Use of Chemicals with Active Ingredients Paraquat Dichloride) which explains that herbicides have the active ingredient paraquat dichloride should not be used unless special conditions (limited), for this reason the use of these chemicals can only be used to control pteridophyta broadleaf weeds (ferns/ferns).

The company shows the Pesticide List of Pabatu Business Unit 2022 documents, as follows:

No	Name Of Pesticide	Active Ingredient Content	Registration Number
1	Elang 480 SL	Isoprofil Aminaglyphosate 480 G/L	RI01030119941170
2	Scud 100 EW	Sipermetrin 100 EW	RI010101200933368
3	Starane 290 EC	Fluroksipir Heptil Ester 290 G/L	RI010311988854
4	Santafuron	Metil Metsulfuron 20%	RI01030120072800
5	Manthene	Asefat 75%	RI01010120072671
6	Ally 20 WG	Metil Metsulfuron	RI0103011988837
7	Mesulindo	Metil Metsulfuron	RI01030119991484

The company shows the document of the Bah Birong Ulu Estate Business Unit List of Pesticides for 2022, as follows:

No	Name Of Pesticide	Active Ingredient Content	Registration Number
1	Elang 480 SL	Isoprofil Aminaglyphosate 480 G/L	RI01030119941170
2	Mesulindo	Metil Metsulfuron	RI01030119991484
3	Starane 290 EC	Fluroksipir Heptil Ester 290 G/L	RI010311988854
4	Percis 30 EC	Delta Metrin 30 g/l	RI01010120042302

Based on information from the visit and review of documents that the company does not use pesticides that are listed in the World Health Organization (WHO) Class 1A or 1B or included in the Stockholm or Rotterdam Conventions, as well as paraquat, except in exceptional circumstances validated by the due diligence process (due diligence) or if permitted by the competent authority to deal with pest population explosions (outbreaks).

7.2.6

Chemical handling is described in the Chemical Work Instruction No. FM.4.3.13-05 dated 03 March 2012. In the IK it is explained that chemical workers must use glasses, shoes, helmets, masks, rubber gloves, work clothes when working; After finishing work, tidy up the tools/materials to take to the office warehouse.

Pabatu Estate has conducted limited Pesticide user training, for example PT Perkebunan Nusantara IV Limited Pesticide Application Training by the Agriculture Service of the Serdang Bedagai Sei Rampah Regency Government on March 19, 2021 at

Pabatu Estate Office which was attended by Pabatu plantation employees.

Some examples of participants in the Limited Pesticide Application Training, which were held from the Serdang Bedagai Regency Agriculture Service, are:

- Sinton, M : Certificate Number : 18.28/525/703/IV/2021, ratified on April 5, 2021
- Hadi Sutrisno : Certificate Number : 18.28/525/659/IV/2021, ratified on April 5, 2021
- Erni Novita : Certificate Number : 18.28/525/656/IV/2021, ratified on April 5, 2021

The Pabatu Estate Unit also conducts Pest control training to maintain the understanding of IPM officers in pest control as evidenced by the following recordings, including the company showing the Integrated Pest Control training record on October 22, 2021 with a total of 15 participants consisting of Assistant Head, Assistant Afdeling, Afdeling Foreman, Pest foreman/ telling afdeling I – VII, and afdeling pest officer I- VII.

The Bah Birong Ulu Estate Unit has conducted training on Pesticide users on February 4, 2021 with a total of 30 participants consisting of Assistant Head, Assistant Afdeling, Afdeling Foreman, Pest Foreman/Telling Afdeling I – III, and Afdeling Pest Officers I – III as evidenced in document of Minutes of socialization of the Minister of Manpower Regulation No. 03 of 1986 concerning K3 Pesticides in the Afdeling field

Based on the results of interviews with spray workers, it is known that PPE is provided free of charge by the company in the form of gloves, apron, glasses, masks, safety shoes, helmets. Workers also store and wash their work tools in the washing place (House Rinse) which has been provided in afdeling I, II and III (work tools are not brought home). Workers also understand the technical activities of workers by explaining work techniques starting from how to spray, target weeds, and avoid spraying in river border areas. (As for the onsite audit, there was no spraying activity).

7.2.7

Based on field observations that the company already has a special place for storing chemicals which shows that the chemicals have been stored properly in accordance with procedures. Chemicals are stored in a special place separate from others and placed according to their characteristics and have MSDS instructions/procedures in the chemical storage area. Pabatu Estate and BahBirong Ulu Estate Chemical storage has been equipped with signage and dangerous symbols for chemicals by category, Material Safety Data Sheet, emergency response, first aid kit and personal protective equipment.

The results of interviews with spray workers at Pabatu Estate and Bah Birong Ulu Estate (at the time of the audit activity there was no spraying activity, while the spray workers were transferred to the work of picking cocoons in the mature area and immature maintenance) it was concluded that the spray workers were known to have understood the management of former packaging materials. chemical, which is rinsed in a pesticide packaging washing place and then collected at a licensed temporary hazardous waste storage. Based on the results of the field visit at the afdeling office, it was found that the place for washing used pesticide packaging was in the afdeling office.

7.2.8.

The company has SOP for hazardous and toxic waste management SPO No. 2 dated January 2, 2015. Container for Agrochemical Chemicals and Equipment Washing Water. Containers in the form of jerry cans and plastic packages are collected in a separate warehouse or hazardous and toxic waste storage, arranged in an orderly manner and labelled according to type and size. After reaching a certain amount, it is handed over to a company that has a permit to transport hazardous and toxic waste.

Pabatu Unit

Waste is temporarily stored in a licensed hazardous and toxic waste storage which is then handed over to a licensed hazardous and toxic waste management party. Company shows hazardous and toxic waste storage license in Pabatu Unit No. 0002/34/DPMP2TSP-SB/II/2018 dated 22 February 2018 which is valid for 5 years. It is known that the coordinates of hazardous and toxic waste storage are N 03° 17' 13.7" E 099° 06' 35.7". The company shows hazardous and toxic waste carriage contract which is carried out by a licensed hazardous and toxic waste collector (PT Veronica Tannaga). There is an official report on the handover of hazardous and toxic waste transportation which was carried out on 5 January 2022, including the transportation of contaminated packaging with No. Manifest KLHK-1643939296 as much as 4,503 kg. Based on the results of field observations, used pesticide packaging has been stored in a hazardous and toxic waste storage that has a permit and is then sent to a third party.

Bah Birong Ulu Unit

Waste is temporarily stored in a licensed hazardous and toxic waste storage which is then handed over to a licensed hazardous and toxic waste management party. Company shows hazardous and toxic waste storage license in Bah Birong Ulu No. 503.26/00495/17.4/2021 on 3 May 2022 which is valid for 5 years. It is known that the coordinates of hazardous and toxic waste storage is N 2°51'14" and E 98°58'48.7". The company shows hazardous and toxic waste carriage contract which is carried out by a licensed hazardous and toxic waste collector (PT Veronica Tannaga). There is an official report on the handover of hazardous and toxic waste transportation which was carried out on 11 January 2022, including the transportation of contaminated packaging with No. Manifest ARA 001981 as much as 1,266.4 kg. Based on the results of field observations, used pesticide packaging has been stored in a hazardous and toxic waste storage that has a permit and is then sent to a third party.

7.2.9

Based on the results of the visit and information from the interview results of the Pabatu Estate and Bah Birong Ulu Estate management units and document review, it was found that there were no airborne Pesticide application activities.

7.2.10

Pabatu POM, Pabatu Estate and Bah Birong Ulu Estate have conducted regular health checks every year for chemical operators. As an example, Pabatu Estate has shown a memo document for the 2022 Occupational Health OHS Measurement regarding the schedule for the 2022 employee check-up with the letter number: 04.03/KOL/eM-583/VIII/2022 to 34 workers consisting of pesticide handlers, toxic chemicals and Factory employees > 40 years old with certain types of work. Occupational Health OSH measurements were carried out on 9-24 August 2022 by PT Prima Medica Nusantara with the types of Cholinesterase, Spirometry, Audiometry examinations, but the results of the health examinations are still in process and have not been distributed to employees.

Based on the results of the document review information that the company has been able to show documentation of the results of the examination / consultation from the company doctor.

7.2.11

Based on the Memo of the Pabatu Business Unit Letter number: PAB/SE/07/II/2022 regarding the Placement of Female Employees as Pesticide Handling Team, it is explained that to maintain the health of employees and their families and comply with Government Regulations (Permenaker No. 03 of 1986 concerning OHS Pesticides and RSPO Criteria Principles / ISPO, it is obligatory for the afdeling assistant in appointing female employees as the pesticide handling team to coordinate with the plantation policlinic in identifying the condition of the female workers who are not pregnant or breastfeeding and monitoring pregnant and lactating workers in their respective afdeling every month.

The results of interviews with female spray workers for Pabatu estate and Bah Birong Ulu Estate revealed that female workers whose work is related to chemicals are over 40 years old and have carried out family planning programs so they are less likely to be menstruating or breastfeeding.

Based on field observations and interviews with the management unit, it is known to Pabatu Estate and Bah Birong Ulu estate that there are no workers under the age of 18 working in the chemical field. Pregnant and lactating women are prohibited from working in the chemical field. Monitoring is carried out through monitoring H1 and H2. If a pregnant woman is found, she will be diverted to light non-chemical activities

Status: Comply

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. Unit of certification has a land application permit in accordance with

Operational Eligibility Letter from Environmental Agency of Serdang Bedagai Regency number 18.20/660/359/2022 dated 12 August 2022 about Land Application License of PTPN IV Pabatu.

- 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 permit based on documents below:

- Hazardous and Toxic Waste Storage License in Pabatu Unit No. 0002/34/DPMP2TSP-SB/II/2018 dated 22 February 2018 which is valid for 5 years. It is known that the coordinates of hazardous and toxic waste storage is N 03°17'13.7" E 099°06'35.7".
- Hazardous and Toxic Waste Storage License in Bah Birong Ulu Unit No. 503.26/00495/17.4/2021 dated 3 May 2022 which is valid for 5 years. It is known that the coordinates of hazardous and toxic waste storage is N 2°51'14" and E 98°58'48.7".

In realization of waste management, it is divided into several types based on the characteristics of the waste it produces, including solid and liquid waste, POME, and hazardous and toxic waste. Solid waste from the FFB processing process in the form of shells and fiber is reused by company 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 uses 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 unit of certification 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.

In management of hazardous and toxic waste, 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 September 2022 and 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. Company can also show the document the legality of the carrier, such as a valid transportation permit from the Ministry of Environment and Forestry, valid permit for special goods transportation from the Ministry of Transportation, valid Business Identification Number and a Cooperation Agreement between the carrier and licensed processor and/or user.

Unit of certification can also show 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 September 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 (October) starting from empty.

Unit of certification 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 Serdang Bedagai Regency and Sumatera Utara Province on 1 August 2022, and to Ministry of Environment and Forestry through *SIMPEL* with proof of electronic receipt number 1663512478-2964.

Unit of certification has procedures related to hazardous and toxic waste management in Hazardous and Toxic Waste Management SOP No. SPO 02 Revision 02 which is effective as of January 2, 2015. The procedure states in point 5.3 that the following matters:

- "All divisions in Business Unit hand over hazardous and toxic waste to hazardous and toxic waste temporary storage officer and record it on storage card."
- "All hazardous and toxic waste and used hazardous and toxic packaging produced may not be used for other purposes and must be submitted directly (maximum 1 week) to a licensed hazardous and toxic waste temporary storage"

Based on the results of the field visit, the following were found:

- 1 unit of used diesel drums and paint cans stored on shelves, in sacks, and next to the entrance at Pabatu Estate Workshop
- 1 unit of used oil bottles at landfill Block 018 K Afdeling VII Pabatu Estate
- 1 point of internal combustion and used fertilizer sacks at Housing Complex of Afdeling I and 3 units of used jerry cans of chemicals in the Work Equipment Storage in Afdeling I of Pabatu Estate
- 3 units of used chemical jerry cans and 1 unit of used oil bottle in the Used Goods Storage as well as a pile of used diesel drums and used pesticide jerry cans which were collected in the storage opposite the Bah Birong Ulu Used Goods Storage Warehouse.
- Paint cans used as flower pots and water reservoirs at Housing Complex of Afdeling I Bah Birong Ulu Estate.

Based on the explanation above, unit of certification has not shown evidence of waste management being carried out and documented according to the procedures it has, including reuse and disposal based on the characteristics of toxicity and other hazards. This has been **nonconformity No. 2022.6 with Minor category**.

7.3.2

Based on interviews with Manager of Pabatu Estate and Bah Birong Ulu Estate, it was found that they had an understanding of the handling of waste disposal, including hazardous waste and solid and liquid waste, POME, and its management as regulated in company's procedures. Solid waste from the FFB processing process in the form of shells and fiber is reused by company 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.

Unit of certification has had SOP for Household Waste Management No. SPO 20 Revision 03 which has been effective since January 2, 2018. Point 5.4 in the procedure states:

- a. "Each employee collects their trash in the provided trash can and cleans the yard around the housing. Disposal of waste by sorting organic and inorganic waste;
- b. The cleaning staff periodically picks up trash from the temporary landfill and brings it to the landfill using the tools provided."

Based on the results of the field visit, the following were found:

- a. 2 points of domestic waste collection in an open field at Housing Complex of Afdeling I Pabatu Estate
- b. 1 garbage collection point next to temporary landfill of Housing Complex of Afdeling I Bah Birong Ulu Estate
- c. 2 garbage collection points on vacant land and 1 garbage collection point behind the Housing Complex of Afdeling III Bah Birong Ulu Estate.
- d. The condition of the landfill in Afdeling I which is still empty and landfill Afdeling III in the Bah Birong Ulu Estate which has been planted with grass.
- e. Result of interview with residents of housing, residents of Housing Complex of Afdeling VII Pabatu Estate stated that garbage is transported every 2 days. However, residents of the Housing Complex of Afdeling I Pabatu Estate and Afdeling I and III Bah Birong Ulu Estate said that there was no waste transportation so that the waste was disposed of by piling up garbage on vacant land and burning it.

Based on the explanation above, unit of certification has not yet shown evidence of waste management according to procedures that are owned and fully understood by workers and managers. This has been **nonconformity No. 2022.7 with Minor raised to Major category**.

7.3.3

Unit of certification already has SOP for Domestic Waste Management No. SPO 20 Revision 03 which has been effective since January 2, 2018. Point 5.5 in the procedure states that it is forbidden to burn waste in any form without the company's permission.

Based on the results of the field visit, the following were found:

- a. 1 point of active burning of leaf litter on the road to the WWTP area.
- b. 2 points where domestic waste was burned and 1 point was used for internal combustion and used fertilizer sacks in the vacant land of Afdeling I Pabatu Gardens.
- c. 1 point of active burning of leaf litter next to Pabatu Hospital.

- d. 1 point of active burning in front of Housing Complex of Afdeling II Bah Birong Ulu Estate.
- e. 1 burnt spot in the vacant land of Housing Complex of Afdeling I Bah Birong Ulu Estate.
- f. The condition of landfill in Afdeling I of Bah Birong Ulu Estate which is still empty and landfill in Afdeling III where grass has been planted.
- g. Result of interview with residents of housing, residents of Afdeling VII Pabatu Estate stated that garbage is transported every 2 days. However, residents of the housing estates in Afdeling I Pabatu Estate and Afdeling I and III Bah Birong Ulu Estate said that there was no waste transportation so that the waste was disposed of by piling up garbage on vacant land and burning it.

Based on the explanation above, unit of certification has not shown evidence of not using open burning for waste disposal in accordance with the procedures it has. This has been **nonconformity No. 2022.8 with Minor raised to Major category.**

7.3.1	Status: Nonconformity No. 2022.5 with Minor category	
7.3.2	Status: Nonconformity No. 2022.6 with Minor category	
7.3.3	Status: Nonconformity No. 2022.7 with Minor raised to Major category	

7.4

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

7.4.1

The company has shown and has Basic Guidelines and Work Instructions for Fertilization which explains: (Doctor No.: Business Unit.A.10 month June 2013):

- The basics of fertilization are from soil and leaf analysis
- Soil analysis is carried out every 1-5 years
- Leaf analysis is carried out annually
- How to take leaf samples
- Fertilization organization (manpower arrangement, fertilizer application)
- Fertilizer control, security and administration
- Fertilization in the Immature area
- Organic fertilization using empty bunches and liquid waste

The company has demonstrated the soil fertility management procedures contained in SOP No. SPO.05 regarding Mature Plants (TM) which includes:

- Yielding crop management,
- Road and bridge maintenance,
- Fertilization,
- Fertilization organization,
- Analysis of leaf samples every year and soil every 3-5 years,
- Tool calibration,
- Calculation of water deficit,
- Sowing empty bunches,
- Compost sowing,
- Application of palm oil effluent,
- Root rot disease (Ganoderma), Pests and Diseases of oil palm.

Some of the implementations that have been carried out by management include:

- Implementation of Soil and Leaf Analysis conducted by PPKS
- Nutrient cycle strategy carried out by the management unit is the application of empty leaves and the application of liquid waste to the land.

Based on the results of the document review and interviews with the management unit, there are records of the implementation of good cultivation practices, as stipulated in the SOP, to manage soil fertility so that yields are optimal and have minimal impact on the environment.

7.4.2

The company has routinely monitored the changes on the nutrient status based on the regular soil sampling unit (SSU) and leaf sampling unit analysis (LSU) to determine fertilizers recommendation. The sampling spot has been determined in each division and block routinely by the Palm Oil Research Center (PPKS) and it is supported by well-trained census officers in each division. SSU is conducted every 5 years, henceforth LSU is conducted annually.

The company has conducted regular soil and leaf analysis. The soil analysis is carried out at least once every 5 years, while the leaf analysis is carried out every year. Some examples of soil and leaf analysis results are as follows:

The results of the analysis of the soil and leaves of the Pabatu Estate unit
Soil Analysis

Soil sampling in 2020 was carried out on August 25, 2020 with a test date of August 25 – October 1, 2020 by the Oil Palm Research Center with 9 soil samples and an analysis certificate issued at the Medan Oil Palm Research Center on October 1, 2020 with certificate no 1891/0.1 /Sert/X/2020

Pabatu Estates conducted a soil analysis with 9 samples in 2020 conducted by PPKS Medan. The parameters analyzed were soil fraction, pH, C, N, C/N, P, K, Ca, Na, Mg, JKB, CEC, KB, Al-dd and other micro nutrients.

Leaf Analysis

Soil sampling in 2021 was carried out on 28 July 2021 with a test date of 28 July - 13 August 2021 by the Oil Palm Research Center with 171 leaf samples and an analysis certificate issued at the Medan Oil Palm Research Center on 13 August 2021 with certificate no 1082/0.1 /Sert/VIII/2021

The results of the 2021 leaf analysis as a recommendation for fertilization in 2021, for example in afdeling 1 Pabatu Estate:

Year Planted	No. KCD	No. Block	Leaf Nutrient Content %					
			N	P	K	Ca	Mg	B (ppm)
2004	101	04 C	2.41	0.143	1.05	0.62	0.26	-
2005	104	05 AH	2.81	0.158	1.06	0.63	0.20	-
2006	117	06 A,B,C,D	2.55	0.137	0.65	0.65	0.22	
2013	118	13 A,B,C	2.87	0.152	1.06	0.80	0.20	
2016	122	F	2.84	0.155	1.93	0.76	0.31	-
2018	124	18 A	2.56	0.140	0.68	0.41	0.16	

Result of Analysis of Soil and Leaf Unit of Bah Birong Ulu Estate
Soil Analysis

Soil sampling in 2020 was carried out on September 1, 2020 with a test date of September 1 – October 6, 2020 by the Oil Palm Research Center with 6 soil samples and an analysis certificate issued at the Medan Oil Palm Research Center on October 1, 2020 with certificate no 1909/0.1 /Sert/X/2020

Pabatu Estates conducted a soil analysis with 6 samples in 2020 conducted by PPKS Medan. The parameters analyzed were soil fraction, pH, C, N, C/N, P, K, Ca, Na, Mg, JKB, CEC, KB, Al-dd and other micro nutrients.

Leaf Analysis

Soil sampling in 2021 was carried out on 19 August 2021 with a test date of 19 August – 24 September 2021 by the Oil Palm Research Center with 97 leaf samples and an analysis certificate issued at the Medan Oil Palm Research Center on 13 August 2021 with certificate number 1381/0.1 /Sert/IX/2021

The results of the 2021 leaf analysis as a recommendation for fertilization in 2021, for example in the 1 Bah Birong Ulu Estate afdeling:

No. Block	Leaf Nutrient Content %
-----------	-------------------------

Year Planted	No. KCD		N	P	K	Ca	Mg	B (ppm)
2004	101	04 A B	2.49	0.159	1.02	0.69	0.21	-
2004	103	04 D	2.81	0.158	1.06	0.63	0.20	-
2005	117	05 AB,AC	2.82	0.163	0.88	0.68	0.19	
2005	118	05 AD, AE	2.26	0.172	0.86	0.60	0.18	
2011	138	11 A.B.C	2.74	0.156	1.18	0.57	0.17	-
2016	139	16 K	2.93	0.174	1.10	0.54	0.15	

Based on information from the results of the document review, records of tissue (eg leaves) and soil sample analysis activities are available on a regular basis to monitor and manage changes in soil fertility and plant health.

7.4.3

The certification unit has a strategy of recycling nutrients, such as the use of the frond (pruning), application of effluent and EFB Mulching. There are a recording of the EFB applications realization on Pulu Raja Estate, for example: EFB application amount 20,583 MT on June 2020. While the effluent applications with volume 86,299 MT on January-August 2022.

The company has been able to show the reuse of palm oil waste is contained in the documents for Realization of Empty Bunch and Land Application for Mature Plants (TM) and Immature Plants (TBM):

Produce Plants Period January-August 2022 for example:

Month	Liquid Waste Application (tons)	Empty Bunch Application (Tons)
Jan	9,940.580	2,527.580
Feb	9,908.960	1,460.760
March	12,880.550	2,535.930
Apr	12,756.420	1,861.770
May	10,125.930	2,480.240
Jun	12,048.130	3,312.020
Jul	8,904.300	3,505.120
Aug	9,734.190	2,900.260
Total	86,299.060	20,583.630

Immature Plants Period January-August 2022 for example:

Month	Liquid Waste Application (tons)	Empty Bunch Application (Tons)
Jan	-	457.620
Feb	-	357.100
March	-	265.720
Apr	-	799.330
May	-	594.970
Jun	-	329.250
Jul	1,941.690	538.390
Aug	3,335.980	460.980
Total	5,277.670	3,803.360

Based on information from interviews with the management unit and the results of a document review that Pabatu Estate has available a nutrient recycling strategy, it can include recycling empty fruit bunches, POM liquid waste, palm oil residue, as well as optimizing non-organic fertilizers in a nutrient recycling strategy in the form of utilize empty fruit bunches as organic fertilizer in oil palm plantations, but the Bah Birong Ulu Estate unit does not use nutrient recycling applications.

7.4.4

The company has records of fertilization plans and realizations contained in the Fertilization Report document of the Pabatu Estate Business Unit for the period of 2021 and the period of January – September 2022. Some examples of Data on the Plan and Realization of Fertilization in Mature Plant are as follows

The plan and realization of plant fertilization to produce Pabatu Estate for the January – December 2021 period is as follows:

Name	Program (Ton)	Realization (Ton)	%
NPK	2,207.679	2,207.679	100.00
Dolomite	980.238	980.238	100.00
MOP	726.068	262.744	100.00
BORON	26.766	26.766	100.00
UREA	447.378	447.377	100.00

Based on document verification and interviews with management, information was obtained that the realization of NPK, Dolomite and Urea fertilizers was in accordance with the plan and realization but for MOP fertilizer it had not been applied 100% (36.19% application) because the fertilizer procurement process was not in PTPN IV, but from holding Jakarta so that the dropping of fertilizer in that period has not been carried out as planned.

The plan and realization of fertilization for Pabatu Estate for the period January – September 2022 are as follows :

Name	Program (Ton)	Realization (Ton)	%
NPK	2,044.819	2,031.386	100.00
Dolomite	1,065.407	1,065.062	100.00
MOP	961.252	961.252	100.00
BORON	42.873	42.873	100.00
UREA	843.661	843.661	100.00

Based on the data above, the company has been consistent in making improvements related to OFI in the previous assessment regarding the realization of fertilization according to the recommendations that have been planned.

Based on data on fertilizer use in 2022 and interviews with management, information was obtained that the realization of Boron fertilizer had not been applied according to the plan because the fertilizer procurement process was no longer at PTPN IV, but from the Jakarta holding so that the dropping of fertilizer in that period had not been carried out as planned.

In the period of 2021 (January – May 2021), it is known that the stock of fertilizer is dropping gradually for a 1-year plan. The dropping of NPK and Dolomite, MOP and UREA fertilizers in 2022 has been implemented/applied 100% in the field. Meanwhile, the realization of Boron fertilizer has not yet been realized because there is no fertilizer stock that has come from the center.

Based on document verification and interviews with management, information was obtained that the realization of Dolomite, urea, boron, and NPK fertilizers was in accordance with the plan.

Status: Comply

7.5

Practices minimise and control erosion and degradation of soils.

7.5.1

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

Bah Birong Ulu Estate features a topography and land map with a scale of 1:25,000. The map was provided by PT Surveyor Indonesia and the Indonesian Sustainable Palm Oil Foundation in July 2013. The map informs that in general the slope conditions at the Bah Birong Ulu Estate Unit vary from bumpy to hilly. From observations, it is known that hilly areas have a terraced cropping pattern. The type of soil in Bah Birong Ulu Estate is mineral soil in the form of yellowish red podzolic, yellow podzolic, and yellow sandy podzolic. The physical fertility of the soil is relatively low, which is characterized by the texture of sandy clay loam, the structure of the crumbly lumpy soil and the consistency of the soil is relatively loose. The effective depth of the soil is deep enough that is > 100cm. In fact, most of the land suitability classes are marginally suitable, although in a small part the area is classified as S2 (suitable) with the limiting factor of topography and sandy areas and attitude > 800 m above sea level, Land suitability class can be maintained through the application of conservation techniques

7.5.2

Based on field observations at Pabatu Estate, Afdeling 7 area of Immature I in block 2021 D, it is known that replanting in the sloping area has been carried out by minimizing soil erosion through the rasan system and by planting a cover crop, namely *Mucuna bracteata*. However, for the Bah Birong Ulu Estate Unit, there are no oil palm replanting activities in the past 4 years.

7.5.3

Based on the results of document reviews and interviews with management units, stakeholders, verification of the areal statement documents and field observations, it is known that Pabatu Estate and Bah Birong Ulu Estate have not had any new plantings within the scope of certification. There are only replanting activities and this has been explained in indicator 7.5.2.

Status: Comply

7.6

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

7.6.1, 7.6.2, and 7.6.3

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

Bah Birong Ulu Estate features a topography and land map with a scale of 1:25,000. The map was provided by PT Surveyor Indonesia and the Indonesian Sustainable Palm Oil Foundation in July 2013. The map informs that in general the slope conditions at the Bah Birong Ulu Estate Unit vary from bumpy to hilly. From observations, it is known that hilly areas have a terraced cropping pattern. The type of soil in Bah Birong Ulu Estate is mineral soil in the form of yellowish red podzolic, yellow podzolic, and yellow sandy podzolic. The physical fertility of the soil is relatively low, which is characterized by the texture of sandy clay loam, the structure of the crumbly lumpy soil and the consistency of the soil is relatively loose. The effective depth of the soil is deep enough that is > 100cm. In fact, most of the land suitability classes are marginally suitable, although in a small part the area is classified as S2 (suitable) with the limiting factor of topography and sandy areas and attitude > 800 m above sea level, Land suitability class can be maintained through the application of conservation techniques

Based on the area statement, field observations and stakeholder interviews, it is known that since the RC audit until the ASA 1.1 audit was carried out, the company has not yet developed a new area.

Status: Comply

7.7

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

7.7.1, 7.7.2, 7.7.3, 7.7.4, 7.7.5, 7.7.6, and 7.7.7

The certification unit carried out a semi-detailed soil survey in July 2013 with the assistance of PT Surveyor Indonesia and the Indonesian Sustainable Palm Oil Foundation. Based on the activity report, it can be concluded that the type of soil in the company's operations is 100% mineral soil consisting of Alluvial soil, reddish brown Podsollic and Chocolate Podsollic. Thus, it can be concluded that the company does not own peatland and therefore does not have a peatland management strategy.

Bah Birong Ulu Estate features a topography and land map with a scale of 1:25,000. The map was provided by PT Surveyor Indonesia and the Indonesian Sustainable Palm Oil Foundation in July 2013. The map informs that in general the slope conditions at the Bah Birong Ulu Estate Unit vary from bumpy to hilly. From observations, it is known that hilly areas have a terraced cropping pattern. The type of soil in Bah Birong Ulu Estate is mineral soil in the form of yellowish red podzolic, yellow podzolic, and yellow sandy podzolic. The physical fertility of the soil is relatively low, which is characterized by the texture of sandy clay loam, the structure of the crumbly lumpy soil and the consistency of the soil is relatively loose. The effective depth of the soil is deep enough that is > 100cm. In fact, most of the land suitability classes are marginally suitable, although in a small part the area is classified as S2 (suitable) with the limiting factor of topography and sandy areas and attitude > 800 m above sea level, Land suitability class can be maintained through the application of conservation techniques

Based on information from the results of document studies, field visits and interviews with stakeholders and management units, it was found that until the ASA 1.1 audit was carried out, the company had not yet developed new areas and the operational areas of PTPN IV-Pabatu POM and Bah Birong Ulu Estate did not have peatlands.

Status: Comply

7.8

Practices maintain the quality and availability of surface and ground water

7.8.1

Pabatu Unit

Company 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 (*RKL-RPL*) and riparian management procedure No. SPO 05 Revision 03 on 27 Agustus 2018. 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. The company was conducted water quality testing every semester by accredited testing laboratory by KAN No. No. LP-1254-IDN. Location of surface water testing conducted in upstream and downstream of Sei Padang River (Pabatu) and Bah Hilang, Bah Pora, and Bah Kapuran River (Bah Birong Ulu). 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.

Bah Birong Ulu Unit

Company 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 (*RKL-RPL*) and riparian management procedure No. SPO 05 Revision 03 on 27 Agustus 2018. 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. The company was conducted water quality testing every semester by accredited testing laboratory by KAN No. No. LP-1254-IDN. Location of surface water testing conducted in upstream and downstream of Bah Hilang, Bah Pora, and Bah Kapuran River. 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.

Pabatu Unit

Water management plans are recorded on HCV Identification Documents, e.g riparian buffer zone marking, regular river water testing (upstream and downstream of Sei Padang River of Pabatu Unit, and water usage on Pabatu Palm oil mill. Company already has SOP No. 05 Revision 2 dated January 2, 2015 regarding the River Border Management Mechanism. This procedure contains the determination of river border areas as protected areas.

- Determination of delimitation of at least 100 meters left and right for large rivers and at least 50 meters for small rivers.
- Perform boundary marking
- Installation of warnings
- Socializing the prohibition of chemical spraying in river border areas
- Enrichment with pioneer plants.

Bah Birong Ulu Unit

Water management plans are recorded on HCV Identification Documents, e.g riparian buffer zone marking, regular river water

testing (upstream and downstream of Bah Hilang, Bah Pora, and Bah Kapuran River. Company already has SOP No. 05 Revision 2 dated January 2, 2015 regarding the River Border Management Mechanism. This procedure contains the determination of river border areas as protected areas.

- Determination of delimitation of at least 100 meters left and right for large rivers and at least 50 meters for small rivers.
- Perform boundary marking
- Installation of warnings
- Socializing the prohibition of chemical spraying in river border areas
- Enrichment with pioneer plants.

7.8.3.

All palm oil mill effluent produced by Pabatu Palm Oil Mill are processed at waste water treatment plant before it distributed to estate as land application. Monitoring of BOD has carried out every month regularly and reported to Environmental Agency every three month. Based on waste water analysis in period September 2021-July 2022, all parameters that tested under threshold especially BOD and COD. It shows that POME can be applied in to the land application. For examples, BOD on July 2022 is 257 mg/l with threshold 5000 mg/l and pH 7.62. Unit of certification has had license to use the effluent for land application based on Operational Eligibility Letter from Environmental Agency of Serdang Bedagai Regency number 18.20/660/359/2022 dated 12 August 2022 about Land Application License of PTPN IV Pabatu.

7.8.4.

Water usage monitoring for Pabatu Mill are conducted daily and listed on "*Neraca pemakaian harian*" Standards of water usage for FFB process recorded on 2022 budget projected 1.20-1.50 m³/MT FFB process. Evidence for water usage monitoring periodically is available and recorded. For example, water usage monitoring data for January-August 2022 period shows that for 117,653 MT FFB processed, process water usage 157,995 m³, and water usage efficiency was 1.34 m³/MT FFB processed. This water usage is below budget projected by unit of certification. Besides, unit of certification has also shown proof of payment of surface water utilization for period August 2022 in 9 September 2022 to *Kas Daerah Provinsi Sumatera Utara*.

Status: Comply

7.9

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

7.9.1

Company has done efforts for efficiency of fossil fuel use and the use of renewable energy is optimized. Unit of certification has shown Decree No. PKS PAB.MU/Ktps/07/VII/2021 determined by the POM Manager in July 2021 which contains the formation of a monitoring team for compliance with documents related to the principles and criteria for RSPO certification in Pabatu POM. The activity plan is to monitor the use of shells and fiber as boiler fuel, monitor equipment that uses electricity as an energy source and evaluate the use of diesel fuel. Based on document verification of Efficiency in the Use of Fossil Fuels for Pabatu Palm Oil Mills 2021, CPO production: 44,972 MT; Shell Usage: 27,986 MT; Fiber Usage: 11,579 MT; Diesel Usage: 28,160 Litre. Based on previous year monitoring data sighted that the renewable energy usage average in 2021 is 17.05 kWh/ton CPO which is increased from renewable energy usage average in 2020 17.04 kWh/ton CPO.

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 conducted GHG emission calculations period January-December 2021 Using Calculator Palm GHG version 4.1. Accurate data has been put into the RSPO PalmGHG Calculator (Palm GHG version 4.1) and has been verified. Summary of net GHG emissions from PalmGHG calculator of the audit report which calculation option is applied "Apply full version."

Summary Emission

Emission per product	tCO ₂ e/tProduct
CPO	1.58
PK	1.58

Production	t/yr
FFB processed	199,896.77
CPO produced	44971.62
PK produced	9031.07

Extraction	%
OER	22.50
KER	4.52

Land use	Ha
Planted area	29068.56
Planted on peat	0.00
Conservation Area (Forested)	0.00
Conservation Area (Non-Forested)	413.72

Summary Oil Mill Emissions and Credits

Remarks	tCO2e	tCO2e/t FFB
Emissions sources		
POME	14604.42	0.07
Fuel consumption	87.86	0.00
Grid electricity	0.00	0.00
Credits		
Export of Excess Electricity to housing & grid	0.00	0.00
Sales of PKS	0.00	0.00
Sales of EFB	0.00	0.00
Total	14692.28	0.07

Summary of field emission and Sinks

Description	Own		Group		3rd Party		Total
	tCO2e	tCO2e/ha	tCO2e	tCO2e/ha	tCO2e	tCO2e/ha	
Emission Source							
Land Conversion	48385.60	9.87	226420.33	9.37	0.00	0.00	274805.93
CO2 Emissions from Fertiliser	4406.63	0.90	15625.60	0.65	0.00	0.00	20032.23
N2O Emissions from Peat	0.00	0.00	0.00	0.00	0.00	0.00	0.00
N2O Emissions from Fertiliser	3284.60	0.67	12011.97	0.50	0.00	0.00	15296.57
Fuel Consumption	144.73	0.03	1095.45	0.05	0.00	0.00	1240.18
Peat Oxidation	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sinks							
Crop Sequestration	-45863.13	-9.35	-197587.42	-8.18	0.00	0.00	-243450.55
Sequestration in Conservation Area	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	10358.44	2.11	57565.93	2.38	2752.75	0.00	70677.12

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.

Based on documents review, interview, and field visits, shown that company did not expand any operational area and there is no more land clearing for new development activity since January 2015.

7.10.3.

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

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

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

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

Mitigation measurements and plan to reduce waste, pollution, and emission including GHG from Mill and estate are identified and recorded on waste/pollution identification document and GHG identification document. Fossil fuel reducing have been implemented by fiber and shell usage. Realization of renewable energy have been monitored on monthly report for fiber and shell usage. Waste water has been monitored every month and monitoring periods of 2022 sighted that all of waste water testing parameters is compliant to the standards quality.

Status: Comply

7.11

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

7.11.1

Unit of certification 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. Besides, based on field observation result in Immature Area in Block 2021 D Afdeling 7 Pabatu Estate, it is known that there is no indication of land burning marks in replanting area such as immature plants in this area.

7.11.2

Unit of certification 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. In addition, the company has attached first semester of 2022 Fire Monitoring Report which has been submitted to Environment Agency of Serdang Bedagai Regency on 27 August 2022. Based on the results of the study documents and field visits, there are no land burning activities in the plantations.

7.11.3

Based on results of document review of Fire Monitoring Report in first semester of 2022, there were no land burning activities in the plantations. Besides, the company has conducted simulation of land fire emergency response 29 July 2022 which participated by 18 participants.

Status: Comply

7.12

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

7.12.1

There are no changes for the HCV Identification assessment, since that was conducted in 2010. The certification unit been managed as a plantation land since the Dutch colonial government and became a national company since 1959. Based on the verification document of the palm oil planting year shows that planting after November 2005 is the replanting activity of previous rotation palm oil. In accordance with the RSPO Secretariat's Email (Dillon Sirim) July 21, 2017 CH declared that PTPN IV (Unit Pabatu) has sent a new Land Clearance Disclosure after November 2005 and can continue the certification process "This unit has been disclosed as zero non-compliant land clearance. It may proceed with RSPO Certification Process". Meanwhile, RSPO sends the results of the LUCA Review from PTPN IV – Bah Birong Ulu with a "Pass" status with a Final Conservation Liability of 0 Ha and an Environmental Remediation Area of 43.67 Ha on 17 March 2022.

7.12.2

Based on the verification of land clearing data, there is no indication of new land clearing after 15 November 2018, therefore the company has no obligation to conduct a High Carbon Stock (HCS) study. There are no changes for the HCV Identification assessment, since that was conducted in 2010. All HCV and the RTE species were identified by the RSPO approved assessor. RTE species that were identified based on this identification e.g: *Manis javanica* "Trenggiling". HCV identifying process conducted by using HCV identification guides in Indonesia 2007. The identification results indicate that there are HCV 1,4 and 6 covered 88.3 ha areas.

Besides, HCV Identification assessment in Bah Birong Ulu has covered 2,673.54 Ha which was conducted by RSPO approved assessor. HCV identifying process conducted by using HCV identification guides in Indonesia 2007. The identification results indicate that there are HCV 1,4 and 6 covered 52.25 ha areas. Based on interview with management and field visit, HCV area has been included in planted area.

7.12.3.

Based on procedural note in INANI-RSPO P&C of 2018, Indicator 7.12.3. is not relevant to Indonesia, until further decisions by the RSPO.

7.12.4.

Unit of certification has attached the 2022 HCV Area Management and Monitoring Plan documents made in February 2020 and March 2021. The HCV management actions are as follows:

- Installing a sign every semester
- Supervise and maintain HCV 1, HCV 4 and HCV 6 every semester
- River water testing every semester
- Clean the HCV 6 grave area every semester

Company also has attached document of HCV Management and Monitoring Programs Evaluation of first semester of 2022 which were held on 13 June 2022. For example, based on the document review, the results of the first semester of 2022 evaluation show the following information:

- HCV area is still well maintained and there is no damage to the ecosystem in the riparian area
- Signboards are still present
- Vegetation condition is still good and there is no damage to HCV
- The condition of the area around the cemetery is still quite clean.

Based on verification result in ASA-1.1 about consistency for correction of nonconformity regarding HCV management plan is developed in consultation with relevant stakeholders, company has set up management plan review annually, as for 2021 management and monitoring results is reviewed on 21 July 2021 in participatory manner, while 2022 period was held on 13 June 2022 and participated by surrounding communities such as representatives of Pabatu II Village, Mainu Tengah Village, Bahdamar Village, Paritokan Village, Pabatu IV Village, Pabatu I Village, Gunung Katoran Village, Penonggol Village and Kedai Damar Village. Management activities carried out in 2022 include signboard maintenance, flora & fauna monitoring, as well as socialization to employees and the surrounding community. Based on field observation to Riparian Block 04 F and 17 K Pabatu Estate, HCV boundaries in potential HCV area also has been ensured that its management and monitoring refers to HCV management and monitoring as stated in HCV Identification in 2020 and Management and Monitoring Plan in 2022, such as prohibition of agrochemical application in riparian to maintain the ecosystem in the riparian area.

7.12.5.

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

7.12.6.

Unit of certification already has a policy for the protection of animal species as outlined in Standard Operational Procedure No. 09 (Rev 02) dated January 02 2015 concerning Identification and Protection of Flora and Fauna in which the SPO regulates the prohibition of capturing, maintaining, maintaining or killing wild animals, both protected and unprotected and providing sanctions if the prohibited items are found. on. The procedure also regulates cooperation with other parties, in this case the Natural Resources Conservation Center (*BKSDA*) in the context of efforts to save animals as well as to rehabilitate and release rehabilitated products. The policy set out in the SOP was later strengthened by the issuance of memo number DI/SE.interen.14/II/2015, dated February 25, 2015 from the DOI unit manager regarding the prohibition on keeping and capturing protected animals.

Unit of certification has shown minute of meeting of HCV socializations. For example: HCV socialization on Pabatu Unit on 15 April 2022 attended by 13 participants and Bah Birong Ulu Unit on 6 April 2021 attended by 30 participants respectively. Based on result of interview with Pabatu Estate and Bah Birong Ulu Estate workers, acquired information that companies has conducting socialization for RTE/ protected species within estates operational areas which also informed by signboard. Moreover, field visit on employee housing in Pabatu Estate and Bah Birong Ulu Estate showed that there is no RTE / wild species reared by workers. Based on interviews with sprayers, harvesters, as well as residents in housing complex regarding animal protection, the unit of certification has committed to protecting animals that are within the scope of corporate governance, such as implementing a ban on hunting, killing and keeping wild animals within the company's environment.

7.12.7.

Unit of certification has implemented a management plan containing continuous monitoring of the status of HCV and RTE species in 2021 as contained in HCV Monitoring and Management Program 2021 which contains:

- HCV area is still well maintained and there is no damage to the ecosystem in the riparian area
- Signboards are still present
- Vegetation condition is still good and there is no damage to HCV
- The condition of the area around the cemetery is still quite clean.

Results of HCV monitoring in 2021 have been reviewed and developed into HCV monitoring plan in 2022 which was made on 21 July 2021. This review has been participated by surrounding village including representatives of Pabatu II Village, Mainu Tengah Village, Bahdamar Village, Paritokan Village, Pabatu IV Village, Pabatu I Village, Gunung Katoran Village, Penonggol Village and

Kedai Damar Village. Management activities carried out in 2022 include maintaining HCVs 1, 4 and 6; testing river water every semester and cleaning the HCV 6/cemetery area.

7.12.8.

Pabatu Unit been managed as a plantation land since the Dutch colonial government and became a national company since 1959. Based on the verification document of the palm oil planting year shows that planting after November 2005 is the replanting activity of previous rotation palm oil. In accordance with the RSPO Secretariat's Email (Dillon Sirim) July 21, 2017 CH declared that PTPN IV (Pabatu Unit) has sent a new Land Clearance Disclosure after November 2005 and can continue the certification process "This unit has been disclosed as zero non-compliant land clearance. It may proceed with RSPO Certification Process".

Bah Birong Ulu Unit has cleared land without prior HCV assessment, so remediation and compensation procedures apply. The certification unit has carried out an HCV assessment for PTPN IV Bah Birong Ulu Unit area in 2016. In this regard, Bah Birong Ulu Unit has conducted a LUCA study and carried out the process of obtaining RaCP, as follows:

- December 7, 2021: RSPO provides its first review with the conclusion that there are some clarifications that need to be completed by the Unit of Certification.
- 9 February 2022: Unit of certification submits 2nd LUCA Clarification to RSPO
- 11 February 2022: Unit of certification submits Revision 2nd LUCA Clarification to RSPO.
- 17 March 2022: RSPO sends the results of the LUCA Review from PTPN IV – Bah Birong Ulu with a "Pass" status with a Final Conservation Liability of 0 Ha and an Environmental Remediation Area of 43.67 Ha.
- June 16, 2022: The unit of certification submits the Bah Birong Ulu Unit Remediation Plan (Annex 8) for an area of 43.67 Ha to RSPO.
- 25 July 2022: RSPO provides the Unit of Certification the results of a review of the Remediation Plan for Bah Birong Ulu which needs to be revised.
- September 7, 2022: The unit of certification sends the results of revisions to Annex 8 of the Bukit Lima and Bah Birong Ulu Units to RSPO.
- 15 September 2022: RSPO sends out a preliminary review of the Bukit Lima and Bah Birong Ulu Remediation Plans.

Based on the results of the document review including the communication email between Bah Birong Ulu Unit and RSPO, Bah Birong Ulu Unit has communicated to RSPO. However, the Unit of Certification has not been able to provide sufficient evidence that the Remediation Plan has been approved by the RSPO. This has been **non conformity No. 2022.9 with Major category**.

7.12.8	Status: Non conformity No. 2022.9 with Major category
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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-1.1	The company didn't use trademark on the product.	√
	Status: Comply	
2.	Implementation of certificate and trademark used by Client comply with size and type (shape) against Guideline of trademark Use	X or √
ASA-1.1	The company didn't use trademark on the product.	√
	Status: Comply	
3.	Implementation of Certificate and Trademark is not used on product	X or √
ASA-1.1	The company didn't use trademark on the product.	√
	Status: Comply	
4.	Controlling of Certificate and Trademark, including withdrawing inappropriate trademark.	X or √
ASA-1.1	The company didn't use trademark on the product.	√
	Status: Comply	

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.
- The company has shown documents related to the Time Bound Plan for all units that have not been RSPO certified on November 22, 2021. The document informs the condition of the units that have not been certified, such as:
 - HCV assessment process and progress.
 - Information on new land clearing.

However, the document has not been accompanied by supporting documents or evidence related to legal compliance (criterion 2.1), labor issues (criterion 4.2), land conflict issues (criteria 4.4, 4.5, 4.6, 4.7 and 4.8), and also the development of land remediation & compensation. (criteria 7.12).

Based on that evidences, the company has not been able to show sufficient evidence that all units that have not been certified have met the requirements accompanied by supporting documents. **NCR No.2022.10**

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"> • Primary forest. • Any area identified as containing High Conservation Values (HCVs). • Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3. 	PTPN III Based on document verification sighted that all uncertified unit has conducted LUCA and submitted to the RSPO: <ul style="list-style-type: none"> - KRBTN dated 20 August 2021, there are raw non-compliant land clearance with area 489.83 Ha.

Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<ul style="list-style-type: none"> - KBDY dated 20 August 2021, there are raw non-compliant land clearance with area 116.20 Ha. - KKINO dated 18 August 2021, there are raw non-compliant land clearance with area 477.85 Ha. - KJLRS dated 18 August 2021, there are raw non-compliant land clearance with area 3,823.91 Ha. <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"> 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. Form of Request Budget (No. 3.16/PPAB/07/2018) dated January 29, 2018. <p>PTPN V</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</p>

Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<p>No.SK.878/Menhut-II/2014 jo SK.903/MENLHK/SETJEN/PLA.2/12/2016). The organization has got Land Use Right (HGU) from government before the regulation above was issued so that the organization still coordinating with government about case it. Whereas, Sei Buatan estate, Tanjung Medan estate and Sei Galuh estate still in-process review of disclosure liability by RSPO secretari-at so they has not been ensured that no replacement to any identified as HCV areas or required to maintain or enhance HCVs. All planted areas after November 2005 are from re- planting process without NPP replacement. This company is considered old company under State Owned (Ministry of BUMN).</p> <p>PTPN VI Uncertified management units has conducted HCV assessment such as :</p> <ul style="list-style-type: none"> Unit of Batanghari Business (Batanghari Estate), Unit of Bunut business (Bunut Estate & POM), Unit of Tanjung Lebar business (Tanjung Lebar Estate & POM) & Unit of Durian Luncuk (Aur Gading POM & 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) & 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. During audit, other the uncertified management units has not been carried out HCV assessment such as Unit of Ophir business (Ophir POM & estate), Unit of Pangkalan 50 Kota business (Pangkalan 50 Kota estate), Unit of Solok Selatan business (Solok Selatan POM & estate), Bukit Cermin Estate, PT Bukit Kausar & PT MAJI but PTPN VI have budget & the allocation activity plan year 2020 for HCV assessment in Unit of Ophir business, Unit of Pangkalan

Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<p>50 Kota business and Unit of Solok Selatan business. Allocation Activity Plan year 2020 is postpone because any reduction operational cost in pandemic covid-19. PTPN VI have action plan and estimating cost for HCV assessment include of the review by HCV RN, HCS, LUCA & SIA. Bunut estate & 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) & Bunut Business Unit (Bunut Estate & POM) has submitted disclosure liability, LUCA & 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 & POM), Unit of Durian Luncuk Business (Aur Gading POM & Durian Luncuk Estate), Unit of Ophir Business (Ophir Estate & POM), Unit of Pangkalan 50 Kota Business (Pangkalan 50 Kota estate), Bukit Cermin estate, PT Bukit Kautsar & 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 & LUCA still revised by auditee on behalf Unit of Batanghari Business and Unit of Bunut Business and other uncertified management units</p>

Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<p>has not been submitted disclosure liability. LUCA and shp file.</p> <p>Following up one of resolution from 35th BHCVWG meeting year 2017 are pushing certified management unit to submit annex 7 & 8 (compensation concept note & 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 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>2nd partial audit was conducted on 24-25 November 2021</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 & Liability of Tanjung Lebar is still pending. While the Disclosure & 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 & 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 & Sustainability with number: ND-312/06.08/XI/2021 dated 25 November 2021 about RSPO certification preparation in Bunut & Batang Hari Business units and also awareness criteria 7.12 RSPO P&C and Risk Analysis for six business units (Ophir, PLK, Solsel, BKC, B. Kausar, and MAI) by Consultant Inovasi Sejahtera Berkelanjutan.</p> <p>PTPN VII</p> <p>Bentayan Estate, Sungai Lengi Estate, Sinabing Estate and Talopino Estate were not conducted new planting after November 2005. However the HCV</p>

Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<p>identification document was not available. The HCV assessment will be 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 st 2010 must comply with the RSPO New Plantings Procedure.	<p>PTPN III</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 (Batang Toru Estate, Hapesong Estate, Rambutan Estate dan Bandar Betsy Estate) dated January 25, 2018. This internal memo issued based on the initial gap assessment has conducted in January 2018.</p> <p>d. Form of Request Budget (No. 3.16/PPAB/07/2018) dated January 29, 2018.</p> <p>PTPN V</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 & POM), Unit of Durian Luncuk Business (Aur Gading POM & Durian Luncuk Estate), Unit of Ophir Business (Ophir Estate & POM), Unit of Pangkalan 50 Kota Business (Pangkalan 50 Kota estate), Bukit Cermin estate, PT Bukit Kautsar & PT MAJI.</p>

Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<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 & 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 35th BHCVWG meeting year 2017 are pushing certified management unit to submit annex 7 & 8 (compensation concept note & 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 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>PTPN VII 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; 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	<p>PTPN III KRBTN</p>

Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
	procedure or Dispute Settlement Facility, in accordance with RSPO criteria 6.4, 7.5 and 7.6.	<p>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>PTPN V There was land conflict between PT PN V with community in Senama Nenek village, located in Sei Kencana Estate and Terantam Estate for approximately $\pm 2,800$ Ha (± 550 Ha under Terantam Estate and $\pm 2,250$ Ha under Sei Kencana Estate). During this initial audit, this area has been released in accordance with a court decision.</p> <p>PTPN VI 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 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>

Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<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: http://www.rspo.org/members/complaints/status-of-complaints/view/26. Unit of Bukit Cermin Business has provided some evidences relate of land compensation record and document from dispute/conflict areas.</p> <p>2nd partial audit was conducted on 24-25 November 2021</p> <p>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>PTPN VII</p> <p>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>PTPN III</p> <p>Based on self assessment in KRBTN, KBDSY, KKINO and KJLRS and desk study on internet sighted that there are no labour dispute issues, since last year period until the partial audit conducted on 8-9 November 2021.</p> <p>PTPN V</p> <p>There is no labour issue/dispute found during this initial certification audit.</p> <p>PTPN VI</p> <p>There is a mechanism of resolving grievance and compliant from employee and industrial action. It has covered in the collective labour agreement between PT Perkebunan Nusantara VI and SP- BUN PTPN VI (labour union) period of 2020 to 2021 (article 76 –</p>

Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<p>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 & 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>2nd partial audit was conducted on 24-25 November 2021</p> <p>The renewable of collective labor agreement period of 2022-2023 is still on process, that the final meeting in Yellow Hotel will be conducted on 25 to 26 November 2021.</p> <p>PTPN VII</p> <p>There are no labour dispute during internal audit assessment, the company will be follow up the regulation of PP 50 of 2012, PP 38 of 2011, PP 101 of 2014, and Permenaker 19 of 2012.</p>
2.1.6	Any Legal non-compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.	<p>PTPN III KRB TN</p> <p>Letter from Sumatera Utara Governor with number 520.33/145/DISPMPPTSP/5/I.5/I/2018 dated 25 January 2018 about Revision of commodity from rubber to oil palm plantation in Rambutan Estate. Revision from Rubber: 2,253.35 Ha & Oil Palm</p>

Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<p>546.41 Ha to Rubber: 1,156.95 Ha and Oil Pal 5,158.33 Ha.</p> <p>There are several HGU certificate with HGU number 1 year of 1996 in Sei Bamban Village (569.32 Ha), Sei Priok Village (780.45 Ha), Paya Bagas Village (4,373.78 Ha); and also Sei Simujur Village (1) number 18 year of 2009 with area 793.15 Ha.</p> <p>KBDBY <i>Surat Pendaftaran Usaha Perkebunan</i> with number HK.350/530/Dj.Bun.5/VII/2001 Bandar Betsy Estate with area 5,348.90 Ha with commodity rubber. Therefore conversion license from rubber to oil palm with number 503.35/271/17.42018 dated 12 February 2018 with area 116.2 Ha.</p> <p>HGU on process, the latest process are Nota Dinas number 419/ND-300.HP.03.01/VII/2021 from KANWIL BPN Sumatera Utara Province dated 1 July 2021 about Renewal of HGU Bandar Betsy with area 5,348.90 Ha dated 2 July 2021.</p> <p>KJLRS IUP on process due to revision of AMDAL document. However there are HGU number 03 year of 1994 with area 2,318.87 Ha.</p> <p>KKINO IUP on process due to revision of AMDAL document. However there are HGU number 122 year of 1999 with area 4,632.60 Ha. Based on Self-assessment there are some conditions not yet compliance with RSPO criteria 2.1 such as:</p> <ol style="list-style-type: none"> 1. 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. 2. There is a land conflict (Batang Toru Estate) not yet resolved. <p>PTPN V 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</p>

Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<p>organization still in-process to get Land Use Right (HGU).</p> <p>PTPN VI</p> <p>Uncertified management units has complied with applicable legal requirement which supported by some evidences such as :</p> <ol style="list-style-type: none"> 1. Some uncertified management units (Ophir Estate & POM, Solok Selatan Estate & POM, Pangkalan 50 Kota Estate, Ba- tanghari Estate, Bunut Estate & POM, Tanjung Lebar Estate & POM, Bukit Cermin Estate, Pinang Tinggi POM, Aur Gading POM, Durian Luncuk Estate & 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. 2. Some uncertified management units (Ophir Estate & POM, Solok Selatan Estate & POM, Pangkalan 50 Kota Estate, Batanghari Estate, Bunut Estate & POM, Tanjung Lebar Estate & POM, Bukit Cermin Estate, Aur Gading POM, Durian Luncuk Estate, PT MAJI & 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. 3. Some uncertified management unit (Sei Bahar II Bunut POM, Solok Selatan POM, Tanjung Lebar Estate & POM, Pinang Tinggi Estate & POM, Bunut Estate, Batanghari Estate, Durian Luncuk Estate & PT Bukit Kautsar) have environment document so they has complied with Minister of Environment Reg- ulation no.05 Year 2012 jo Minister of Environment & Forestry Regulation no.P.38/MENLHK/SETJEN/KUM.1/7/2019 or Min- ister of Environment Regulation no.13 Year 2010 or Minister of Environment Regulation no.14 Year 2010. 4. Bunut POM and Tanjung Lebar Estate & POM have storage temporary for hazardous & toxic materials waste and their permit so they has complied with Minister of Environment Regulation no.30 year 2009 article 5. 5. Bunut POM and Solok Selatan POM have land application permit so they has complied Minister of Environment Decree no.29 year 2003.

Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<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 & no.443/Kpts-II/1999 and letter from Head of Forestry Agency in Jambi Province no. S.6.802/Dishut/BIPH.1.2/XII/2015). PT Mendahara Agro Jaya Industri have permit of release for forest areas from gov- ernment too (Minister of Forestry Decree no.954/Kpts-II/1999).</p> <p>7. Plantation Business Permit (Izin Usaha Perkebunan) on be- half PT MAJI (Head of Tanjung Jabung Timur decree No.30 year 2005) and PT Bukit Kautsar - Pengabuan POM (Governor of Jambi decree No.564/KEP.Gub/Disbun/2011).</p> <p>8. Environment Document on behalf Ophir Estate & 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 & Durian Luncuk estate (Governor of Jambi Province decree No.171/Kep.Gub/BLHD/2009), Bukit Cermin Estate (approved by No.100.A year 2011 on 3 October 2011) and PT MAJI (approved by No.76 year 2007 on 23 March 2007) was available.</p> <p>A documented system relate of law requirements and mechanism to ensuring compliance with legal compliance and a system to tracking changes to the law and regulation has covered in procedure of updating law and regulation and evaluation of compliance. All uncertified management units has provided the list of relevant law and regulation and the status of compliance because the mechanism to ensuring compliance with legal compliance has been implemented.</p> <p>Auditee has provided a legal land, map of legal land and a procedure of boundary monitoring where boundary monitoring shall be conducting every month and reporting in report of boundary monitoring</p>

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

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 Remote Re-Certification Assessment

NCR No.	:	2020.01	Issued by	:	Yudhi Yuniarto Tallutondok
Date Issued	:	9 October 2020	Time Limit	:	15 December 2020
NC Grade	:	Major	Date of Closing	:	7 December 2020
Standard Ref. & Requirement	:	1.1.1 Management documents that are specified in the RSPO P&C are made publicly available.			
<i>Evidence observed (filled by auditor):</i> The company shows the Compulsory Manpower Report Registration Certificate with registration number 18.17/560/217/01262/2019 dated 11 February 2019. The document explains the obligation to re-register on 11 February 2020. At the time of the audit, the Compulsory Manpower Report cannot be shown for period 2020.					
<i>Non-Conformance Description (filled by auditor):</i> The certification unit has no been able to show that all mandatory report in accordance to relevant regulations.					
<i>Root Cause Analysis (filled by organization audited):</i> Lack of understanding of officer regarding to mandatory report to the related agencies.					
<i>Correction (filled by organization audited):</i> Showing the latest mandatory report document.					
<i>Corrective Action (filled by organization audited):</i> <ul style="list-style-type: none"> • Showing appointment letter of PIC who is responsible for monitoring reports to the relevant agencies • Showing socialization of mandatory reports that must be submitted to the agency to the appointed PIC. • Showing monitoring documents of the mandatory reports that must be submitted to the relevant agencies 					
<i>Assessor Evaluation and Conclusion (filled by auditor):</i> Verification on 7 December 2020 The certification unit showing several evidences: <ol style="list-style-type: none"> 1. Decree letter with number PKS PAB.MU/Kpts/59/X/2020 concerning monitoring repots to the agencies with PIC Alfin Pane. 2. Manpower mandatory report (Pabatu POM) with number 20623.20201130.0001 dated 30 November 2020. The next mandatory report on 30 November 2021. 3. Manpower mandatory report (Pabatu Estate) with number 18.17/560/217/10431/2020 dated 5 December 2020. The next mandatory report on 5 December 2021. 4. Socialization to PIC regarding mandatory reports that are routinely submitted to agencies every year which is held on November 7, 2020. The company can show documentation and attendance lists for the socialization. 5. Monitoring of mandatory reports to government agencies for the year 2020. The monitoring explains the types of reports, reporting periods and legal basis <p>Based on above explanation, this non conformity been fulfilled.</p>					
Verified by	:	Yudhi Y T			

NCR No.	:	2020.02	Issued by	:	Brigitta Prita
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<i>Date Issued</i>	: 9 October 2020	<i>Time Limit</i>	: 27 Desember 2022
<i>NC Grade</i>	: Minor Raise to Major	<i>Date of Closing</i>	: 22 Desember 2022
<i>Standard Ref. & Requirement</i>	2.2.2. Semua kontrak, termasuk kontrak dengan pemasok TBS, memiliki klausul tersendiri mengenai pemenuhan kewajiban hukum yang relevan, dan dapat dibuktikan oleh pihak ketiga yang bersangkutan.		
<i>Evidence observed (filled by auditor):</i> Unit management shows documents such as: <ul style="list-style-type: none">The list of contractors who corporate with the company for the 2020 period consists of 6 outside fruit suppliers, 2 CPO transporters and others.Letter of sale and purchase agreement for FFB between PTPN IV - Pabatu Unit and CV Rianalim with number PAB / RL / SP-TBS / 09 / VII / 2020 from July 21, 2020 – December 31, 2020.Letter of sale and purchase agreement for FFB between PTPN IV - Pabatu unit and CV Duta Paliwi with number PAB / DP / SP-TBS / 07 / VII / 2020 dated July 11, 2020 – December 31, 2020.Letter of sale and purchase agreement for FFB between PTPN IV - Pabatu unit and UD.Gintar with number PAB / GTR / SP-TBS / 08 / VII / 2020 dated July 11, 2020 – December 31, 2020.Letter of sale and purchase for FFB between PTPN IV - Pabatu unit and PT Bitara Agung Mandiri with number PAB / BAM / SP-TBS / 05 / VI / 2020 dated June 02, 2020 – August 31, 2020Letter of agreement between PTPN IV and CV Pelita Jaya regarding the transportation of CPO production for 2020 with number 04.05 / S.Perja / 01. / I / 2020 dated January 17, 2020 – December 31, 2020 on other conditions, point (g) must include workers in insurance or <i>BPJS</i> program.Letter of agreement between PTPN IV and PT Kereta Api Indonesia regarding the transportation of CPO production with KKW carriage in 2020 number 04.09 / S.Perj / 04 / XII / 2019 dated December 30, 2019 on other terms, point (g) is required to involve workers in insurance or <i>BPJS</i> program.			
Non-Conformance Description: Based on the description above, the certification unit has not been able to shows compliance with the relevant law and can be proven by the third party concerned, but not limited to such as evidence of <i>BPJS</i> Payment, wages of each contractor employee, evidence of additional separate clauses regarding fulfillment of relevant legal obligations in the sales agreement letter, etc.			
<i>Root Cause Analysis (filled by organization audited):</i> Lack of understanding of contractors evaluation unit to prove that the contractors has accordance with RSPO clauses in the contract or Work Plan and Conditions (<i>RKS</i>).			
<i>Correction (filled by organization audited):</i> <ul style="list-style-type: none">Socializing Memo Number 04.03 / Kol / M-422 / VIII / 2020 concerning contractors evaluation to all divisions in the unit.Show contractors evaluation documents (namely: photocopy of worker ID card, PPE provisioning document, <i>BPJS</i> TK & KES payment and others)			
<i>Corrective Action (filled by organization audited):</i> <ul style="list-style-type: none">Shows monitoring contractors evaluation document every monthEvaluating the socialization of vendor evaluations to measure the level of understanding of the socialization participants.			
<i>Assessor Evaluation and Conclusion (filled by auditor):</i> Verification, 6 December 2020. Unit managemet shows a letter of sale and purchase agreement for fresh fruit bunches (FFB) between <i>PT Perkebunan Nusantara IV</i> Pabatu POM and CV Naga Bulan number PAB / NB / SP-TBS / 12 / XI / 2020 dated November 30, 2020 – May 31, 2021. Article 3 point 9 explains that the second party does not employ minors, does not practice forced labor, does not employ human trafficking workers, is obliged to provide PPE and <i>BPJS</i> membership for they workers. However, other improvements have not been shown such as agreements for sale and purchase of FFB by other contractors (5 agreements), evidence of <i>BPJS</i> payment, contractor employee wage slips, etc. Based on the description above, this has not been fulfilled .			

Verifikasi, 28 September 2022.

When the audit activity takes place the company can show some evidence of improvement including:

- Work agreement documents with contractors such as:
 - ❖ Pabatu Mill Unit with PT Jaya Wira Manggala and PT Karya Mandiri.
 - ❖ Pabatu Estate Unit with CV Senang Jaya, CV Cerah Eliando Jaya and CV Tiga Putra Siman.
 - ❖ Bah Birong Ulu Unit with PT Syahrul Akbar Sejahtera and CV Hizkia Jaya
- Documents for compliance with laws and regulations for CV Happy Jaya such as payment of BPJS (Labor and Health) for the September 2022 period for 15 employees on September 13 2022, payment of wages for the August 2022 period where the result is that workers have earned wages exceeding the minimum wage (work hours in 1 day only for 5 hours), list of labor and provision of PPE.
- Documents for compliance with laws and regulations for CV Tiga Putra Siman such as the payment of BPJS (Employment and Health) for the September 2022 period for 20 employees on September 2, 2022, the payment of wages for the August 2022 period where the result is that workers have received wages exceeding the minimum wage, list of workers and provision of PPE.
- List of Regulations for Contractors which was ratified on 26 September 2022, which contains 25 types of regulations, all of which are supposed to be fulfilled by contractors.

However, from this evidence there are still a number of things that need to be completed, or evidence needs to be shown based on the results of field visits, interviews and document reviews during audit activities, such as:

- Determination of root causes, corrective and corrective actions that have not been completed or changed according to actual conditions during the audit activity.
- Evidence of continued improvement for non-conformity in previous assessments.
- During the site visit, it was found that several contractors were working in the field, such as:
 - ❖ Pabatu Mill Unit with PT Jaya Wira Manggala and PT Karya Mandiri.
 - ❖ Pabatu Estate Unit with CV Senang Jaya, CV Cerah Eliando Jaya and CV Tiga Putra Siman.
 - ❖ Bah Birong Ulu Unit with PT Syahrul Akbar Sejahtera and CV Hizkia Jaya

However, of all the contractors, the company can only show proof of compliance with relevant regulations (wages, BPJS, labor lists and use of PPE) for contractors CV Senang Jaya and CV Tiga Putra Siman, while for other contractors it cannot be shown.

Based on the explanations above, it can be concluded that the non-conformity in this indicator has not been fulfilled so that this becomes a Major discrepancy (Minor Raise to Major).

Auditee's response:

Root Cause Analysis (filled by organization audited):

PIC has not yet implemented consistent monitoring of contractor legal compliance

Correction (filled by organization audited):

- Prepare contractor agreement documents for 2020 findings, *BPJS* payment proof and 2020 wage slips
- Prepare legal compliance documents such as wage slips, *BPJS*, list of workers and proof of handover of vendors for contractors in 2021, including:
 - ❖ Pabatu Unit POM with PT Jaya Wira Manggala (2022) and PT Karya Mandiri.
 - ❖ Pabatu Unit Estate with CV Senang Jaya, CV Cerah Eliando Jaya and CV Tiga Putra Siman.
 - ❖ Bah Birong Ulu with PT Syahrul Akbar Sejahtera and CV Hizkia Jaya

Corrective Action (filled by organization audited):

- Create a stipulation of PIC that evaluates the contractor's legal compliance
- Conduct outreach to contractors regarding contractor legal compliance
- Monitor contractor legal compliance

Major Verification on 22 Desember 2022

Unit of certification has shown improvement documents, including:

Bah Birong Ulu

- The company shows the Contract between PTPN IV and CV Hizkia Jaya No. 04.04/SPKP/ANGKUT-TBS/36/I/2021 concerning the Transportation of FFB from Afdeling III Bah Birung Ulu Plantation which was signed on 4 February 2021 and is valid for 3 years. The contract states that the contractor is obliged to comply with all applicable laws and regulations.
- The company shows an example of paying the salaries of 4 FFB loaders for October 2022 with a nominal value above the 2022 Simalungun District minimum wage.
- The company showed the Contract between PTPN IV and PT Syahrul Akbar Sejahtera regarding the Transportation of FFB from Afdeling III Bah Birung Ulu Plantation which was signed on 4 February 2021 and is valid for 3 years. The contract states that the contractor is obliged to comply with all applicable laws and regulations.
- The company shows an example of paying the salaries of 7 FFB loaders for October 2022 with a nominal value above the 2022 Simalungun District minimum wage.
- Based on the results of interviews with PT Syahrul Akbar Sejahtera contractor workers, it is known that workers have received wages according to the minimum wage and have been registered with the BPJS Health program by the contractor.

Pabatu

- The company has conducted outreach to contractors regarding contractor legal compliance for the 2022 period
- The company already has a contractor compliance evaluation report document in accordance with statutory regulations such as Law no. 01 of 1970 related to Occupational Safety from the evaluation results that the vendor has guaranteed all of its employees in terms of Occupational Safety and Health (OHS). This application can be proven from the results of interviews with the vendor's employees who work at the POM with the initials employee J who is an employee of the vendor PT Employee Nusantara Jaya, who has been facilitated for OHS aspects such as providing PPE in carrying out work at the Pabatu POM Unit.

Based on the explanation above, the nonconformity has been fulfilled.

Verified by : Rindu Galih Rezza Rachmansyah/Asystasya Aishah Silalahi/Ririn Sipayung

NCR No.	:	2020.03	Issued by	:	Yudhi Yuniarto Tallutondok
Date Issued	:	7 October 2020	Time Limit	:	15 December 2020
NC Grade	:	Major	Date of Closing	:	7 December 2020
Standard Ref. & Requirement	:	3.7.1 A documented programme that provides training is in place, which is accessible to all staf, workers, scheme smallholders, and outgrowers taking into account gender-specific needs, and which covers applicable aspects of P&C Principle, in a from they understand and includes assessment of the training.			

Evidence observed (filled by auditor):

- The CH has a 2020 training program, for example: plants and social, but there is no operator training program for the Mill.
- The results of document verification show that the company has a turbine engine with a capacity of 1000 kVA each and a generator engine with a capacity of 1600 kVA.
- The results of the verification of the OHS and Heavy Equipment Operator License and Certificate documents in 2020, it is known that the company does not yet have an OHS Electric Expert.
- Minister of Manpower Regulation Number 12 of 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 OHS Expert Electricity".

Non-Conformance Description (filled by auditor):

The CH has not been able to show sufficient evidence that it has identified the training needs for all employees

according to the RSPO principles and criteria.
Root Cause Analysis (filled by organization audited): The certification unit didn't understands about training need analysis document, so that not all of the training was identified.
Correction (filled by organization audited): Showing identification documents of all training needs related to all unit operations as well as the proposed documents to the head office considering that some training activities are carried out by the Human Resources Department Division.
Corrective Action (filled by organization audited): Show monitoring documents of training activities in the year of 2020.
Assessor Evaluation and Conclusion (filled by auditor): Verification on 7 December 2020 The certification unit was showing several evidences: 1. Report on the realization of training for 2020 consisting of PLDP training, increasing competence of budget clerks, quality of boilers, controlling water pollution, and hazardous waste management. 2. Letter from the Ministry of Manpower of the Republic of Indonesia dated March 30, 2020 with number 5/966 / AS.02 / III / 2020 regarding Postponement of OHS Training Activities. In the letter, it was explained that the postponement of the implementation of OHS guidance, which was originally until March 31, 2020, was extended to an undetermined time. 3. Letter from the Pabatu POM Unit Manager dated 27 October 2020 with the number PKS.PAB./04.07/54/X/2020 concerning the revision of the request for training for OHS Expert in the Electrical Sector. 4. Letter from the Head of the Human Resources Division of PTPN IV to PT EMCOTAMA dated 31 August 2020 with number 04.07 / X / 648 / VII / 2020 regarding the request for proposals, requirements, and the date of the implementation of the Electrical OHS Expert training. 5. Letter from PT EMCOTAMA to PTPN IV Management dated September 3, 2020 with letter number B.03 / EMCO / IX / 2020 regarding requests for OHS training for prospective Electricians Expert. The letter explained that all provider training activities can only be carried out online training for non-technical types of training. Meanwhile, the training for OHS Experts in the Electricity Sector is training that is technical in nature so that it can only be implemented in January 2021. Based on above explanation, the nonconformity is declared fulfilled. It will reverified on the next assessment.
Verified by : Yudhi Y T

NCR No.	2020.04	Issued by	Brigitta Prita
Date Issued	9 October 2020	Time Limit	15 December 2020
NC Grade	Major	Date of Closing	15 December 2020
Standard Ref. & Requirement	3.8.16 Registration of Transactions I. Shipping Announcement in the RSPO IT platform shall be carried out by the mills when RSPO certified products are sold as certified to refineries, crushers, and traders not more than three months after dispatch with the dispatch date being the Bill of Lading or the dispatch documentation date. II. Remove: RSPO certified volumes sold under different scheme or as conventional, or in case of underproduction, loss or damage shall be removed in the RSPO IT platform.		

Evidence observed (filled by auditor):

Unit management shows documents such as:

- Based on certificate volume and sales data for the period 1 October 2019 - 30 September 2020, it is known that:

Product	Certified Volume (MT)	Sales CSPO from Nov 2019 - Sept 2020 (MT)	Sales Non CSPO (Conventional) (MT)
CSPO	17,500	17,443.55	9,259.84
CSPK	3,500	5,019.54	-
FFB	70,000	-	-

Note:

- Sales of non CSPK have reduced from Non CSPK production data in actual production so that no need to remove it in palm trace data.
- Non CSPO sales still have conventional sales of **9,259.84 MT** which have not been registered in the IT Palm Trace data.

- Based on IT Palm Trace data dated October 7, 2020, it is known that:

Start date November 16, 2019 – December 15, 2020.

Product	Certified Volume (MT)	Announced Volume (MT)	Volume sold as Physical (MT)	Volume removed	Remaining Volume (MT)
CSPO	17,500	1000	14,673.63	0	1,826.37
CSPK	3,500	0	3,131.52	0	368.48
FFB	70,000	0	0	0	70,000

Based on the table above, it is known that there are sales of CSPO as Physical RSPO of **2,769.92 MT** and CSPK as Physical RSPO of **1,888.02 MT** and conventional sales of CSPO of **9,259.84 MT** that have not been registered in IT RSPO Palm Trace.

Non-Conformance Description :

The certification unit has not been able to show evidence that all CSPO & CSPK sales transactions have been registered in RSPO IT Palm Trace. **This is a non-compliance with No.2020.04 with Major / Critical category.**

Root Cause Analysis (filled by organization audited):

Unit management lacks coordination with the Sub Division of Product Sales and the *KPBN* for marketing data.

Correction (filled by organization audited):

Coordinate with the Sub Division of Product Sales and *KPBN* for conventional CSPO and CSPK for removing stock or Book and Claim.

Corrective Action (filled by organization audited):

Conduct regular monitoring of CSPO and CSPK that are sold conventionally.

Assessor Evaluation and Conclusion (filled by auditor):
Verification, 7 December 2020.

Unit management shows the revised Supply Chain monitoring period 2019-2020 with details:

- CSPO production of 26,016.89 tons.
- Non CSPO production of 11,052.34 tons.
- CSPK production of 5,002.64 tons.
- Non CSPK production of 1,836.19 tons.
- CSPO sales of 17,443.50 tons.**
- CSPK sales of 5,109.54 tons**
- Sales of non CSPK 1,851.35 tons.

- **Sales of non CSPO 18,886.40 tons.**

Based on certificate and sales volume data for the period October 1, 2019 – September 30, 2020, it is known that:

Product	Certified Volume (MT)	CSPO sales for period Nov - Sept 2020 (MT)	Sales Non CSPO (Conventional) (MT)
CSPO	17,500	17,443.55	7,843.06
CSPK	3,500	5,019.54	-
FFB	70,000	-	-

Based on IT Palm Trace there is extension volume dated on December 06, 2020 it is known that:

Start date November 16, 2019 – December 15, 2020.

Product	Certified Volume (MT)	Announced Volume (MT)	Volume sold as Physical (MT)	Volume removed	Remaining Volume (MT)
CSPO	38,312	500	18,173.63	0	19,638.37
CSPK	7,247	0	4,044.88	0	3,202.12
FFB	156,205	0	0	0	156,205

Based on the description above, there are still sales of CSPK as physical RSPO of **974.66 MT**, CSPO conventional sales of **7,843.06 MT** which have not been registered in IT RSPO Palm Trace. So that this is stated **not yet fulfilled**.

Verification, December 14, 2020.

Based on data IT Palm Trace dated on December 14, 2020 it is known that:

Start date November 16, 2019 – December 15, 2020.

Produk	Certified Volume (MT)	Announced Volume (MT)	Volume sold as Physical (MT)	Volume sold as credits	Volume removed	Remaining Volume (MT)
CSPO	38,312	500	18,673.63	6,500	389.25	12,749.12
CSPK	7,247	0	4,044.88	0	0	3,202.12
FFB	156,205	0	0	0	0	156,205

Based on the description above, there are still **sales of CSPK as physical RSPO of 974.66 MT**, **CSPO conventional sales of 953.81 MT** which have not been registered in IT RSPO Palm Trace. So that this is stated **not yet fulfilled**.

Verification, 15 December 2020.

Based on Palm Trace IT data dated December 15, 2020, it is known that:

Start date 16 November 2019 – 15 December 2020.

Produk	Certified Volume (MT)	Announced Volume (MT)	Volume sold as Physical (MT)	Volume sold as credits	Volume removed	Remaining Volume (MT)
CSPO	38,312	0	18,673.63	7,400	443.06	11,795.31
CSPK	7,247	0	4,800.37	0	0	2,446.63
FFB	156,205	0	0	0	0	156,205

Based on the table above, conventional sales for CSPO have been registered in IT Palm Trace but there are still **CSPK sales as physical RSPO of 219.17 MT** which have not been registered in IT Palm Trace so this **has not been fulfilled**.

Interview with management representative CSPK sales as physical RSPO of 219.17 MT has not been registered by Palm Oil Support UTZ. The management will communicate related this matter and give clarification to team Auditor.

15 December 2020

The company has shown the shipping announcement for the CSPK of 219.17 MT. Based on that, **this indicator will**

be closed and will be verified during on site audit.

Verified by : Brigitta P

NCR No.	: 2020.05	Issued by	: Yudhi Yuniarto Tallutondok
Date Issued	: 9 October 2020	Time Limit	: 15 December 2020
NC Grade	: Major	Date of Closing	: 12 December 2020
Standard Ref. & Requirement	6.2.3 There is evidence of legal compliance for regular working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, and other legal labour requirements.		

Evidence observed (filled by auditor):

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

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

Employee Initials	Unit	Overtime Paid	Auditor Simulation Results	Variance
HS	Boiler	IDR 3,988,982	Rp 3,835,768	+ IDR 153,213
RN	Engine Room	IDR 3,982,569	Rp 4,181,939	IDR 199,370

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):

Lack of understanding of Pabatu Mill officers regarding the procedures for calculating overtime and performance incentives.

Correction (filled by organization audited):

Conducting outreach on the procedure for calculating and providing overtime, premiums and performance incentives to all administrative divisions in Pabatu Estate/Mill.

Corrective Action (filled by organization audited):

Monitor the calculation of overtime and performance incentives by the HR, General and Security Division

Assessor Evaluation and Conclusion (filled by auditor):

Verification on 6 December 2020

The company showing several evidences as follows:

1. Monitoring of overtime and incentive.
2. Pabatu Manager Decree Letter Number PAB.MU/Kpts/58/X/2020 concerning PIC for monitor the overtime and incentives. The certification unit appointed on behalf Alfin Pane, Maratuansyah, Dalimunthe, Wahyu Listyo Jati, Amri Suteja, and Fariz Lagan as personnel who are responsible to monitor the provision of overtime and incentives.

Auditor team re-verified the employee overtime calculation with the initials RN, based on verification sighted that the

wage per hours is Rp 14,648. It can be conclusion that the nonconformity has not been fulfilled.

Verification on 12 December 2020

The certification unit was showing several evidences, such as:

1. Pabatu POM Manager Letter number PKS PAB/SE/135b/IX/2020 dated 1 September 2020 concerning the work shift hours on the mill. It was explained that the working hours of Mill workers are 12 hours with two time breaks, each of breaks is one hours. Total of working hours is 10 hours/days.
2. Socialization the calculation of overtime and insentive to the all of clerk on 19 October 2020.

Based on above explanation, this nonconformity been fulfilled with the observation. It will be re-verified on site audit.

Verified by : **Yudhi Y T**

NCR No.	: 2020.06	Issued by	: Trismadi N																				
Date Issued	: 9 Oktober 2020	Time Limit	: Surveillance 1.1																				
NC Grade	: Minor	Date of Closing	: 27 September 2022																				
Standard Ref. & Requirement	<p>7.2.5 Pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions and paraquat, are not to be used, unless in exceptional circumstances, as validated by a due diligence process, or when authorised by government authorities for pest outbreaks.</p> <p>The due diligence refers to:</p> <ul style="list-style-type: none">a. Judgment of the threat and verify why this is a major threat.b. Why there is no other alternative which can be used.c. Which process was applied to verify why there is no other less hazardous alternative.d. Process to limit the negative impacts of the application.e. Estimation of the timescale of the application and steps taken to limit application to the specific outbreak.																						
<p><i>Evidence observed (filled by auditor):</i></p> <p>In the audit, auditor has verified documents, such as:</p> <ul style="list-style-type: none">• The Pabatu Unit has a Circular Letter No: PAB/SE/Intrn/04/I/2019, dated January 8, 2019 signed by the Unit Manager regarding the paraquat usage reduction program. It was explained that the use of these pesticides must be minimized and can only be used in extraordinary conditions, so the Pabatu Plantation Unit will carry out a program to reduce the use of paraquat by prioritizing manual control and biological control.• 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 ingredient Paraquat Dichloride, explaining that herbicides with active ingredient paraquat dichloride should not be used unless special conditions (limited), for that use of these chemicals can be used only for the control of weeds <i>pteridophyta</i> (ferns).• The company shows the 2020 Pabatu Business Unit Pesticide List document, as follows: <table><tr><th>No</th><th>Name of Pesticides</th><th>Active Ingredient</th><th>Registration Number</th></tr><tr><td>1</td><td>Elang 480 SL</td><td>Isoprofil Aminaglyphosate 480 G/L</td><td>RI01030119941170</td></tr><tr><td>2</td><td>Scud 100 EW</td><td>Sipermetrin 100 EW</td><td>RI010101200933368</td></tr><tr><td>3</td><td>Starane 290 EC</td><td>Fluroksipir Heptil Ester 290 G/L</td><td>RI010311988854</td></tr><tr><td>4</td><td>Santafuron</td><td>Metil Metsulfuron 20%</td><td>RI01030120072800</td></tr></table>				No	Name of Pesticides	Active Ingredient	Registration Number	1	Elang 480 SL	Isoprofil Aminaglyphosate 480 G/L	RI01030119941170	2	Scud 100 EW	Sipermetrin 100 EW	RI010101200933368	3	Starane 290 EC	Fluroksipir Heptil Ester 290 G/L	RI010311988854	4	Santafuron	Metil Metsulfuron 20%	RI01030120072800
No	Name of Pesticides	Active Ingredient	Registration Number																				
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3	Starane 290 EC	Fluroksipir Heptil Ester 290 G/L	RI010311988854																				
4	Santafuron	Metil Metsulfuron 20%	RI01030120072800																				

5	Manthene	Asefat 75%	RI01010120072671
6	Topzone 276 SL	Paraquat	RI01030120072992
7	Ally 20 WG	Metil Metsulfuron	RI0103011988837
8	Mesulindo	Metil Metsulfuron	RI01030119991484

- Usage trends of Topzone 276 SL with active ingredients of paraquat dichloride, as follows :

Year	Ltr
2017	439.2
2018	-
2019	712.8
2020	355.8

- Checking stock movements (in and out) on the Warehouse Card for Topzone 276 SL, there is still an incoming stock movement or purchase of 1,160 Liters on November 8, 2019.

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

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

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

Lack of understanding of the certification unit in using pesticides that are included in the World Health Organization (WHO) Class 1A or 1B list or included in the Stockholm or Rotterdam Conventions, as well as paraquat in accordance with the application of the RSPO principles and criteria.

Correction *(filled by organization audited):*

- Attach a letter of recommendation from the authorized agency/Sergii district agricultural office regarding the use of paraquat in Pabatu Estate
- Show evidence of limited pesticide handling training that has been carried out to pesticide applicators

Corrective Action *(filled by organization audited):*

Dissemination of the application of the principles and criteria of the RSPO in the company's operational activities

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

Auditor Verification on 19 July 2021

The company shows evidence of improvement in the form of:

- Limited pesticide training certificate for employees implemented in 2016
- Letter of recommendation for the use of limited pesticides from the Serdang Bedagai District Agriculture Service No. 18.28/525/109/II/2021 dated January 15, 2021. Based on the recommendation letter it is explained that:
 - "Must be used selectively on weeds that are only effectively controlled with paraquat and are not allowed to use it blanketly in the entire area or on weeds that can be controlled with glyphosate."
 - To return to training on the use of restricted pesticides no later than October 2021

Please respond to the auditor's response which has been highlighted in yellow and send further evidence of improvement.

Based on the explanation above, the nonconformity is still open.

Auditor Verification on 29 July 2021

The company shows evidence of improvement, including:

- The pesticide use training certificate is limited to 3 workers.
- Records of socialization of public communications regarding the application of the RSPO and PTPN IV policies dated July 5, 2021

Please be able to respond to the auditor's response which has been highlighted in yellow including in the correction column above and send evidence of further improvement.

Based on the explanation above, the discrepancy is still open.

Auditor Verification on 27 September 2022

The company shows evidence of improvement, including:

- Records of socialization of public communications related to the implementation of the RSPO and PTPN IV policies dated 3 August 2022, in the socialization minutes sent there is an explanation regarding the application of the RSPO principles and criteria in the company's operational activities, especially the explanation on the use of pesticides that are included in the list of the World Health Organization (WHO) Class 1A or 1B or included in the Stockholm or Rotterdam Conventions, as well as paraquat, which is committed to minimizing the use of paraquat and will gradually stop using paraquat and replace it with herbicides with active glyphosate or other active ingredients so that it is safer for chemical applicators and the surrounding environment
- During a field visit to the Central Pabatu Estate Warehouse Stock, it was shown that there was no longer any stock of Paraquat Pesticide material and the results of interviews with management and worker units indicated that in 2022 paraquat material would not be used in spraying applications.

The company has conducted a root cause analysis and determined corrections and corrective actions. In addition, the company has attached a public communication dissemination record regarding the implementation of the RSPO and PTPN IV policy on August 3, 2022 and based on a field visit that paraquat-based pesticides are no longer used in spraying applications.

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

Verified by : **Briyogi Shadiwa/ Alexander Sitio**

NCR No.	:	2020.07	Issued by	:	Trismadi N
Date Issued	:	9 October 2020	Time Limit	:	Next surveillance
NC Grade	:	Minor	Date of Closing	:	28 July 2021
Standard Ref. & Requirement	:	7.9.1. Plans to Increase the efficiency of fossil fuel use and to optimize renewable energy are available, monitored and documented			

Evidence observed (filled by auditor):
The certification unit was showing renewable fuel usage, as follows:

Month (2020)	Shell		Fiber	
	Volume (Ton)	Energy (Calories)	Volume (Ton)	Energy (Calories)
January	275	3,796	640	2,398
February	495	3,780	1,155	2,427
March	847	3,780	1,992	2,427
April	1,047	3,483	2,450	2,367
May	985	3,687	2,282	2,432

Non-Conformance Description (filled by auditor):
The certification unit has no been able to show documentation of plans & implementation to increase the efficiency of fossil fuel and to optimize renewable energy.

Root Cause Analysis (filled by organization audited):

The identification of the need for documents related to the application of the RSPO principles and criteria has not been carried out. There is no PIC who is responsible for identifying the need for documents related to the application of the RSPO principles and criteria in the Pabatu Estate and Mill.

Correction (filled by organization audited):

Show documentation evidence of plans & implementation to improve efficiency and to optimize renewable energy.

Corrective Action (filled by organization audited):

1. Identifying the need for documents related to the application of the RSPO principles and criteria at the Pabatu Estate and Mill.
2. Establishing a PIC who is responsible for identifying the document requirements related to the application of the RSPO principles and criteria in the Pabatu Estate and Mill.

Assessor Evaluation and Conclusion (filled by auditor):
Auditor Verification (19 July 2021)

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

1. Fossil Fuel Efficiency Plan Program in Pabatu POM 2021 which was made on January 11, 2021. The activity plan is to monitor the use of shells and fiber as boiler fuel, monitor equipment that uses electricity as an energy source and evaluate the use of diesel fuel.
2. Efficiency in the Use of Fossil Fuels for Pabatu Palm Oil Mills 2020. Based on the results of the study of documents on the use of shells and fiber, the average energy efficiency is 17.04 kwh/ton FFB, while for fossil fuels it is 0.179 liters/ton FFB.

Month (2020)	FFB Processed (Kg)	Shell Usage (Kg)	Fiber Usage (Kg)	Solar (Liter)	Solar (liter)/tonFFB	Kwh Turbine
January	4569910	274190	639790	1740	0.381	17.10
February	8250000	495000	1155000	1765	0.214	17.21
March	14225000	852500	1991500	2220	0.156	16.75
April	17500000	1050000	2450000	2765	0.158	17.72
May	16300000	978000	2282000	2210	0.136	16.99
June	18225000	1093500	2551500	2570	0.141	16.85
July	14649600	878970	2050940	2165	0.148	16.85
August	16063950	963840	2248900	2330	0.145	16.88
September	15790000	947400	2210600	2510	0.159	17.25
October	12609990	756600	1765390	2440	0.193	16.69
November	9052380	543140	1267300	1570	0.173	17.10
December	14431290	865870	2020380	1960	0.138	17.11
Total/ Average	161667120	9699010	22633300	26245	0.179	17.04

3. Decree No. PKS PAB.MU/Ktps/07/VII/2021 determined by the POM Manager in July 2021 which contains the formation of a monitoring team for compliance with documents related to the principles and criteria for RSPO certification in POM.

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

Auditor Verification (28 July 2021)

The company has conducted root cause analysis and determined corrections and corrective actions. In addition, the company has attached a document Requirement Identification of Documents Related to the Implementation of the RSPO and ISPO Certification Systems which was made on July 12, 2021. The document contains a list of required

documents including the program and realization of the efficiency of using fossil fuels for the implementation of the RSPO certification system.

Based on the explanation above, the nonconformity in this indicator has been fulfilled.

Verified by : **Erika L./Rizliani Aprianita Hsb.**

NCR No.	: 2020.08	Issued by	: Trismadi N								
Date Issued	: 9 October 2020	Time Limit	: 15 December 2020								
NC Grade	: Major	Date of Closing	: 10 December 2020								
Standard Ref. & Requirement	: 7.10.1. GHG emissions for the unit of certification are Identified and assessed. Plans to reduce or minimize GHG emissions are Implemented, monitored through the palm GHG calculator, and reported publicly.										
Evidence observed (filled by auditor): The certification unit was shown calculating the greenhouse gas emissions using the RSPO Palm GHG Calculator version 4.0. However, there are still data input that are not suitable, for example: <ul style="list-style-type: none"> - Planted area of Pabatu Estate is written: 2,762.95 Ha, while the basic information area is 4,913 Ha. - FFB from group estates is written 100% send to the Pabatu POM, however actually the Marihat Estate also sending FFB to the Bah Jambi POM. 											
Non-Conformance Description (filled by auditor): The certification unit has no been able to show the properly of GHG emission monitoring on the RSPO Palm GHG Calculator.											
Root Cause Analysis (filled by organization audited): The Pabatu POM is still don't understand how to calculate the RSPO GHG.											
Correction (filled by organization audited): Showing the RSPO GHG calculations result period of 2019.											
Corrective Action (filled by organization audited): Conducting the RSPO GHG calculations socialization, and also appointing PIC to monitor GHG Calculation.											
Assessor Evaluation and Conclusion (filled by auditor): Verification on 10 December 2020 Based on RSPO Palm GHG Calculator verification result as follows: Summary Emission											
<table border="1"> <thead> <tr> <th>Emission per product</th> <th>tCO2e/tProduct</th> </tr> </thead> <tbody> <tr> <td>CPO</td> <td>1.88</td> </tr> <tr> <td>PK</td> <td>1.88</td> </tr> </tbody> </table>				Emission per product	tCO2e/tProduct	CPO	1.88	PK	1.88		
Emission per product	tCO2e/tProduct										
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<table border="1"> <thead> <tr> <th>Production</th> <th>t/yr</th> </tr> </thead> <tbody> <tr> <td>FFB processed</td> <td>163,260.25</td> </tr> <tr> <td>CPO produced</td> <td>40,817.58</td> </tr> <tr> <td>PK produced</td> <td>7,322.46</td> </tr> </tbody> </table>				Production	t/yr	FFB processed	163,260.25	CPO produced	40,817.58	PK produced	7,322.46
Production	t/yr										
FFB processed	163,260.25										
CPO produced	40,817.58										
PK produced	7,322.46										

Extraction	%
OER	25.00
KER	4.49

Land use	Ha
Planted area	35,103.68
Planted on peat	0.00
Conservation Area	1,257.09

Summary Oil Mill Emissions and Credits

Remarks	tCO2e	tCO2e/t FFB
Emissions sources		
POME	15,510.59	0.10
Fuel consumption	87.70	0.00
Grid electricity	0.00	0.00
Credits		
Export of Excess Electricity to housing & grid	0.00	0.00
Sales of PKS	0.00	0.00
Sales of EFB	0.00	0.00
Total	15,598.29	0.10

Summary of field emission and Sinks

Description	Own crop			Group		
Emissions Sources	tCO2e	tCO2e/ha	tCO2e/tFFB	tCO2e	tCO2e/ha	tCO2e/tFFB
Land conversion	48,415.23	9.88	0.74	288,125.05	9.54	2.95
CO2 emissions from fertilizer	3,694.79	0.75	0.06	26,876.04	0.89	0.28
N2O emissions from Peat	0.00	0.00	0.00	0.00	0.00	0.00
NO2 emissions from fertilizer	2,520.17	0.51	0.04	16,684.48	0.55	0.17
Fuel Consumption	454.63	0.09	0.01	3,767.50	0.12	0.04
Peat Oxidation	0.00	0.00	0.00	0.00	0.00	0.00
Crop Sequestration	-45,891.22	-9.36	-0.70	-269,802.68	-8.93	-2.76
Sequestration in Conservation Area	0.00	0.00	0.00	0.00	0.00	0.00
Total	9,193.60	1.88	0.14	65,650.39	2.17	0.67

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

There are also minute of socialization meeting about RSPO GHG Calculation dated 26 October 2020 with 16 members. There are also Pabatu Manager Decree Letter number PKS PAB.MU/SK/58/X/2020 dated 26 October 2020 about PIC who monitor the GHG Calculation monitoring on behalf Fariz Lagan.

Auditor conclusion:

Based on above explanation, this nonconformity been closed out.

<i>Verified by</i>	:	Trismadi N

3.4.2. Identification of Findings, Corrective Actions and Observations at Onsite Re-Certification Assessment

NCR No.	:	2021.01	Issued by	:	Rizliani Aprianita Hsb.
Date Issued	:	22 June 2021	Time Limit	:	19 September 2021
NC Grade	:	Major	Date of Closing	:	19 July 2021
Standard Ref. & Requirement	:	3.4.3 The social and environmental management and monitoring plan is implemented, reviewed and updated regularly in participatory way.			
Evidence observed (filled by auditor):					
1. Company has shown the RKL-RPL Reports for Semester I and Semester II of 2020 which have been submitted to Environment Agency of Serdang Bedagai Regency and Environment Agency of North Sumatra Province on August 10, 2020 and February 5, 2021 respectively. Based on the document review, RKL-RPL Report of Semester I and Semester II of 2020 has contained result of several impact management and monitoring such as ambient air quality, noise level and wastewater quality.					
2. Based on RKL-RPL document in EIA 2009, environmental management and monitoring carried out by company are:					
1) Ambient air. Monitored parameters SO2, NO2, Pb, dust. Location at Pabatu POM, PTPN IV Pabatu entrance, location of hospital with monitoring period every 6 months.					
2) Noise Monitored parameter is noise. Location at Pabatu POM, PTPN IV Pabatu entrance, location of hospital with monitoring period every 6 months.					
3) Odor Monitored parameters are NH3 and H2S. Location at Pabatu POM, PTPN IV Pabatu entrance, location of hospital with monitoring period every 6 months.					
4) Air emissions Monitored parameters are particulate, SO2, NO2, Cl, HCl, opacity, CO2, HF, NH3. Locations in chimney boilers and power plants with a monitoring period every 6 months.					
5) River Water Quality The monitored parameters are in accordance with Government Regulation No. 82 in 2001. Location in the Padang River with a monitoring period every 6 months.					
6) Wastewater quality Monitored parameters are pH, TSS, BOD, COD, NH3, N, total N. Locations at the inlet and outlet of the WWTP with a monitoring period every 6 months.					
7) Employment opportunities and business opportunities Monitored parameters are number of absorptions of local workers. Locations in Tebing Tinggi and Dolok Merawan sub-districts.					
8) Income Increase Monitored parameters are number of residents and local communities and an increase in income based on amount of wages paid and business opportunities from the surrounding community as a result of opening and developing plantations. The location is in the Districts of Tebing Tinggi and Dolok Merawan.					
9) Community Attitudes and Perceptions Monitored parameters are number of public and social facilities for employees and communities around the plantations and mills. The location is in the Districts of Tebing Tinggi and Dolok Merawan.					
3. Based on the review of the RKL-RPL Report for Semester I and Semester II of 2020, there is no evidence of document management and monitoring of environmental parameters in the form of employment and business opportunities, increased income, as well as public attitudes and perceptions.					

Non-Conformance Description <i>(filled by auditor):</i> Certification unit has not prepared the RKL-RPL Report for Semester I and II of 2020 in accordance with Minister of Environment Decree No. 45 of 2005.	
Root Cause Analysis <i>(filled by organization audited):</i> Lack of understanding of officers in preparing RKL-RPL reports in accordance with the environmental document matrix owned by the company	
Correction <i>(filled by organization audited):</i> Repairing/revising the RKL-RPL document for Pabatu Plantation/Factory in accordance with Minister of Environment Decree No. 45 of 2005. (by including all evidence of environmental parameter management and monitoring documents in the form of employment and business opportunities, increased income, as well as community attitudes and perceptions)	
Corrective Action <i>(filled by organization audited):</i> 1. Disseminating the preparation of RKL-RPL reports in accordance Minister of Environment Decree No. 45 of 2005. 2. Assign a PIC who is responsible for making RKL-RPL reports for Pabatu Estate and Mill every semester	
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> Auditor Verification (19 July 2021) The company has attached root cause analysis, corrections and corrective actions. In addition, the company has shown evidence of improvements in the form of documents: 1. Revision of the RKL and RPL Reports for Semester II of 2020 which includes management and monitoring of environmental parameters in the form of employment and business opportunities, increased income, as well as public attitudes and perceptions. Based on the results of the document review, the results of the monitoring of the three parameters are as follows; a. Job opportunities and business opportunities with the latest employee recruitment in 2020 as many as 12 local people. b. Increase income by distributing CSR programs and Community Development Work Programs for the surrounding community every year. The results of the questionnaire distributed to the surrounding community showed an increase in community income due to the existence of Pabatu Estate c. People's attitudes and perceptions by distributing questionnaires to the community and the results show that most people have positive perceptions. In addition, public facilities are available for the general public such as road access and construction of houses of worship. 2. Minutes of Dissemination of Environmental Management and Monitoring Report on July 8, 2021, which was attended by 14 participants. 3. Decree of Pabatu Business Unit Manager No. PAB/SK/80/VII/2021 which was stipulated in July 2021 with the officer in the preparation of the environmental monitoring and management report (RKL-RPL) which was determined to be the Document Control Officer a.n. Misdi. Based on the explanation above, the nonconformity in this indicator has been fulfilled.	
Verified by	: Rizliani Aprianita Hsb.

NCR No.	: 2021.02	Issued by	: Rizliani Aprianita Hsb
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Date Issued	: 22 June 2021	Time Limit	: 19 September 2021
NC Grade	: Major	Date of Closing	: 15 September 2021
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">• Procedure for Handling Accidents and Medical Examination No. – P2K3-4.3.15 dated January 5, 2015.• The results of the 2020 spirometry examination for 20 factory workers carried out by the Medan OSH Center. From these results, there are 17 workers with normal results and 3 workers with mild restrictions.• The results of the 2020 audiometric examination for 20 factory workers carried out by the Medan OSH Center. From these results, there were 15 workers with non-NIHL results and 3 workers experiencing suspected NIHL and 2 workers experiencing NIHL.• The results of the medical examination conducted in 2020 which informed the examination for 20 factory workers with the advice of a consul to the company doctor.• Memo No. PKS.PAB/RS.PAB/M-56/VI/2021 dated 20 June 2021 regarding the submission of the Factory Employee Health Examination for 6 workers.			
Non-Conformance Description (filled by auditor): However, no follow-up on the results of the health examination has yet been shown.			
Root Cause Analysis (filled by organization audited): Lack of understanding of officers in implementing the OHS plan so that they can handle/reduce OHS risks to workers			
Correction (filled by organization audited): Follow up the results of the health examination by sending back workers who are indicated to have health problems to the PTPN 4 referral hospital			
Corrective Action (filled by organization audited): <ul style="list-style-type: none">• Provide socialization to officers on the procedures for implementing the OHS plan that has been prepared so that it can handle and reduce the OHS risk to workers• Evaluate and assign a PIC who is responsible for evaluating the implementation of the OHS plan in the Pabatu plantation and mill			
Assessor Evaluation and Conclusion (filled by auditor): Verification on July 29, 2021 The company shows evidence of improvement as follows: <ul style="list-style-type: none">• Monitoring health checks in 2021• The results of the follow-up examination for the POM unit conducted at Pabatu Hospital, which consists of:<ul style="list-style-type: none">- Audiometry follow-up examination on July 8, 2021 to 5 workers with Normal Audiometry results- Follow-up examination of cholinesterase for workers who work at mill process and laboratory with a total of 4 workers with normal results- Follow-up examination of blood sugar levels for 2 workers.• Records of socialization of the procedures for the implementation of OHS (employee health checks) for plantations and mill on July 12, 2021. Minutes, attendance documents and photos of the implementation of socialization activities have also been shown.• Decree No. PKS PAB.MU/Kpts/03/VII/2021 dated July 12, 2021 regarding the Implementation of OHS and Follow-up on Health Check Results.			

However, the company has not shown any follow-up on the results of the spirometry examination.
Based on the explanation above, NC is declared Unfulfilled

Verification on September 15, 2021

The company shows evidence of improvement in the form of:

- Letter No. RS.Pab/PKS PAB/188/VII/2021 dated 30 July 2021 regarding the notification of spirometry re-examination
- Letter No. RSSPM/X/977/VIII/2021 dated August 3, 2021 from Sri Pamela Hospital who informed that spirometry examination could not be carried out due to the covid pandemic.
- Spirometry SOP during the pandemic from the Indonesian Lung Doctors Association on September 3, 2020. In the SOP it is explained that:
 - Spirometry examination can be performed in a situation that requires an immediate medical decision, while taking into account the risks and benefits.
 - Postpone all routine checks during the current critical period of covid transmission
- Letter No. PKS.PAB/P/94/VIII/2021 dated August 13, 2021 regarding the confirmation of the use of PPE in the form of masks for 3 workers.
- Minutes of handing over PPE in the form of masks to 3 factory workers.

Based on the explanation above, the non-conformity is declared Fulfilled

Verified by : **Rizliani A Hsb**

NCR No.	: 2021.03	Issued by	: Rizliani Aprianita Hsb
Date Issued	: 22 June 2021	Time Limit	: ASA-1.1
NC Grade	: Minor	Date of Closing	: 9 August 2021
Standard Ref. & Requirement	6.7.2 Accident and emergency procedures in Indonesian language are in place and clearly understood by all workers. Assigned operatives trained in first aid are present in both field and other operations. First aid equipment is available at worksites. Records of all accidents are kept and periodically reviewed.		
Evidence observed (filled by auditor): <ul style="list-style-type: none">Factory HIRAC document at WTP station / water workshop. In the HIRAC it is explained that one of the potential hazards at the WTP station / water workshop is fire.Hydrant inspection form for the period of December 2020 and March 2021. Based on the inspection, it is known that there are 6 hydrant locations in the POM and based on the inspection results, all of the checking indicators on the hydrants are still functioning properly, including all nozzles at each hydrant location.Letter of request for replacement of hydrant hose No. PKS.PAB.04.01/47/VI/2021 dated 7 June 2021. The document also attached a hydrant inspection form on 7 June informing that there was a leak in the hydrant hose in front of the WTP station.The simulation results of the hydrant located in front of the WTP station showed that the hydrant hose was not functioning properly. In addition, it is also known that the position of the nozzle is not at the location of the hydrant.			
Non-Conformance Description (filled by auditor): <p>Based on the explanation above, it is concluded that the company has not been able to show evidence that emergency</p>			

response and fire equipment are available at all times.
Root Cause Analysis <i>(filled by organization audited):</i> The officers are less thorough in checking the condition of the hydrant and its supporting equipment such as nozzles etc and there has been no evaluation of the results of the inspection of the condition of the hydrants that have been carried out by the officers.
Correction <i>(filled by organization audited):</i> replace damaged hydrant hoses and complete all nozzles for each hydrant
Corrective Action <i>(filled by organization audited):</i> 1. Evaluate the results of the hydrant inspection carried out by officers 2. Assign a PIC who is responsible for evaluating the results of the hydrant inspection carried out by officers
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> Verification on July 29, 2021 The company shows evidence of improvement in the form of: <ul style="list-style-type: none"> • Pictures/photos of nozzle and hydrant hoses at 7 hydrant point locations • Receipt for purchasing 1 hydrant hose on July 12, 2021 • The results of monitoring and evaluation of the results of monitoring in all hydrant locations for the period January - July 2021. In the document, there is still information about leaking hoses at hydrant locations in WTP • Decree No. PJS PAB.MU/Kpts/07/VII/2021 regarding the OHS Inspection Monitoring Evaluation Team, PPE, Hydrant and FIRE EXTINGUISHER dated July 12, 2021. The document explains that the OHS Committee positions consist of secretary, inspection team and document controller. The document also explains that the inspection team is responsible for carrying out inspections and the OHS Committee secretary is responsible for monitoring and summarizing the implementation of OHS inspections. <p>Based on the explanation above, NC is declared Unfulfilled</p> <p>Verification on August 9, 2021 The company shows evidence of improvement in the form of results of monitoring and evaluation of the results of monitoring at all hydrant locations for the period January – July 2021 which informs that the results of monitoring all hydrants are in good condition and the results of the evaluation show that the condition of the hydrants is in accordance with the results of the monitoring carried out.</p> <p>Based on the explanation above, the non-conformity is declared Fulfilled</p>
Verified by : Rizliani A Hsb

NCR No.	:	2021.04	Issued by	:	Rizliani Aprianita Hsb
Date Issued	:	22 June 2021	Time Limit	:	19 September 2021
NC Grade	:	Major	Date of Closing	:	29 July 2021
Standard Ref. & Requirement	:	6.7.3 Workers use appropriate personal protective equipment (PPE) which is provided			

	<p>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.</p>
<p>Evidence observed (filled by auditor):</p> <ul style="list-style-type: none"> • PKB year 2020 – 2022 article 50 which informs that shoes are given a pair every year which is adjusted to the nature and type of work. • Workers' PPE replacement mechanism no. PAB/SE/19/VI/2021 dated June 14, 2021. In the mechanism it is explained that if the monitoring finds damaged PPE, the assistant will make a request for a new PPE replacement report. The Document Control Officer checks once a month on the implementation of the monitoring. • PPE handover list in 2020. However, there is no information on the PPE handover date • PPE Monitoring Document for January – December 2020 period for afdeling I – VII. From the monitoring document, it is known that there are damaged PPE in the form of shoes. For example : <ul style="list-style-type: none"> - Monitoring of PPE in December in Afdeling III it was found that there were 2 PPE in the form of damaged shoes (an Dedi Sumanda and Erwinsyah). - Monitoring of PPE in November in afdeling VI it was found that there was 1 PPE in the form of damaged shoes (an Suman). - Monitoring of PPE in December in Afdeling VI it was found that there were 2 PPE in the form of damaged shoes (an Agus Riadi and Suman). • The results of field observations in the trossen telling activity in block 05BO afdeling 4 found that 1 worker's PPE (shoes) was damaged and 1 other worker bought his own PPE (shoes). The company shows Letter No. Asst Afd IV/MU/05/VI/2021 dated June 19, 2021 regarding replacement of damaged PPE for 3 workers along with proof of purchase of PPE in the form of shoes. <p>Non-Conformance Description (filled by auditor):</p> <p>Based on the explanation above, it is concluded that there is not enough evidence that damaged PPE will be replaced by the company.</p>	
<p>Root Cause Analysis (filled by organization audited):</p> <p>Lack of coordination between OHS inspection officers and OHS Committee administrators and Assistant Afdeling Pabatu estate so that PPE damage is not immediately followed up</p>	
<p>Correction (filled by organization audited):</p> <p>Replace all PPE workers that have been damaged based on the results of monitoring</p>	
<p>Corrective Action (filled by organization audited):</p> <ol style="list-style-type: none"> 1. Evaluate and monitor the results of PPE OHS inspections 2. Assign a PIC who is responsible for evaluating and monitoring the results of the PPE OHS inspection so that the above incident does not happen again 	
<p>Assessor Evaluation and Conclusion (filled by auditor):</p> <p>Verification on July 19, 2021</p> <p>The company shows evidence of improvement in the form of:</p> <ul style="list-style-type: none"> • Request for replacement of damaged PPE on 22 June 2021 to 2 workers (harvest and maintenance) • Request for replacement of damaged PPE on 23 June 2021 to 2 workers (harvest and maintenance) • Memo No. MU/APK/39/VI/2021 dated June 24, 2021 regarding replacement of damaged PPE for 4 workers • PPE purchase voucher in the form of 4 pieces of shoes • Records of handover of PPE in the form of shoes to 4 workers. 	

Verification on July 29, 2021

The company shows evidence of improvement in the form of:

- Decree No. PJS PAB.MU/Kpts/07/VII/2021 regarding the OHS Inspection Monitoring Evaluation Team, PPE, Hydrant and FIRE EXTINGUISHER dated July 12, 2021. The document explains that the OHS Committee positions consist of secretary, inspection team and document controller. The document also explains that the inspection team is responsible for carrying out inspections and the secretary is responsible for monitoring and summarizing the implementation of OHS inspections.
- Monitoring of PPE for the period of June 2021. From the monitoring results, there are PPE for shoe workers in damaged condition.
- Evaluation of PPE monitoring in June 2021. From the evaluation results, it is known that there are points that are not appropriate, namely the condition of PPE. There are 2 PPE in the form of shoes in a damaged condition. Related to this, company shows Letter No. ASSt Afd I/MU/18/VI/2021 dated 23 June 2021 regarding replacement of damaged PPE for 2 harvest workers
- Letter No. Asst Afd IV/MU/05/VI/2021 dated June 19, 2021 regarding replacement of damaged PPE for 3 workers along with evidence of purchase of PPE in the form of shoes
- Memo No. MU/APK/40/VI/2021 dated June 24, 2021 regarding the follow-up to damaged PPE
- PPE purchase voucher in the form of 2 pairs of shoes on June 24, 2021
- Evidence of receipt of PPE in the form of shoes to 2 harvest employees on June 25, 2021.
- Manager's Decree No. PAB/SK/82/VII/2021 dated – July 2021 regarding PPE monitoring officers. In the decree, it is explained that the officers in charge of monitoring PPE are assistants for each division.

Based on the explanation above, the non-conformance is declared fulfilled

Verified by : **Rizliani Aprianita Hsb**

NCR No.	: 2021.05	Issued by	: Rizliani Aprianita Hsb
Date Issued	: 22 June 2021	Time Limit	: ASA-1.1
NC Grade	: Minor	Date of Closing	: 30 July 2021
Standard Ref. & Requirement	: 7.3.2 Proper disposal of waste material, according to procedures that are fully understood by workers and managers, is demonstrated.		
Evidence observed (filled by auditor):			
1. Based on the results of field visits to employee housing in Division IV and VI Pabatu Estate, domestic waste is disposed of behind the house and in the open land of in Division IV and VI Pabatu Estate.			
2. Based on results of interviews with residents in employee housing in Division IV and VI Pabatu Estate, domestic waste is transported to the landfill itself and there is no separation for organic and inorganic waste.			
3. Certification unit has had SOP for Household Waste Management No. SPO 20 Revision 03 which is effective as of January 2, 2018. Point 5.4 in the procedure states:			
a. "Each employee collects his/her trash in the provided trash can and cleans the yard around the housing estate. Disposal of waste by sorting organic and inorganic waste;			
b. The cleaning staff periodically picks up trash from temporary waste storage and brings it to landfill using the tools provided."			
Non-Conformance Description (filled by auditor):			
Unit of certification has not shown any evidence of domestic waste disposal according to procedures.			

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

Domestic waste management socialization given to workers and their family members did not cover all the important points contained in the Domestic Waste Management SOP.

Correction *(filled by organization audited):*

1. Disseminate domestic waste management to workers and their families by conveying all important points in the implementation of domestic waste management
2. Evaluating the results of the socialization of domestic waste management given to workers and their family members
3. Show evidence that there is no longer garbage disposal behind the house, in open land and along residential roads in Division IV and VI

Corrective Action *(filled by organization audited):*

1. Monitoring domestic waste management in each employee housing location
2. Establish a PIC who is responsible for monitoring domestic waste management in each residential area
3. Disseminate domestic waste management to workers and their families by conveying all important points in the implementation of domestic waste management
4. Evaluating the results of the socialization of domestic waste management given to workers and their family members

Assessor Evaluation and Conclusion *(filled by auditor):*
Auditor Verification (19 July 2021)

The company has attached proof of repair in the form of the following documents:

1. Minutes of Dissemination of Household Domestic Waste on June 30, 2021 and attended by 25 participants consisting of representatives from Afdeling I-IV Pabatu Estates, Askep for Plants, Assistant for Estate Personnel, Clerk, PPD, etc.
2. SK Pabatu Business Unit Manager No. PAB/SK/84/VII/2021 which was stipulated in July 2021 and contains the determination of domestic waste management officers in Afdeling I-VII Pabatu Business Unit.

However, the company has not attached evidence of improvements in the form of:

1. Auditor's response to corrections and corrective actions that need to be completed by the company
2. Evaluation of the results of the socialization of domestic waste management given to workers and their family members
3. Monitoring domestic waste management at each employee housing location

Thus, the nonconformity in this indicator has not been fulfilled.

Auditor Verification (July 28, 2021)

The company has attached proof of repair in the form of the following documents:

1. Documentation of the condition of Division IV and VI housing which has been cleaned of domestic waste.
2. Evaluation of Domestic Waste Management Socialization on 5 July 2021 to socialization participants. For example, the results of the evaluation of the 13 participants who attended showed that the participants had quite understood the socialization material.
3. Monitoring of Domestic Waste Management conducted in Division I–VII on June 30, 2021, shows that household waste has been managed by dumping it in temporary waste storage.

However, there is still an auditor's response in the corrective action column dated 19 July 2021 which has not been

fully responded to by the company. Based on the explanation above, the nonconformity in this indicator has not been fulfilled.

Auditor Verification (30 July 2021)

The company has attached a root cause analysis and determined corrections and corrective actions. In addition, the company has attached evidence of improvements according to the corrections and corrective actions that have been determined such as auditor verification on July 19, 2021 and July 28, 2021. Based on this explanation, the nonconformity in this indicator has been Fulfilled and will be verified again on field observations of next assessment.

Verified by	: Rizliani Aprianita Hsb
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NCR No.	: 2021.06	Issued by	: Rizliani Aprianita Hsb
Date Issued	: 22 June 2021	Time Limit	: ASA-1.1
NC Grade	: Minor	Date of Closing	: 30 July 2021
Standard Ref. & Requirement	7.3.3 The unit of certification does not use open fire for waste disposal		
Evidence observed (filled by auditor): 1. Based on the results of field visits to employee housing in Division IV and VI Pabatu Estate, domestic waste is disposed of and burned behind the house and in the open land of in Division IV and VI Pabatu Estate. 2. Based on the results of interviews with residents in employee housing in Division IV and VI Pabatu Estate, domestic waste will be disposed of in open land and then burned. 3. Unit of certification already has SOP for Domestic Waste Management No. SPO 20 Revision 03 which is effective as of January 2, 2018. Point 5.5 subpoint c in the procedure states that “It is forbidden to burn waste in any form without the company's permission. “			
Non-Conformance Description (filled by auditor): Certification unit has not shown evidence of waste disposal not using open burning for waste disposal.			
Root Cause Analysis (filled by organization audited): Domestic waste management socialization given to workers and their family members did not cover all the important points contained in the Domestic Waste Management SOP.			
Correction (filled by organization audited): 1. Show evidence that there are no more waste disposal and burning activities in afdeling IV, VI and in front of the Pabatu POM. 2. Disseminate domestic waste management to workers and their families by conveying all important points in the implementation of domestic waste management 3. Evaluating the results of the socialization of domestic waste management given to workers and their family members			
Corrective Action (filled by organization audited): 1. Monitoring domestic waste management in each office location and employee housing 2. Establish a PIC who is responsible for monitoring domestic waste management in each residential and office area 3. Disseminate domestic waste management to workers and their families by conveying all important points in the			

implementation of domestic waste management

4. Evaluating the results of the socialization of domestic waste management given to workers and their family members

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

Auditor Verification (July 28, 2021)

The company has attached proof of repair in the form of the following documents:

1. Documentation of the condition of Afdeling IV and VI housing which has been cleaned of domestic waste.
2. Minutes of Dissemination of Household Domestic Waste on June 30, 2021 and attended by 25 participants consisting of representatives from Afdeling I-IV Pabatu Estate, Askep for Plants, Assistant for Estate Personnel, Clerk, Document Controller, etc.
3. SK Pabatu Business Unit Manager No. PAB/SK/84/VII/2021 which was stipulated in July 2021 and contains the determination of domestic waste management officers in Afdeling I-VII Pabatu Business Unit.
4. Evaluation of Domestic Waste Management Socialization on 5 July 2021 to socialization participants. For example, the results of the evaluation of the 13 participants who attended showed that the participants had quite understood the socialization material.
5. Monitoring of Domestic Waste Management conducted in Afdeling I–VII on 30 June 2021 shows that household waste is managed by dumping it in landfill.

However, there is still the auditor's response in the corrective action column that the company needs to respond to. Based on the explanation above, the nonconformity in this indicator has not been fulfilled.

The company has attached a root cause analysis and determined corrections and corrective actions. In addition, the company has attached evidence of improvements according to the corrections and corrective actions that have been determined such as auditor verification on July 28, 2021. Based on this explanation, the nonconformity in this indicator has been Fulfilled and will be verified again on field observations of next assessment.

Verified by : **Rizliani Aprianita Hsb**

NCR No.	: 2021.07	Issued by	: Rizliani Aprianita Hsb
Date Issued	: 22 June 2021	Time Limit	: 19 September 2021
NC Grade	: Major	Date of Closing	: 28 July 2021
Standard Ref. & Requirement	7.12.4 Where HCVs, HCS forests after 15 November 2018, peatland and other conservation areas have been identified, they are protected and/or enhanced. An Integrated management 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).		

Evidence observed *(filled by auditor):*

1. Company has attached the 2020 & 2021 HCV Area Management and Monitoring Plan documents made in February 2020 and March 2021. The HCV management actions are as follows:
 - a. Installing a sign every semester
 - b. Supervise and maintain HCV 1, HCV 4 and HCV 6 every semester
 - c. River water testing every semester
 - d. Clean the HCV 6 grave area every semester
2. Company also has attached document of HCV Management and Monitoring Programs Evaluation of 1st and 2nd Semester of 2020 which were held on June 1, 2020 and December 30, 2020. For example, based on the document review, the results of the Semester II of 2020 evaluation show the following information:
 - a. HCV area is still well maintained and there is no damage to the ecosystem in the riparian area
 - b. Signboards are still present
 - c. Vegetation condition is still good and there is no damage to HCV
 - d. The condition of the area around the cemetery is still quite clean.

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

Certification unit has not been able to show evidence that HCV management plan has been developed in consultation with relevant stakeholders.

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

1. The need for data and documents related to HCV management and monitoring has not been identified
2. There is no PIC who is responsible for identifying and collecting data related to the management and monitoring of HCV in the Pabatu plantation

Correction *(filled by organization audited):*

Conducting consultation and communication with stakeholders related to the management and monitoring of HCVs in the Pabatu Estate by providing questionnaires on HCV management and monitoring to stakeholders.

Corrective Action *(filled by organization audited):*

1. Identify data and document requirements related to HCV management and monitoring
2. Establish a PIC who is responsible for identifying and collecting data related to the management and monitoring of HCV in the Pabatu Estate.

Assessor Evaluation and Conclusion *(filled by auditor):*
Auditor Verification (19 July 2021)

The company has attached root cause analysis, corrections and corrective actions. In addition, the company has shown the Pabatu Business Unit Manager Decree No. PAB/SK/81/VII/2021 which was stipulated in July 2021. Based on the document, the identification and data collection officers related to the management and monitoring of HCV were assigned as many as 8 people from Afdeling I-VII Pabatu Estate.

However, the company has not attached supporting documents as an action taken to correct the non-conformity, namely:

1. The results of consultation and communication with stakeholders related to the management and monitoring of HCVs contained in Pabatu Estate are in the form of a questionnaire regarding the management and monitoring of HCVs.
2. Results of identification of data and document requirements related to HCV management and monitoring.

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

Auditor Verification (July 28, 2021)

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

1. Results of communication and consultation with surrounding communities such as representatives of Pabatu II Village, Mainu Tengah Village, Bahdamar Village, Paritokan Village, Pabatu IV Village, Pabatu I Village, Gunung Katoran Village, Penonggol Village and Kedai Damar Village in the form of a questionnaire on 21 July 2021.
2. Identification of Needs for Documents Related to HCV Management and Monitoring of Pabatu Plantation which was made on 30 June 2021 and has included a schedule of consultations related to HCV management and monitoring which is carried out every 1 year.

Based on the explanation above, the nonconformity in this indicator has been fulfilled.

Verified by	:	Rizliani Aprianita Hsb
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3.4.3. Identification of Findings, Corrective Actions and Observations at Surveillance-1.1 Assessment

NCR No.	: 2022.1	Issued by	: Briyogi Shadiwa
Date Issued	: 28 September 2022	Time Limit	: ASA-1.2
NC Grade	: Minor	Date of Closing	:
Standard Ref. & Requirement	3.2.2 As part of the continuous monitoring and improvement process, an annual report is submitted to the RSPO secretariat by the Certification Body during the annual audit, using the RSPO Metric Template format.		
Evidence observed (filled by auditor):			
-			
Non-Conformance Description (filled by auditor):			
The annual report using the RSPO Metric Template has not been presented			
Root Cause Analysis (filled by organization audited):			
Correction (filled by organization audited):			
Corrective Action (filled by organization audited):			
Assessor Evaluation and Conclusion (filled by auditor):			
Verified by	:		

NCR No.	: 2022.2	Issued by	: Briyogi Shadiwa
Date Issued	: 28 September 2022	Time Limit	: 27 Desember 2022
NC Grade	: Major	Date of Closing	: 22 Desember 2022
Standard Ref. & Requirement	3.6.1 All operational activities risks assessed to identify the H&S issues. Mitigation plans and procedures are documented and implemented.		
Evidence observed (filled by auditor):			
Pabatu POM, Pabatu and Bah Birong Ulu Estate have HIRAC Documents for the plantations prepared by the Risk Management Team and endorsed by the unit manager. The Pabatu POM HIRAC document was ratified on 7 January 2022, the Pabatu Estate HIRAC was ratified on 31 March 2022, and the Bah Birong Ulu HIRAC was ratified on 10 May 2022. In the HIRAC document, the company has not identified the hazards and risks of several activities (but not limited to) as follows: 1. Pest and disease surveillance (EWS) 2. Road Maintenance 3. Ablation 4. Global telling 5. Maintenance of collection point 6. WWTP pool 7. Monitoring of HGU Pegs 8. HCV monitoring 9. Etc			
Non-Conformance Description (filled by auditor):			

Based on the explanation above, it is concluded that the company has not been able to show evidence that all operational activities in the field have been assessed for risk to identify OHS problems.

Root Cause Analysis (filled by organization audited):

Lack of understanding of the Risk Management Team to identify risks throughout the work.

Correction (filled by organization audited):

- Create **work-related Hirac Documents**:
 - Monitoring of pests and diseases (EWS)
 - Road Maintenance
 - Ablation
 - Global telling
 - TPH maintenance
 - WWTP pool
 - HGU Benchmark Monitoring
 - HCV monitoring
 - Etc
- Dissemination of risk identification throughout work by General OHS Expert to the Risk Management Team and those in charge of work

Corrective Action (filled by organization audited):

Make monitoring of all HIRAC documents to ensure all risky work has been poured into HIRAC once a year.

Assessor Evaluation and Conclusion (filled by auditor):

Major Verification on 22 December 2022

The Pabatu and Bah Birung Ulu Units have demonstrated HIRAC for activities that have not yet identified risks, such as Pest and Disease Observation (EWS), Road Maintenance, Ablation, Global telling, FFB collection area Maintenance, WWTP Ponds, etc. The company has also shown socialization to the risk management team regarding risk identification for all work in the plantations and factories which was carried out on 30 October 2022 which was attended by 30 participants. Based on interviews with road maintenance workers in Block 05 CP Afdeling 3 and FFB collection area care workers in Block 17J Afdeling 3 Bah Birung Ulu Estate, it is known that workers understand the potential hazards and work risks in their respective workplaces. In this regard, this nonconformity has been fulfilled.

Verified by : **Asystasya Aishah Silalahi**

NCR No.	:	2022.3	Issued by	:	Rindu Galih Rezza Rachmansyah
Date Issued	:	28 September 2022	Time Limit	:	27 Desember 2022
NC Grade	:	Major	Date of Closing	:	22 Desember 2022
Standard Ref. & Requirement	:	6.2.2 Employment contracts and related documents detailing payments and conditions of employment (e.g. regular working hours, deductions, overtime, sick leave, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc. in compliance with national legal requirements) and payroll documents give accurate information on compensation for all work performed.			
Evidence observed (filled by auditor)					
<ul style="list-style-type: none">Based on observations and interviews with contractor workers at Pabatu Estate, there were 2 loading workers in Afdeling 3 from CV Tiga Putra Siman and 2 loading workers in Afdeling 1 from CV Cerah Eliando Jaya who stated that they had worked for more than a year but had not yet have a work agreement with the contractor. This also cannot be proven by the contractor until the audit activity ends.					

- Based on observations and interviews with contractor workers at Pabatu Mill, there were 1 heavy equipment operator from CV Karya Mandiri who stated that they had worked for more than a year but until now they did not have a work agreement with the contractor. This also cannot be proven by the contractor until the audit activity ends.
- Based on observations and interviews with contractor workers at Bah Birong Ulu Estate, there were 2 loading workers in Afdeling 2 from PT Syahrul Akbar Sejahtera and 3 loading workers in Afdeling 3 from CV Hizkia Jaya who stated that they had worked for more than a year but until now do not have a work agreement with the contractor. This also cannot be proven by the contractor until the audit activity ends.
- In addition, 2 loading workers (PT Ridho Akbar Sejahtera) in Afdeling 2 Bah Birong Ulu Estate also stated that fire extinguishers from working with the contractor, the workers also worked with the company as harvesters from 07:00 to 10:00 (before worked as a contractor loading worker) at Block 2005 BI Bah Birong Ulu Estate and this has been happening for several months (has received monthly wages). The results of a review of the labor list document for the August 2022 period found that there were 35 workers who had PKWT Candidate status and did not have a work agreement with the company.

Non-Conformance Description (filled by auditor):

The company has not been able to prove that all workers (including contractor workers) have a well-documented work agreement with the company or the contractor.

Root Cause Analysis (filled by organization audited):

Vendor's lack of understanding regarding legal compliance that must be completed by the vendor

Correction (filled by organization audited):

- Work agreement letter for the Pabatu Estate vendor to the workers for CV Tiga Putra Siman and CV Cerah Aliando in Afdeling I and III
- Pabatu POM vendor work agreement letter to wheel loader operator for CV Karya Mandiri
- Bah Birong Ulu vendor work agreement letter to vendor workers for PT Ridho Akbar Sejahtera and CV Hizkia Jaya Afdeling II and III
- Letter of reprimand for CV Ridho Akbar Sejahtera loading workers who work as harvesters
- PKWT application for 35 workers who are doing the selection
- Conduct outreach to vendors regarding vendor legal compliance
- Conduct outreach to vendor workers regarding compliance with work agreements

Corrective Action (filled by organization audited):

Make monitoring of legal compliance of vendors and vendor workers

Assessor Evaluation and Conclusion (filled by auditor):

Major Verification on 22 December 2022

Bah Birong Ulu

The company has demonstrated:

- List of contractors used for Bah Birong Ulu Plantation and it is known that there are 2 contractors currently working with the company, namely PT Syahrul Akbar Sejahtera and CV Hizkia Jaya. The company no longer uses the contractor PT Ridho Akbar Sejahtera.
- Letter of agreement between PTPN IV and PT Syahrul Akbar Sejahtera regarding the Work for Lifting FFB Afd II Bah Birong Ulu Estate number 04.04/SPKP/ANGKUT-MUAT-BONGKAR-TBS/220/III/2022 which was made on 24 March 2022 and is valid for 3 years .
- The company shows the Contract between PTPN IV and CV Hizkia Jaya No. 04.04/SPKP/ANGKUT-TBS/36/II/2021 concerning the Transportation of FFB from Afdeling III Bah Birong Ulu Estate which was signed on 4 February 2021 and is valid for 3 years. The contract states that the contractor is obliged to comply with all applicable laws and regulations.
- Work agreement letter for a certain time No. 01/CV.RAS/PKUWT/VIII/2022 between PT Syahrul Akbar Sejahtera and 6 workers which was signed between the two parties on 26 August 2022 and is valid until 31 August 2022.

- Work agreement letter for a certain time No. 01/CV.HZ/PKUWT/VIII/2022 between CV Hizkia Jaya and 6 workers which was signed between the two parties on 26 August 2022 and is valid until 31 August 2022.
- Based on interviews with 2 contractor workers from PT Syahrul Akbar Sejahtera, it is known that the workers only work at PT Syahrul Akbar Sejahtera and do not work as harvesters at the Bah Birung Ulu Estate.
- Monitoring of legal compliance by vendors made on October 10, 2022. One of the requirements for carrying out work is to comply with labor rules and regulations.

Pabatu

- The company already has a cooperation agreement document contained in the Letter of Agreement between PT Perkebunan Nusantara IV and PT Cerah Elaindo Raya regarding the transportation of FFB section I of Pabatu Plantation with number 04.04/SPKP/ANGKUT-MUAT-BONGKAR-TBS/1057/II/2022.
- Companies can show work agreement documents for employees working at the Pabatu Unit with PT Cerah Elaindo Raya with agreement number 01/JAN/CER/II/2022 with the employee initials AS, PS, KN and AS.
- Based on the results of interviews with contractor employees with the initial KN, information can be obtained that the employee has understood the cooperation agreement with the contractor

The company has also determined the root of the problem, demonstrated improvements, and documented preventive actions. From the explanation above, the nonconformity has been fulfilled and its implementation will be observed again in the next assessment.

Verified by : **Asystasya Aishah Silalahi**

NCR No.	: 2022.4	Issued by	: Rindu Galih Rezza Rachmansyah
Date Issued	: 28 September 2022	Time Limit	: ASA-1.2
NC Grade	: Minor	Date of Closing	:
Standard Ref. & Requirement	: 6.2.7 Permanent workers are employed for all major work performed by the unit of certification. Temporary workers and casual daily workers are limited to work of a temporary or seasonal nature.		
Evidence observed (filled by auditor)			
<ul style="list-style-type: none">Based on the results of field observations and interviews with harvesters in Afdeling 7 Block 2009 V Pabatu Estate, it was found that there were still 4 harvesters who were still PKWT workers and in Afdeling 1 Block 2005 Z Bah Birong Ulu Estate as many as 3 people.Based on the results of a review of the labor list documents for September 2022, it is known that currently the company still has workers with PKWT status of 87 people working at Pabatu Estate and 35 people at Bah Birong Ulu Estate.Companies can also show work agreements between PKWT workers and the company for 2 workers in each estate (Bah Birong Ulu and Pabatu Estate) which are still valid until 31 October 2022The 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 PKWT in article 15 it is explained that this PKWT is made for certain jobs according to the type and nature or work activities will be completed within a certain time such as<ul style="list-style-type: none">Jobs that are once completed or temporary in nature.Seasonal work.Work related to new products/activities or additional products.Work that is estimated to be completed in a not too long time.			

- Harvest work is a permanent job, this is because the criteria for harvesting work are included in the description of permanent work in Law no. 13 of 2003 (explanation of article 59 paragraph 2) where it reads "work that is continuous, uninterrupted, not limited by time and is part of a production process in one company or work that is not seasonal."
- In Government Regulation No. 35 of 2021 in the PKWT section explains that PKWT cannot be held for work that is permanent and 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 has been completed). once completed and temporary work).

Non-Conformance Description (filled by auditor):

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

Root Cause Analysis (filled by organization audited):

The recruitment of employees has not been realized

Correction (filled by organization audited):

Make a letter to the HR department, a copy to the plant related to labor needs

Corrective Action (filled by organization audited):

Create a permanent employee appointment program

Assessor Evaluation and Conclusion (filled by auditor):

Verified by

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NCR No.	:	2022.5	Issued by	:	Erika Lucitawati
Date Issued	:	28 September 2022	Time Limit	:	ASA-1.2
NC Grade	:	Minor	Date of Closing	:	
Standard Ref. & Requirement	:	7.3.1 A waste management plan which includes reduction, recycling, reusing, and disposal based on toxicity and hazardous characteristics, is documented and implemented in accordance with applicable laws and regulations.			
Evidence observed (filled by auditor): Unit of certification has procedures related to hazardous and toxic waste management in Hazardous and Toxic Waste Management SOP No. SPO 02 Revision 02 which is effective as of January 2, 2015. The procedure states in point 5.3 that the following matters: <ul style="list-style-type: none">• "All divisions in Business Unit hand over hazardous and toxic waste to hazardous and toxic waste temporary storage officer and record it on storage card."• "All hazardous and toxic waste and used hazardous and toxic packaging produced may not be used for other purposes and must be submitted directly (maximum 1 week) to a licensed hazardous and toxic waste temporary storage"					
Based on the results of the field visit, the following were found: <ul style="list-style-type: none">• 1 unit of used diesel drums and paint cans stored on shelves, in sacks, and next to the entrance at Pabatu Estate Workshop• 1 unit of used oil bottles at landfill Block 018 K Afdeling VII Pabatu Estate					

- 1 point of internal combustion and used fertilizer sacks at Housing Complex of Afdeling I and 3 units of used jerry cans of chemicals in the Work Equipment Storage in Afdeling I of Pabatu Estate
- 3 units of used chemical jerry cans and 1 unit of used oil bottle in the Used Goods Storage as well as a pile of used diesel drums and used pesticide jerry cans which were collected in the storage opposite the Bah Birong Ulu Used Goods Storage Warehouse.
- Paint cans used as flower pots and water reservoirs at Housing Complex of Afdeling I Bah Birong Ulu Estate.

Non-Conformance Description (filled by auditor):

Based on the explanation above, unit of certification has not shown evidence of waste management being carried out and documented according to the procedures it has, including reuse and disposal based on the characteristics of toxicity and other hazards.

Root Cause Analysis (filled by organization audited):

There is no overall understanding of employees regarding the management of hazardous and toxic waste

Correction (filled by organization audited):

Return of hazardous and toxic waste to hazardous and toxic waste temporary storage as follows:

- 1 unit of used diesel drums and paint cans stored on shelves, in sacks, and next to the entrance at Pabatu Estate Workshop
- 1 unit of used oil bottles at landfill Block 018 K Afdeling VII Pabatu Estate
- 1 point of internal combustion and used fertilizer sacks at Housing Complex of Afdeling I and 3 units of used jerry cans of chemicals in the Work Equipment Storage in Afdeling I of Pabatu Estate
- 3 units of used chemical jerry cans and 1 unit of used oil bottle in the Used Goods Storage as well as a pile of used diesel drums and used pesticide jerry cans which were collected in the storage opposite the Bah Birong Ulu Used Goods Storage Warehouse.
- Paint cans used as flower pots and water reservoirs at Housing Complex of Afdeling I Bah Birong Ulu Estate.

Corrective Action (filled by organization audited):

Conduct outreach to employees regarding the management of hazardous and toxic waste

Assessor Evaluation and Conclusion (filled by auditor):

Verified by

:

NCR No.	:	2022.6	Issued by	:	Erika Lucitawati
Date Issued	:	28 September 2022	Time Limit	:	27 Desember 2022
NC Grade	:	Minor raised to Major	Date of Closing	:	26 Desember 2022
Standard Ref. & Requirement	:	7.3.2 Proper disposal of waste material, according to procedures that are fully understood by workers and managers, is demonstrated.			
Evidence observed (filled by auditor): Unit of certification has had SOP for Household Waste Management No. SPO 20 Revision 03 which has been effective since January 2, 2018. Point 5.4 in the procedure states: a. "Each employee collects their trash in the provided trash can and cleans the yard around the housing. Disposal of waste by sorting organic and inorganic waste; b. The cleaning staff periodically picks up trash from the temporary landfill and brings it to the landfill using the tools provided."					
Based on the results of the field visit, the following were found:					

- a. 2 points of domestic waste collection in an open field at Housing Complex of Afdeling I Pabatu Estate
- b. 1 garbage collection point next to temporary landfill of Housing Complex of Afdeling I Bah Birong Ulu Estate
- c. 2 garbage collection points on vacant land and 1 garbage collection point behind the Housing Complex of Afdeling III Bah Birong Ulu Estate.
- d. The condition of the landfill in Afdeling I which is still empty and landfill Afdeling III in the Bah Birong Ulu Estate which has been planted with grass.
- e. Result of interview with residents of housing, residents of Housing Complex of Afdeling VII Pabatu Estate stated that garbage is transported every 2 days. However, residents of the Housing Complex of Afdeling I Pabatu Estate and Afdeling I and III Bah Birong Ulu Estate said that there was no waste transportation so that the waste was disposed of by piling up garbage on vacant land and burning it.

Non-Conformance Description (filled by auditor):

Unit of certification has not yet shown evidence of waste management according to procedures that are owned and fully understood by workers and managers.

Root Cause Analysis (filled by organization audited):

There is no overall understanding of employees regarding domestic waste management

Correction (filled by organization audited):

Closure of trash cans in:

- a. 2 household waste collection points in the open field at Pondok Afdeling I Kebun Pabatu
- b. 1 garbage collection point next to the temporary landfill of Housing Complex of Afdeling I Bah Birong Ulu Estate
- c. 2 garbage collection points on vacant land and 1 garbage collection point behind the Housing Complex of Afdeling III Bah Birong Ulu Estate.

Documentation of waste placement according to type in afdeling III of the Bah Birong Ulu Estate

Corrective Action (filled by organization audited):

- a. Conduct socialization to employees regarding the domestic waste management mechanism
- b. Make a schedule for transporting domestic waste in employee housing

Assessor Evaluation and Conclusion (filled by auditor):
Auditor Verification on 21 December 2022:
Bah Birong Ulu

- Based on field visits to Afdeling III Hosing Complex, it is known that there are temporary waste disposal sites in the employee housing huts and final waste disposal sites in Block 17 H. Garbage can be seen in the temporary landfills and there are no traces of burning waste in the housing.
- Shows the employee's garbage collection schedule which is carried out once a week from the Hosing Complex to the final waste disposal site.

Pabatu

- The company already has a schedule for transporting domestic waste in employee housing which is set on October 22, 2022 that waste transportation is carried out 2 times a week.
- The company has a document monitoring the cleanliness of the employee's housing environment, for example the implementation of monitoring housing cleanliness on September 29, 2022
- Based on the results of field visits to Hosing Complex in afdeling VII and III, it can be found that there are several points of garbage scattered around the employee's housing and found points of burning waste

Based on the results of field visits and the results of interviews with workers, it has been verified that nonconformity in this indicator cannot be fulfilled.

Root Cause Analysis (23 December 2022)
Pabatu

There are still employees and housing residents who do not fully understand waste management even though socialization has been carried out

Correction (23 December 2022)
Pabatu

- Monitoring the cleanliness of the office and housing environment with more frequency than before (from quarterly to monthly)
- Supervision of the activity of monitoring the cleanliness of the office and housing environment by the Estate Personnel Assistant

Corrective Action (24 December 2022)
Pabatu
Verification on 26 Desember 2022:

- The company has documentation and minutes of outreach regarding household domestic waste which was made on December 23, 2022 attended by 81 people including Personnel Assistants, Plant Askeps, Afdeling Assistants I – VII, Employees and Village Heads.
 - The socialization informs, among others:
 - ∴ Management of domestic waste must be carried out by collecting all the waste produced by households and separating it into organic and non-organic waste and disposed of in TPSA.
 - ∴ It is not allowed to manage domestic waste by burning it.
 - ∴ If waste management is still found by burning it will be given a warning.
- The company has an evaluation of understanding regarding the socialization of household domestic waste to 81 people which was made on December 23, 2022.
- The company has a work program for monitoring office and housing cleanliness for the 2023 period which was made on December 24, 2022 and monitoring activities are carried out once a month.
- The company has an evaluation of monitoring the cleanliness of offices and housing which is set on December 24, 2024 which includes management and monitoring locations, there is no activity of burning waste around the housing area, there is no random waste disposal, the availability of organic and inorganic waste storage places at homes and offices, suitability of monitoring results, and so forth.

From the proof of improvement submitted, this nonconformity is fulfilled and its implementation will be observed again in the next assessment.

Verified by : **Asystasya Aishah Silalahi/Ririn Sipayung**

NCR No.	: 2022.7	Issued by	: Erika Lucitawati
Date Issued	: 28 September 2022	Time Limit	: 27 Desember 2022
NC Grade	: Minor raised to Major	Date of Closing	: 26 Desember 2022
Standard Ref. & Requirement	7.3.3 The unit of certification does not use open fire for waste disposal.		
Evidence observed (filled by auditor): Unit of certification already has SOP for Domestic Waste Management No. SPO 20 Revision 03 which has been effective since January 2, 2018. Point 5.5 in the procedure states that it is forbidden to burn waste in any form without the company's permission. Based on the results of the field visit, the following were found: a. 1 point of active burning of leaf litter on the road to the WWTP area. b. 2 points where domestic waste was burned and 1 point was used for internal combustion and used fertilizer			

- sacks in the vacant land of Afdeling I Pabatu Gardens.
- c. 1 point of active burning of leaf litter next to Pabatu Hospital.
 - d. 1 point of active burning in front of Housing Complex of Afdeling II Bah Birong Ulu Estate.
 - e. 1 burnt spot in the vacant land of Housing Complex of Afdeling I Bah Birong Ulu Estate.
 - f. The condition of landfill in Afdeling I of Bah Birong Ulu Estate which is still empty and landfill in Afdeling III where grass has been planted.
 - g. Result of interview with residents of housing, residents of Afdeling VII Pabatu Estate stated that garbage is transported every 2 days. However, residents of the housing estates in Afdeling I Pabatu Estate and Afdeling I and III Bah Birong Ulu Estate said that there was no waste transportation so that the waste was disposed of by piling up garbage on vacant land and burning it.

Non-Conformance Description (filled by auditor):

Unit of certification has not shown evidence of not using open burning for waste disposal in accordance with the procedures it has.

Root Cause Analysis (filled by organization audited):

There is no overall understanding of employees regarding carrying out arson activities in residential areas and work areas

Correction (filled by organization audited):

Send proof of documentation for closing kilns at:

- a. 1 point of active burning of leaf waste on the road to the WWTP area.
- b. 2 points of household waste burning and 1 point of inner burning and used sacks of fertilizer in the vacant land Afdeling I of Pabatu Estate.
- c. 1 point of active burning of leaf litter next to Pabatu Hospital.
- d. 1 point of active burning in front of Housing Complex of Afdeling II Bah Birong Ulu Estate.
- e. 1 point of burning in the vacant land of Housing Complex of Afdeling I Bah Birong Ulu Estate.

Corrective Action (filled by organization audited):

Socialization not to carry out waste burning activities

Assessor Evaluation and Conclusion (filled by auditor):
Auditor Verification on 21 December 2022:
Bah Birong Ulu

- Based on field visits to Afdeling III employee housing, it is known that there are temporary waste disposal sites in the employee housing huts and final waste disposal sites in Block 17 H. Garbage can be seen in the temporary landfills and there are no traces of burning waste in the housing
- Shows the employee's garbage collection schedule which is carried out once a week from the employee's housing to the final waste disposal site.

Pabatu

- The company already has a schedule for transporting domestic waste in employee housing which is set on October 22, 2022 that waste transportation is carried out 2 times a week.
- The company has issued a Circular Letter with number PAB/SE/XII/2022 regarding the prohibition of burning waste in housing which was made on December 21, 2022 which confirms that if there are still employees who burn waste in housing and the company's HGU area, sanctions will be given in the form of a letter reprimand and refer to a warning letter that has an impact on class judgment.
- Based on the results of interviews with the company's PIC that the company manages domestic waste by separating organic and inorganic waste.
- Based on the results of field visits to employee housing in Afdeling VII and III, there are several points of burning waste.
- Based on the results of interviews with employees, information can be obtained that employees burn garbage in employee housing alternately with other residents in employee housing.

Based on the results of field visits, the results of interviews with workers, and verified documentary evidence, nonconformity in this indicator have not been fulfilled.

Root Cause Analysis (23 December 2022)
Pabatu

There are still employees and housing residents who do not fully understand waste management (the ban on burning waste) even though socialization has been carried out

Correction (23 December 2022)
Pabatu

- Carrying out cleaning of scattered rubbish
- Imposition of disciplinary sanctions
- Re-socializing waste management (prohibition of burning waste) to employees and residents of employee housing
- Conducting an evaluation of the socialization to measure the level of understanding of the socialization participants

Corrective Action (24 December 2022)
Pabatu

- Monitoring the cleanliness of the office and housing environment with more frequency than before (from quarterly to monthly)
- Supervision of the activity of monitoring the cleanliness of the office and housing environment by the Estate Personnel Assistant

Verification on 26 December 2022:

- The company has documentation and minutes of outreach regarding household domestic waste which was made on December 23, 2022 attended by 81 people including Personnel Assistants, Plant Assistants, Afdeling Assistants I – VII Employees and Village Heads. The socialization informs, among others:
 - Management of domestic waste must be carried out by collecting all the waste produced by households and separating it into organic and non-organic waste and disposed of in landfill.
 - It is not allowed to manage domestic waste by burning it.
 - If waste management is still found by burning it will be given a warning.
- The company has an evaluation of understanding regarding the socialization of household domestic waste to 81 people which was made on December 23, 2022.
- The company has a work program for monitoring office and housing cleanliness for the 2023 period which was made on December 24, 2022 and monitoring activities are carried out once a month.
- The company has an evaluation of monitoring the cleanliness of offices and housing which is set on December 24, 2024 which includes management and monitoring locations, there are no government activities

From the proof of improvement submitted, this nonconformity is fulfilled and its implementation will be observed again in the next assessment.

Verified by : **Erika L/ Asystasya Aishah Silalahi/Ririn Sipayung**

NCR No.	:	2022.8	Issued by	:	Erika Lucitawati
Date Issued	:	28 September 2022	Time Limit	:	27 Desember 2022
NC Grade	:	Major	Date of Closing	:	22 December 2022
Standard Ref. & Requirement	:	7.12.8 Where there has been land clearing without prior HCV assessment since November 2005, or without prior HCV-HCSA assessment since 15 November 2018, the Remediation and Compensation Procedures (RaCP) applies.			
Evidence observed (filled by auditor): Pabatu Unit been managed as a plantation land since the Dutch colonial government and became a national					

company since 1959. Based on the verification document of the palm oil planting year shows that planting after November 2005 is the replanting activity of previous rotation palm oil. In accordance with the RSPO Secretariat's Email (Dillon Sirim) July 21, 2017 CH declared that PTPN IV (Pabatu Unit) has sent a new Land Clearance Disclosure after November 2005 and can continue the certification process "This unit has been disclosed as zero non-compliant land clearance. It may proceed with RSPO Certification Process".

Bah Birong Ulu Unit has cleared land without prior HCV assessment, so remediation and compensation procedures apply. The certification unit has carried out an HCV assessment for PTPN IV Bah Birong Ulu Unit area in 2016. In this regard, Bah Birong Ulu Unit has conducted a LUCA study and carried out the process of obtaining RaCP, as follows:

- December 7, 2021: RSPO provides its first review with the conclusion that there are some clarifications that need to be completed by the Unit of Certification.
- 9 February 2022: Unit of certification submits 2nd LUCA Clarification to RSPO
- 11 February 2022: Unit of certification submits Revision 2nd LUCA Clarification to RSPO.
- 17 March 2022: RSPO sends the results of the LUCA Review from PTPN IV – Bah Birong Ulu with a "Pass" status with a Final Conservation Liability of 0 Ha and an Environmental Remediation Area of 43.67 Ha.
- June 16, 2022: The unit of certification submits the Bah Birong Ulu Unit Remediation Plan (Annex 8) for an area of 43.67 Ha to RSPO.
- 25 July 2022: RSPO provides the Unit of Certification the results of a review of the Remediation Plan for Bah Birong Ulu which needs to be revised.
- September 7, 2022: The unit of certification sends the results of revisions to Annex 8 of the Bukit Lima and Bah Birong Ulu Units to RSPO.
- 15 September 2022: RSPO sends out a preliminary review of the Bukit Lima and Bah Birong Ulu Remediation Plans.

Non-Conformance Description (filled by auditor):

Based on the results of the document review including the communication email between Bah Birong Ulu Unit and RSPO, Bah Birong Ulu Unit has communicated to RSPO. However, the Unit of Certification has not been able to provide sufficient evidence that the Remediation Plan has been approved by the RSPO.

Root Cause Analysis (filled by organization audited):

The process of making Annex 8 Bah Birong Ulu Estate and Bukit Lima is in the 3rd phase of the review process

Correction (filled by organization audited):

Communicating with the RSPO panel for the accelerated review process of Annex 8

Corrective Action (filled by organization audited):

Carry out routine monitoring related to the review process of the Annex 8 Bukit liman and Bah Birong Ulu Estate units

Assessor Evaluation and Conclusion (filled by auditor):

Major Verification on 22 December 2022

The company has shown an email from the RSPO regarding the approval of the Remediation Plan for PTPN IV Bukit Lima and Bah Birong Ulu dated 25 November 2022. Regarding this evidence, the nonconformity has been fulfilled.

Verified by : Asystasya Aishah Silalahi

NCR No.	: 2022.9	Issued by	: Briyogi Shadiwa
Date Issued	: 28 September 2022	Time Limit	: 27 December 2022
NC Grade	: Major	Date of Closing	: 21 December 2022

Standard Ref. & Requirement :	<p>RSPO Certification System 5.5.3 Requirements for uncertified management units:</p> <ol style="list-style-type: none"> No replacement of primary forest or any area required to maintain or enhance HCVs and HCS in accordance with RSPO P&C criterion 7.12. Any new plantings since 1 January 2010 shall comply with the RSPO New Planting Procedure (NPP). For each new planting development, compliance with the NPP shall be verified by an RSPO accredited CB. No clearing of primary forest or any area necessary to maintain or enhance HCVs and HCS in accordance with Criterion 7.12 of the RSPO P&C. All new plantings made since 1 January 2010 are required to comply with the RSPO NPP. Compliance with the NPP in any new planting development will be verified by an RSPO accredited CB. Land conflicts, if any, are being resolved through a mutually agreed process, such as the RSPO Complaints System or Dispute Settlement Facility, in accordance with RSPO P&C criteria 4.4, 4.5, 4.6, 4.7 and 4.8. Labour disputes, if any, are being resolved through a mutually agreed process, in accordance with RSPO P&C criterion 4.2. Legal non-compliance, if any, is being addressed through measures consistent with the requirements of RSPO P&C criterion 2.1. CBs shall assess compliance with these rules at each assessment of any of the applicable management units. Assessment of compliance with the requirements 5.5.3 (a) –(d) above based on self-declarations by the company, with no other supporting documentation, shall not be acceptable.
	<p>Evidence observed (filled by auditor): The company has shown documents related to the Time Bound Plan for all units that have not been RSPO certified on November 22, 2021. The document informs the condition of the units that have not been certified, such as:</p> <ul style="list-style-type: none"> HCV assessment process and progress. Information on new land clearing. <p>However, the document has not been accompanied by supporting documents or evidence related to legal compliance (criterion 2.1), labor issues (criterion 4.2), issues of land conflict (criteria 4.4, 4.5, 4.6, 4.7 and 4.8), and also the development of land remediation & compensation (criterion 7.12).</p> <p>Non-Conformance Description (filled by auditor): The company has not been able to show sufficient evidence that all units that have not been certified have met the requirements accompanied by supporting documents</p>
	<p>Root Cause Analysis (filled by organization audited):</p> <ul style="list-style-type: none"> Information regarding the Update Time Bound Plan is not yet available for all PT Perkebunan Nusantara III (Persero) subsidiaries During the audit, the Partial Audit documents were not shown.
	<p>Correction (filled by organization audited):</p> <ul style="list-style-type: none"> Coordinate with the holding section regarding the process of repairing the Time Bound Plan Delivering the results of the Partial Audit document
	<p>Corrective Action (filled by organization audited):</p> <ul style="list-style-type: none"> Monitoring the process of making a Time Bound Plan Coordinate with the Planning and Sustainability Section regarding the provision of Partial Audit documents

Assessor Evaluation and Conclusion (filled by auditor):**Major Verification on 21 December 2022**

Based on PTPN Holding's time bound plan, it is known that there are 74 units that are not yet RSPO certified. Then the company has shown a self-assessment carried out by the internal auditor team from PTPN Holding. Until the major verification was carried out, there were around 35 units that had carried out self-assessments. Related to this, this nonconformity has been fulfilled and for self-assessment other PTPN units will be observed again in the next assessment.

Verified by	:	Asystasya Aishah Silalahi
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3.4.4. Opportunity for Improvement

No	Ref. Std.	Description
1	6.7.2	The company has the opportunity to ensure that all first aid boxes/bags and licenses for first aid workers in the plantations and factories have been extended and the number according to the provisions of the relevant regulations.

3.4.5. Noteworthy Positive Components

No	Description
1	The company's commitment to implement the principles of sustainable management of oil palm.
2	Has received a <i>SMK3</i> Reg SMK3.2018 certificate. SUC.SK-1006 from the Ministry of Manpower of the Republic of Indonesia with an advanced level category on July 30, 2018 until July 29, 2021.
3	Has an ISPO certificate with a validity period until 2022

3.5 Summary of Arising Issues from Public and Auditor Verification

Public Issues (Institution/ NGO/Community)	Auditor Verification
Surrounding Village Representatives of: <ul style="list-style-type: none"> • Kedai Damar Village • Paritokan Village • Bukit Rejo Village <ul style="list-style-type: none"> • There is no customary right within estate operational areas. • There is no new compensation and planting on local people's land. • There were no negative issues related to gender. • The company has never discriminated against one religion, ethnicity or race. • No complaints from village have been submitted to the company. • The company has contributed to community / Village. • There are no negative issues related to land fire and environment pollution or contamination, caused by company operational activities. 	<p>There's no negative issue needs to further verification</p>
Environment Agency of Serdang Bedagai Regency <ul style="list-style-type: none"> • There are no issues related to pollution. • There's no complaint from surrounding communities related to environment aspect. • The permit for the utilization of liquid waste is still in the process of being extended, where the company must complete a request from the agency. • Good reporting from company. • Has a good relationship with agency. 	<p>There's no negative issue needs to further verification</p>
Manpower Agency of Serdang Bedagai District <ul style="list-style-type: none"> • The company has complied with labor norms. No complaints from workers. • Routine reports are reported to the relevant agencies. • The company has provided housing facilities, facilities of worship, clean water, education and electricity for workers. • No issue of child labor and discrimination • The company already has a collective labor agreement. • The company has labor union. • OHS Committee reports are also routinely conducted by the company. 	<p>The company has implemented the principles & criteria of RSPO on indicator criteria 2.1; 6.2, 6.4. about worker welfare.</p>
Local Contractor <ul style="list-style-type: none"> • PT Syahrul Akbar Sejahtera (FFB Transporter) • PT Jaya Wira Manggala (Security Service) <ul style="list-style-type: none"> • Workforce owned by contractors have been registered with occupational accident and health insurance. 	<p>From the results of the document review, it is known that not all contractors working with the company have</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
<ul style="list-style-type: none"> Contractors are required by companies to comply with OHS and PPE procurement by contractors. Payments to contractors are made on time in accordance with the contract. Communication between the contractor and the company is well established. 	<p>implemented or applied the relevant laws and regulations. Because of this, this is a non-compliance with criterion 2.2 (indicator 2.2.2 to be precise). For further explanation of this will be explained in these criteria.</p>
<p>Agriculture Agency of Serdang Bedagai Regency</p> <ul style="list-style-type: none"> The company has complied with routine reports to agencies, such as LPUP and Fire Reports The company has a good relationship with the agency, besides that the company has also complied with the applicable regulations, including having sufficient fire infrastructure for plantation scale. There are no problems related to plantation business disruption. There is no land fire problem and company have enough firefighting equipment and personnel. 	<p>The auditor has verified and has been further explained in indicator 2.1.1 related to compliance with regulation, principle 5 and others.</p>
<p>Land Agency of Serdang Bedagai Regency</p> <ul style="list-style-type: none"> From the consultation results, it is known that there is no new location permit There's no complaint from surrounding communities Company has submitted report of <i>HGU</i> utilization every year to Land Agency. 	<p>There was no negative issue that need further verification.</p>
<p>Labour Union (SP-Bun) PTPN IV Unit Pabatu.</p> <p>Currently the management of SP-Bun is for a period of 5 years for the management of SP-Bun at the Pabatu Plantation Unit. Over the past year there have been no issues related to employment, because the company has implemented a good system such as implementing a minimum wage, not using underage workers and others. Routine meetings are not held every month, but are held incidentally when the company or employees want to discuss important issues that arise from various parties. The provision of PPE has been carried out routinely every year and the workers do not provide their own PPE (if it is damaged it will be replaced by the company). For now all permanent workers in the company are members of the SP-Bun.</p> <p>Currently the company still has workers with PKWT status who have worked in harvesting activities since 2021.</p>	<p>Further explanation regarding PKWT has been explained in indicator 6.2.7.</p>
<p>Employee Cooperative PTPN IV Unit Pabatu.</p> <p>Currently, the cooperative already has a line of business, namely the procurement/sale and purchase of groceries,</p>	<p>There are no negative issues related to employee cooperatives.</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
household needs and savings and loans. The cooperative has also carried out RAT activities for the 2021 financial year which will be carried out in 2022. Currently the members of the cooperative are all permanent workers at PTPN IV Pabatu Unit. The workers are greatly helped by the existence of this cooperative because it makes it easier for workers to get basic food needs, household needs and savings and loans.	
Labour Union (SP-Bun) PTPN IV Unit Bah Birung Ulu. Currently the management of SP-Bun is for a period of 5 years for the management of SP-Bun at the Bah Birung Ulu Unit. Over the past year there have been no issues related to employment, because the company has implemented a good system such as implementing a minimum wage, not using underage workers and others. Routine meetings are not held every month, but are held incidentally when the company or employees want to discuss important issues that arise from various parties. The provision of PPE has been carried out routinely every year and the workers do not provide their own PPE (if it is damaged it will be replaced by the company). For now, all permanent workers in the company are members of the SP-Bun. Currently the company still has workers with PKWT status who have worked in harvesting activities since 2021.	Further explanation regarding PKWT has been explained in indicator 6.2.7.
Gender Committee of Unit Pabatu <ul style="list-style-type: none"> Gender Committee consists of workers from POM and Estates. There were no issues/reports of discrimination, forced labour, child labor, and sexual harassment in the last 1-year period. No complaints from workers were reported to Gender Committee. 	There is no negative issue that needs to be further clarified.
Gender Committee of Bah Birung Ulu <ul style="list-style-type: none"> Gender Committee consists of workers from POM and Estates. There were no issues/reports of discrimination, forced labour, child labor, and sexual harassment in the last 1-year period. No complaints from workers were reported to Gender Committee. 	There is no negative issue that needs to be further clarified.
RSPO Complaint Reference No. RSPO/2019/12/IR on 06 May 2019 with the summary of Complaint related to: <ul style="list-style-type: none"> Alleged salary fraud for 7 laborers, no festive holidays and no bonus for day laborers. 	Day Laborers. 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: <ul style="list-style-type: none"> Permanent workers are workers who have

Public Issues (Institution/ NGO/Community)	Auditor Verification
	<p>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).</p> <ul style="list-style-type: none"> • 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) • 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. <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><u>Salary Fraud</u> 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 August 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><u>No Festive Holidays and No Bonus</u> In accordance with the results of interviews with workers in plantations and factories for permanent</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
	<p>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 August 2022. This has also been regulated in the company's CLA related to employee rest days and 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>RSPO Complaint Reference No. RSPO/2019/11/IR on 23 April 2019 with the summary of Complaint related to:</p> <ul style="list-style-type: none"> • Temporary workers and contract issues. • Wages and overwork. 	<p><u>Temporary workers and contract issues.</u></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"> • 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). • 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) • 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. <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 Serdang Bedagai Regency. The work agreement (contract) has also been given to each -Each worker with the same legal force. This is reinforced by the results of</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
	<p>interviews with contract workers and the Manpower Agency of Serdang Bedagai 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><u>Wages and Overwork</u></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 August 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</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
	<p>the results of the verification of overtime work at the Mill, it is known that no workers who worked overtime in August 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>
<p>RSPO Complaint Reference No. RSPO/2019/07/IR on 10 April 2019 with the summary of Complaint related to:</p> <ul style="list-style-type: none"> • Lack of adequate health and safety equipment • Labourer died due to lack of safety equipment • No festive holidays for temporary workers 	<p><u>No festive holidays for temporary workers</u></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 August 2022. This has also been regulated in the company's CLA related to employee rest days and holidays.</p> <p><u>Lack of adequate health and safety equipment</u></p> <p>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><u>Labourer died due to lack of safety equipment</u></p> <p>Regarding workers who died due to not using PPE, this was not found for the period January to August 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>

4.0	CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY
4.1	<p>Formal Sign-off of Assessment Findings</p> <p>Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.</p> <p>Signed on behalf of:</p> <div style="display: flex; justify-content: space-around; align-items: flex-end;"> <div style="text-align: center;"> <p>PT Perkebunan Nusantara IV Management Representative</p>  <p><u>Pirgok Panggabean</u></p> <p>Tuesday, 27 December 2022</p> </div> <div style="text-align: center;"> <p>Mutuagung Lestari Lead Auditor</p>  <p><u>Briyogi Shadiwa</u></p> <p>Tuesday, 27 December 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	Surrounding Village Representative: • Kedai Damar • Paritokan Village • Bukit Rejo Village	Serdang Bedagai Regency	-	Via Telephone	27 September 2022	√	-
2	Land Agency of Serdang Bedagai Regency	Serdang Bedagai Regency	-	Via Telephone	27 September 2022	√	-
3	Agriculture Agency of Serdang Bedagai Regency	Serdang Bedagai Regency	-	Via Telephone	27 September 2022	√	-
4	Environmental Agency of Serdang Bedagai Regency	Serdang Bedagai Regency	-	Via Telephone	27 September 2022	√	-
5	Manpower Agency of Serdang Bedagai Regency	Serdang Bedagai Regency	-	Via Telephone	27 September 2022	√	-
6	Local Contractor • PT Syahrul Akbar Sejahtera • PT Jaya Wira Manggala	Serdang Bedagai Regency	-	Via Telephone	27 September 2022	√	-
7	PT Panca MARGA Abadi (FFB Supplier)	Serdang Bedagai Regency	-	Via Telephone	27 September 2022	√	-
8	Employee Cooperative PTPN IV Unit Pabatu	Serdang Bedagai Regency	-	Via Telephone	27 September 2022	√	-
9	Labour Union (SP-Bun) PTPN IV Unit Pabatu	Serdang Bedagai Regency	-	Via Telephone	27 September 2022	√	-
10	Pabatu POM: - 1 Weighbridge Operators - 2 Security - 1 Boiler Operator - 1 Engine Room Operator - 1 Sortation Officer - 1 storage operators - 1 kernel seed station - 3 Storage Operators - 1 WTP Operator - 1 WWTP Operator	Serdang Bedagai Regency	-	Direct interview	September, 24 2022	√	-
11	Pabatu Estate - 4 Foreman - 3 Plantation clerk - 6 harvester - 2 maintenance worker	Serdang Bedagai Regency	-	Direct interview	September, 25 2022	√	-

No	Institution/ NGO/ Community	Address	Phone/ Email	Form of Communication	Date of Contact	Response	
						Yes	No
	<ul style="list-style-type: none"> - 2 FFB loading workers - 7 Plantation worker - 4 Storage Operators - 1 Workshop Operator - 3 Housing Complex Residents 						
12	Bah Birong Ulu Estate <ul style="list-style-type: none"> - 3 Foreman - 8 Plantation clerk - 2 harvester - 2 maintenance worker - 6 FFB loading workers - 6 Plantation worker - 2 Storage Operators - 1 Workshop Operator - 3 Housing Complex Residents 	Serdang Bedagai Regency	-	Direct interview	September, 26 2022	√	
13	Sawit watch	Bogor, Indonesia	info@sawitwatch.or.id	Email	September, 14 2022		√
14	WWF	Jakarta, Indonesia	wwf-indonesia@wwf.or.id	Email	September, 14 2022		√
15	WALHI	Jakarta, Indonesia	informasi@walhi.or.id	Email	September, 14 2022		√
16	AMAN	Jakarta, Indonesia	rumahaman@cbn.net.id	Email	September, 14 2022		√
17	Labour Union (SP-Bun) PTPN IV Unit Bah Birong Ulu	Simalungun Regency	-	Via Telephone	27 September 2022	√	
18	Gender Committee PTPN IV Unit Pabatu	Serdang Bedagai Regency	-	Via Telephone	27 September 2022	√	
19	Gender Committee PTPN IV Unit Bah Birong Ulu	Simalungun Regency	-	Via Telephone	27 September 2022	√	

Appendix 2. Assessment Program

DATE	22 – 28 September 2022	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
Thursday, 22 September 2022		
12.00 – 16.00	PULU RAJA POM → PABATU POM	All Auditor
Friday, 23 September 2022		
08.00 – 10.00	Opening meeting : <ul style="list-style-type: none"> Auditee Speech (Introduction of PIC, Profile of Certified Management Unit) Auditor Team Speech (Introduction, Audit Objective, Audit Scope, Audit Plan Discussion, Determine of Audit Sample, Transparency and Confidentiality Clarification) 	All Auditor
10.00 – 12.00	Document review and completing audit checklist.	All Auditor
12.00 – 14.00	Break	All Auditor
14.00 – 17.00	Field observation to Pabatu POM: <ul style="list-style-type: none"> Supply Chain verification (FFB Receiving, Weighbridge, FFB Sorting, Processing Activity, Despatch CPO) Occupational Health & Safety Aspect (Inspection to Chemical Storage, Hazardous Waste Storage, Fire Control Simulation, POME Pond) Implementation of Employment Procedure and Mechanism Aspect Presentation of Daily Progress	BRI & ALE RGR ELU
Saturday, 24 September 2022		
08.00 – 12.00	Field Observation to Pabatu Estate Aspect to be verified : <ul style="list-style-type: none"> Implementation of Legal Aspect (Land Ownership, Legal Boundaries); Implementation of Agronomy Aspect (Harvesting & Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application) Implementation of Environmental, Conservation/HCV and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management) Implementation of Occupational Health & Safety Aspect Implementation of Employment Procedure and Mechanism Aspect Observation of Workers Facilities (Housing, School, Worship Place). Interview with related personels during field observation 	ELU BRI & ALX RGR BRI & ALX RGR ELU BRI, RGR & ELU
Sunday, 25 September 2022		
08.00 – 12.00	Document review and completing audit checklist.	All Auditor
Monday, 26 September 2022		
09.00 – 12.00	Field Observation to Bah Birong Ulu Estate Aspect to be verified : <ul style="list-style-type: none"> Implementation of Legal Aspect (Land Ownership, Legal Boundaries); 	ELU

DATE	22 – 28 September 2022	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
	<ul style="list-style-type: none"> Implementation of Agronomy Aspect (Harvesting & Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application) Implementation of Environmental, Conservation/HCV and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management) Implementation of Occupational Health & Safety Aspect Implementation of Employment Procedure and Mechanism Aspect Observation of Workers Facilities (Housing, School, Worship Place). Interview with related personels during field observation 	BRI & ALX RGR BRI & ALX RGR ELU BRI, RGR & ELU
12.00 – 14.00	Break	All Auditor
14.00 – 17.00	<ul style="list-style-type: none"> Document review and completing audit checklist. Presentation of Daily Progress. 	All Auditor
Tuesday, 27 September 2022		
08.00 – 12.00	Document review and completing audit checklist.	All Auditor
12.00 – 14.00	Break	All Auditor
14.00 – 17.00	<ul style="list-style-type: none"> Document review and completing audit checklist. Presentation of Daily Progress. 	All Auditor
Wednesday, 28 September 2022		
10.00 – 11.00	Closing Meeting : <ul style="list-style-type: none"> Presentation of audit findings (Noteworthy Positive Component, Non Conformities, OFI, TimeLine of CAR's, Conclusion) Comments, Responses and Questions 	All Auditor
11.00 – 14.00	PABATU POM → MEDAN	All Auditor
17.15 – 19.45	MEDAN → JAKARTA : GA-121	All Auditor