

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

**[✓] Surveillance**

Name of Management Organization : **Air Batu POM PT Perkebunan Nusantara IV Subsidiary of PT Perkebunan Nusantara III**  
 Plantation Name : **Air Batu Estate**  
 Location : Village of Air Batu, Sub District of Air Batu, Regency of Asahan, Province of Sumatera Utara, Indonesia  
 Certificate Code : **MUTU-RSPO/129**  
 Date of Certificate Issue : 24 May 2019      Date of License Issue : 24 August 2023  
 Date of Certificate Expiry : 23 May 2024      Date of License Expiry : 23 May 2023

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ASA-4	13 - 16 March 2023	Haikal Ramadhan Kharismansyah (Lead Auditor), Sentot Adi Subandono, Kiki Fadli and Fauzi Prima Sanusi	Moh Arif Yusni	Leonada

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-4	21 August 2023

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

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

**1.0 SCOPE of the CERTIFICATION ASSESSMENT**

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

**2.0 ASSESSMENT PROCESS**

2.1	Assessment Team	15
2.2	Assessment Methodology, Assessment Process and Locations of Assessment	15
2.3	Stakeholder Consultation and Stakeholders Contacted	18
2.4	Determining Next Assessment	18

**3.0 ASSESSMENT FINDINGS**

3.1	Summary of Assessment Report of the RSPO Certification	19
3.2	Conformity Checklist of Certificate and Logo Use	61
3.3	Summary of RSPO Partial Certification	62
3.4	Identification of Findings, Corrective Actions, Observations, Opportunity for Improvement and Noteworthy Positive Components	74
3.5	Summary of Arising Issues from Public, and Auditor Verification	111

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

4.1	Formal Signing of Assessment Findings	116
-----	---------------------------------------	-----

**APPENDICES**

1.	List of Stakeholders Contacted in the RSPO Certification Process	117
2.	Assessment Program	119

Figure 1. Location Map of PTPN IV - Air Batu

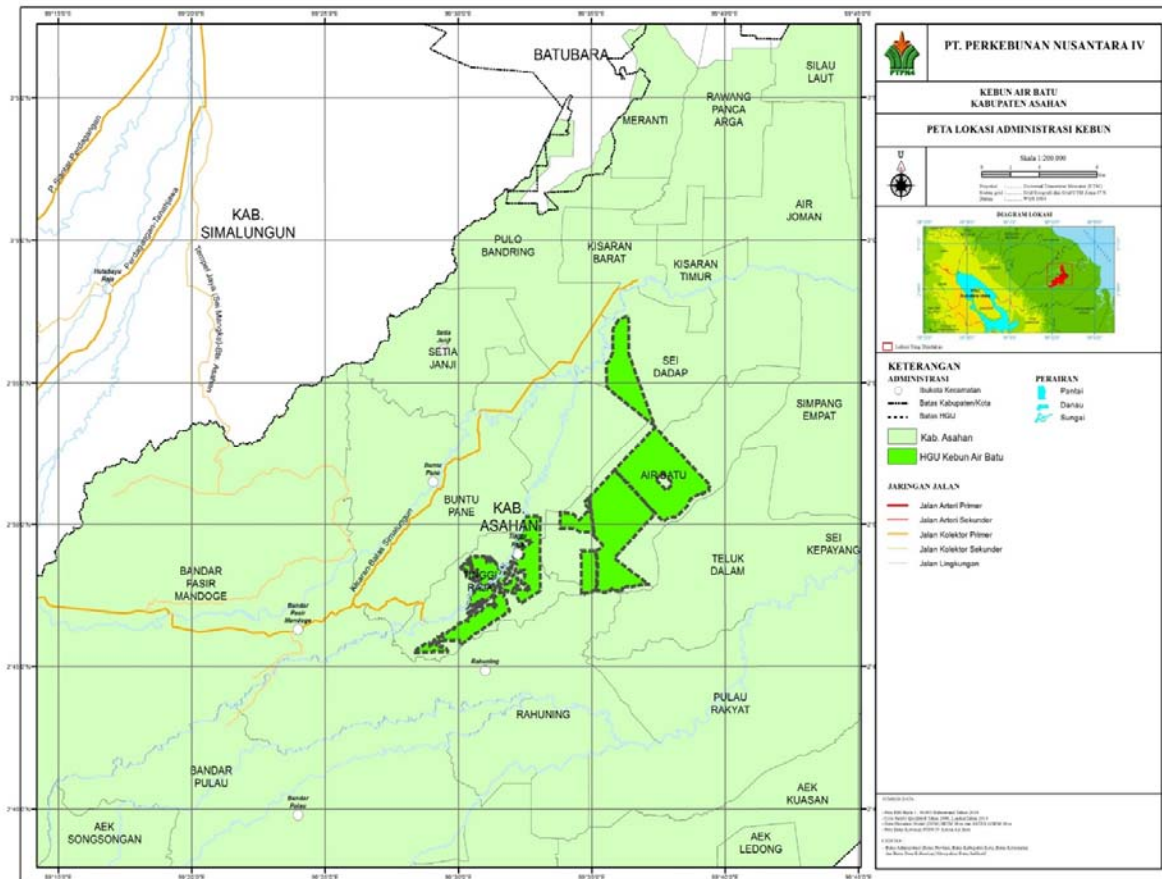
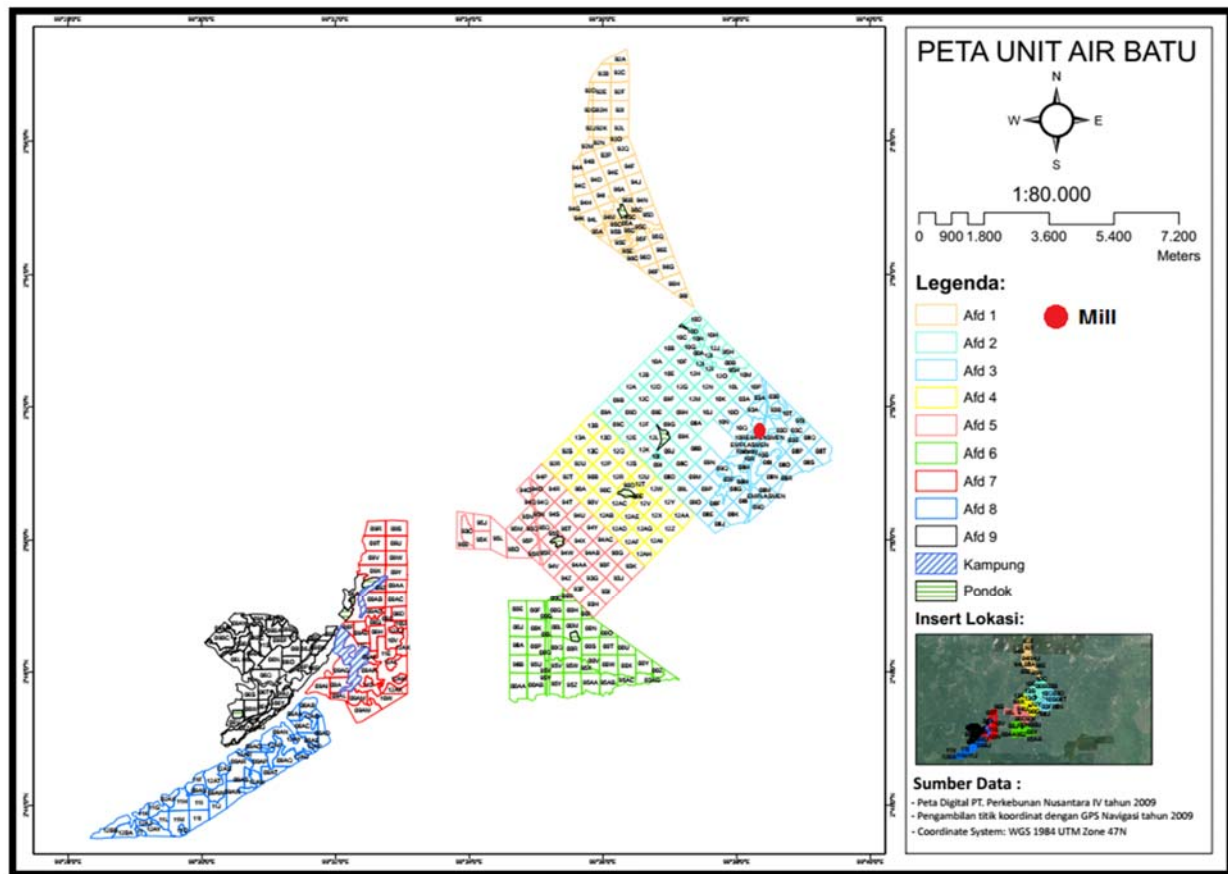


Figure 2. Operational Map of PTPN IV - Air Batu



**Abbreviations Used**

ACOP	:	The Annual Communication of Progress
AKAD	:	<i>Angkatan Kerja Daerah</i> or Migran Worker
AMDAL	:	<i>Analisis Mengenai Dampak Lingkungan</i> (Environmental Impact Assessment)
ASA	:	Annual Surveillance Assessment
Bapedalda	:	<i>Badan Pengendalian Dampak Lingkungan Daerah</i> (Regional Environmental Impact Management Agency)
BHL	:	<i>Buruh Harian Lepas</i> or Daily Contract Worker
BOD	:	Biological Oxygen Demand
BPJS	:	<i>Badan Penyelenggara Jaminan Sosial</i> / Social Security Agency
CB	:	Certification Body
CH	:	Certification Holder
CPO	:	Crude Palm Oil
CLA	:	Collective Labor Agreement
CSPK	:	Certified Sustainable Palm Kernel
CSPO	:	Certified Sustainable Palm Oil
CSR	:	Corporate Social Responsibility
EFB	:	Empty Fruit Bunch
EIA	:	Environment Impact Assessment
FFB	:	Fresh Fruit Bunch
GHG	:	Greenhouse Gas
GUU	:	<i>Grup Unit Usaha</i> (Business Unit Group)
HCV	:	High Conservation value
HGU	:	<i>Hak Guna Usaha</i> (Land Use Permit)
IPM	:	Integrated Pest Management
ISPO	:	Indonesian Sustainable Palm Oil
JHT	:	<i>Jaminan Hari Tua</i> or Old Age Insurance
JKK	:	<i>Jaminan Kecelakaan Kerja</i> or Work Accident Insurance
JKM	:	<i>Jaminan Kematian</i> or Death Insurance
JP	:	<i>Jaminan Pensiun</i> or Pension Insurance
KER	:	Kernel Extraction Rate
KLHK	:	<i>Kementerian Lingkungan Hidup dan Kehutanan</i> (Ministry Of Environment and Forestry)
LA	:	Land Application
LB3	:	<i>Limbah Bahan Berbahaya Beracun</i> (toxic hazardous waste)
LSU	:	Leaf Sampling Unit
MSDS	:	Material Safety Data Sheet
OER	:	Oil Extraction Rate
OHS	:	Occupational, Health, and Safety
P2K3	:	<i>Panitia Pembina Kesehatan dan Keselamatan Kerja</i> OHS Committee
P & C	:	Principle and Criteria
PDIK	:	<i>Pedoman dasar &amp; instruksi kerja</i> (Guidelines and work instruction)
PK	:	Palm Kernel
PKS	:	<i>Pabrik Kelapa Sawit</i>
PKWT	:	<i>Perjanjian Kerja Waktu Tertentu</i> or Contract/Temporary Worker
PLN	:	<i>Perusahaan Listrik Negara</i>
POM	:	Palm Oil Mill
POME	:	Palm Oil Mill Effluent
PPD	:	<i>Petugas Pengendali Dokumen</i> / Document control officer
PPE	:	Personal Protective Equipment

PPh	:	<i>Pajak Penghasilan</i> / Income Tax
PPN	:	<i>Pajak Pertambahan Nilai</i> / Value-Added Tax
PPKS	:	<i>Pusat Penelitian Kelapa Sawit</i> / Indonesian Oil Palm Research Institute
PTPN	:	<i>Perusahaan Terbatas Perkebunan Nusantara</i>
RKL-RPL	:	<i>Rencana Pengelolaan Lingkungan-Rencana Pemantauan Lingkungan</i> (Management and Monitoring Plan)
RSPO	:	Roundtable Sustainable Palm Oil
SCCS	:	Supply Chain Certification Standard
SPBUN	:	<i>Serikat Pekerja Perkebunan</i> (Plantation Labor Union)
SPI	:	<i>Satuan Pengawas Internal</i> or Internal Control Unit
SIA	:	Social Impact Assessment
SIMPEL	:	<i>Sistem Informasi Pelaporan Elektronik</i> (Electronic Report Information System)
SIUP	:	<i>Surat Izin Usaha Perdagangan</i> (Business License)
SOP	:	Standard Operational Procedures
SSU	:	Soil Sampling Unit
TPSA	:	<i>Tempat Pembuangan Sampah Akhir</i> (final waste disposal site)
TTE	:	<i>Tanda Terima Elektronik</i> (Electronic receipt)
UPTD	:	<i>Unit Pelaksana Teknis Daerah</i> (regional technical implementation unit)
WTP	:	Water Treatment Plant
WWTP	:	Waste Water Treatment Plant

1.0	SCOPE OF THE CERTIFICATION ASSESSMENT		
1.1	Assessment Standard Used		
		<ul style="list-style-type: none"><li>Principles and Criteria for Sustainable Palm Oil Production 2018, The Indonesia National Interpretation, Endorsed by the RSPO Board of Governors on 20 April 2020.</li><li>RSPO Certification Systems for Principles &amp; Criteria and RSPO Independent Smallholder Standard, Endorsed by the RSPO Board of Governors on 12 November 2020</li></ul>	
1.2	Organisation Information		
1.2.1	Organization name listed in the certificate	AIR BATU POM - PT PERKEBUNAN NUSANTARA IV subsidiary of PT PERKEBUNAN NUSANTARA III	
1.2.2	Contact person	Pirgok Panggabean	
1.2.3	Organisation address and site address	Head Office: Jl Sei Batang Hari No.2, Medan – North Sumatera, 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	<a href="http://www.ptpn3.co.id/">http://www.ptpn3.co.id/</a>	
1.2.8	Management Representative who completed the application for certification	Pirgok Panggabean	
1.2.9	Registered as RSPO member	1-0030-06-000-00; 13 December 2006	
1.3	Type of Assessment		
1.3.1	Scope of Assessment and Number of Management Unit	Palm Oil Mill (Air Batu Mill) and it's supply base Air Batu Estate	
1.3.2	Type of certificate	Single	
1.4	Locations of Mill and Plantation		
1.4.1	Location of Mill		
	Name of Mill	Location	Coordinate
			LatitudeLongitude
	Air Batu Mill	Air Batu Village, Air Batu Sub District, Asahan District, Sumatera Utara Province, Indonesia	N 02° 51' 35"E 99° 38' 18"
1.4.2	Location of Certification Scope of Supply Base		
	Name of Supply Base	Location	Coordinate
			LatitudeLongitude
	Air Batu Estate	Air Batu Village, Air Batu Sub District, Asahan District, Sumatera Utara Province, Indonesia	N 02° 51' 36"E 99° 38' 19"
1.5	Description of Area Statement		

1.5.1	Tenure		
	• State	7,418.73 Ha	
	• Community	-	
	Total	7,418.73 Ha	
*Hgu area of 7.877,75 ha which is the area of certificate 7,418.73 ha and uncertificate 459.02 ha (planting area 337 ha and not planting area 122,02 ha)			
1.5.2	Area Statement		
	Description	Air Batu Estate (Ha)	Total (Ha)
	Total area	7,418.73	7,418.73
	Mature area	5,822.00	5,822.00
	Immature Area	1,104.00	1,104.00
	Nursery Area	6.00	6.00
	Emplacement	161.00	161.00
	Infrastructure	325.73	325.73
1.6	Planting Year and Cycles		
1.6.1	Age profile of planting year		
	Planting Year	Air Batu Estate (Ha)	Total (Ha)
	1995	44.00	44.00
	2000	572.00	572.00
	2003	172.00	172.00
	2005	41.00	41.00
	2006	534.00	534.00
	2008	426.00	426.00
	2009	1,317.00	1,317.00
	2010	466.00	466.00
	2011	301.00	301.00
	2012	796.00	796.00
	2013	93.00	93.00
	2015	165.00	165.00
	2016	420.00	420.00
	2018	206.00	206.00
	2019	269.00	269.00
	Sub Total Mature	5,822.00	5,822.00
	2020	367.00	367.00
	2021	543.00	543.00
	2022	194.00	194.00
	Sub Total Immature	1,104.00	1,104.00
	TOTAL	6,926.00	6,926.00
1.6.2	New Planting area after January 2010	- Ha	
1.6.3	Planting Cycle	2nd Cycle	
1.7	Description of Mill and Supply Base		
1.7.1	Description of Mill		



	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel	
				Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)
	Air Batu	30	167,261.06	36,036.69	21.55	6,347.61	3.80
	*Production data source from 12 months before assessment (April 2022 to March 2023)						
1.7.2	Description of Certification Scope of Supply Base						
	Name of Estate	Total Area (Ha)	Production Area (Ha)	FFB (ton/yr)	Yield (ton/ha/yr)	Supplied to Mill	
						FFB (ton/year)	%
	Air Batu	7,418.73	5,822.00	136,507.21	23.45	127,528.36	93.42
	*Production data source from 12 months before assessment (April 2022 to March 2023)						
1.7.3	FFB description from other source						
	Name of sources/Organization (RSPO certified / non-certified)		Type of Organization	number of smallholders	Production Area (Ha)	Supplied to Mill FFB (tones/year)	
	Total Certified					1,745.47	
	Kebun Sei Kopas		PTPN IV	-	4,035.00	429.58	
	Kebun Berangir		PTPN IV	-	4,222.00	1,143.74	
	Kebun Padang Matinggi		PTPN IV	-	3,402.00	64.20	
	Kebun Tinjowan		PTPN IV	-	5,435.00	107.95	
	Total Non-Certified					37,930.40	
	CV Abadi Jaya		Independent Supplier	-	-	18,222.23	
	PT Semut Merah Beriring		Independent Supplier	-	-	9,303.74	
	CV Doge Doge Star		Independent Supplier	-	-	3,132.01	
	Kebun Air Batu Uncertified		PTPN IV	-	-	7,272.42	
	TOTAL					39,675.87	
	*Production data source from 12 months before assessment (April 2022 to March 2023)						
1.7.4	Product categories			FFB, CPO, PK			
1.8	Tonnage of Product						
1.8.1	Past Annual Claim Certified Product			Last Year Projected Certified Volume (Ton) (Dec 20, 2023 – May 23, 2023)		Realization from April 2022 – March 2023	
	FFB Processed			130,000		129,273.83	
	CPO Production			27,000		24,084.96	
	Palm Kernel (PK) Production			5,500		3,943.56	
1.8.2	Product selling						
	Type of selling product			Actual selling product for last year (April 2022 – March 2023)			
	CSPO sold as RSPO certified product			9,250.00			
	CSPK sold as RSPO certified product			3,874.52			
	CSPO sold under another scheme			-			
	CSPK sold under another scheme			-			

	CSPO sold as conventional		15,010.38					
	CSPK sold as conventional		-					
1.8.3	Estimate of Certified FFB Claim							
	Name of Estate(s)		Total Area (Ha)	Production Area (Ha)	FFB (tones/year)		Yield (tones/ha/year)	
	Air Batu		7,418.73	5,822.00	136,000.00		23.36	
	*Projected FFB production for 12 months of certificate							
1.8.4	Estimate of Certified Palm Product Claim							
	Name of Mill	Capacity (tones/ hour)	FFB Processed (tones/year)	CPO Out put (tones)    Extraction (%)		Palm Kernel Out put (tones)    Extraction (%)		Supply Chain Module
	Air Batu	30	136,000.00	30,000.00	22.05	5,500.00	4.044	MB
	*Projected CSPO and CSPK production for 12 months of certificate							
1.9	Other Certifications							
	ISO 9001:2008		-					
	ISO 14001: 2004		-					
	OHSAS 18001:2007		-					
	ISCC		-					
	ISPO		ISPO 00032 Valid until 6 October 2026					
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	Certified		
	Tanjung Seumantoh (PTPN I)	2023	Lama Estate	2023	Aceh Timur District, Aceh Province	Certified		
			Baru Estate	2023	Aceh Timur District, Aceh Province	Certified		
			Tualang Sawit Estate	2024	Aceh Timur Distrcit, Aceh Province	-		
			Julok Rayeuk Selatan Estate	Certified	Aceh Timur District, Aceh Province	-		
	Cot Girek (PTPN I)	2023	Julok Rayeuk Utara Estate	2024	Aceh Utara District, Aceh Province	-		
			Cot Girek Es-tate	2024	Aceh Utara District, Aceh Province	Certified		
	Sawit Hulu (PTPN II)	2023	Sawit Hulu Estate	2023	Langkat District, Sumatera Utara Province	Certified		
	Kwala Sawit (PTPN II)	2023	Kwala Sawit Estate	2023	Langkat District, Sumatera Utara Province	-		
			Air Tenang Estate	2023	Langkat District, Sumatera Utara Province	-		
	Sawit Seberang (PTPN II)	2023	Batang Serangan Estate	2023	Langkat District, Sumatera Utara Province	-		

		Sawit Seberang Estate	2023	Langkat District, Sumatera Utara Province	-
		Tanjung Jati (Rayon) Estate	2023	Langkat District, Sumatera Utara Province	-
Pagar Merbau (PTPN II)	2022	Tanjung Garbus Estate	2022	Deli Serdang District, Sumatera Utara Province	Certified
		Melati Estate	2022	Deli Serdang District, Sumatera Utara Province	-
		Patumbak Estate	2023	Deli Serdang District, Sumatera Utara Province	-
		Limau Mukur Estate	2023	Deli Serdang District, Sumatera Utara Province	-
		Tandem (Rayon) Estate	2023	Deli Serdang District, Sumatera Utara Province	-
Sisumut (PTPN III)	2015	Sisumut Estate	2015	Labuhan Batu Selatan District, Sumatera Utara Province	October 15, 2015 (Certified)
		Aek Nabara Utara Estate	2015	Labuhan Batu Selatan District, Sumatera Utara Province	October 15, 2015 (Certified)
Rambutan (PTPN III)	2016	Tanah Raja Estate	2016	Serdang Bedagai District, Sumatera Utara Province	Sept 1, 2016 (Certified)
		Gunung Monaco Estate	2016	Serdang Bedagai District, Sumatera Utara Province	Sept 1, 2016 (Certified)
		Silau Dunia Estate	2016	Serdang Bedagai District, Sumatera Utara Province	Sept 1, 2016 (Certified)
		Sarang Ginting Estate	2016	Serdang Bedagai District, Sumatera Utara Province	Sept 1, 2016 (Certified)
		Sei Putih Estate	2016	Serdang Bedagai District, Sumatera Utara Province	Sept 1, 2016 (Certified)
		Rambutan Estate	2016	Serdang Bedagai District, Sumatera Utara Province	Sept 1, 2016 (Certified)
		Bandar Betsy Estate	2022	Simalungun District, Sumatera Utara Province	-
Sei Daun (PTPN III)	2015	Sei Daun Estate	2015	Labuhan Batu Selatan District, Sumatera Utara Province	Sept 8, 2016 (Certified)
		Bukit Tujuh Estate	2015	Labuhan Batu Selatan District, Sumatera Utara Province	Sept 8, 2016 (Certified)
Torgamba (PTPN III)	2015	Torgamba Estate	2015	Labuhan Batu Selatan District, Sumatera Utara Province	Sept 7, 2016 (Certified)
Sei Meranti (PTPN III)	2016	Sei Meranti Estate	2016	Labuhan Batu Selatan District, Sumatera Utara Province	Sept 14, 2016 (Certified)
Sei Silau (PTPN III)	2017	Sei Silau Estate	2017	Asahan District, Sumatera Utara Province	Apr 3, 2017 (Certified)
		Pulau Mandi Estate	2017	Asahan District, Sumatera Utara Province	Apr 3, 2017 (Certified)
		Ambalutu Estate	2017	Asahan District, Sumatera Utara Province	Apr 3, 2017 (Certified)

		Hutapadang Estate	2017	Asahan District, Sumatera Utara Province	Apr 3, 2017 (Certified)
Sei Mangkei (PTPN III)	2017	Dusun Hulu Estate	2017	Batubara District, Sumatera Utara Province	Oct 2017 (Certified)
		Bangun Estate	2017	Simalungun District, Sumatera Utara Province	Oct 2017 (Certified)
		Gunung Para Estate	2017	Serdang Bedagai District, Sumatera Utara Province	Oct 2017 (Certified)
		Gunung Pamela Estate	2017	Serdang Bedagai District, Sumatera Utara Province	Oct 2017 (Certified)
		Sei Dadap Estate	2017	Asahan District, Sumatera Utara Province	Oct 2017 (Certified)
Sei Baruhur (PTPN III)	2018	Sei Baruhur Estate	2018	Labuhan Batu Selatan District, Sumatera Utara Province	April 2018 (Certified)
		Sei Kabara Estate	2018	Labuhan Batu Selatan District, Sumatera Utara Province	April 2018 (Certified)
Hapesong (PTPN III)	2020	Hapesong Estate	2020	Tapanuli Selatan District, Sumatera Utara Province	October 2020 (certified)
		Batang Toru Estate	2020	Tapanuli Selatan District, Sumatera Utara Province	October 2020 (certified)
Aek Nabara Selatan (PTPN III)	2014	Aek Nabara Selatan Estate	2014	Labuhan Batu District, Sumatera Utara Province	May 23, 2014 (Certified)
		Rantau Prapat Estate	2014	Labuhan Batu District, Sumatera Utara Province	May 23, 2014 (Certified)
		Merbau Selatan Estate	2014	Labuhan Batu Utara District, Sumatera Utara Province	May 23, 2014 (Certified)
		Membang Muda Estate	2014	Labuhan Batu Utara District, Sumatera Utara Province	May 23, 2014 (Certified)
		Labuhan Haji Estate	2014	Labuhan Batu Utara District, Sumatera Utara Province	May 23, 2014 (Certified)
		Bandar Selamat Estate	2014	Asahan District, Sumatera Utara Province	May 23, 2014 (Certified)
Aek Torop (PTPN III)	2014	Aek Torop Estate	2014	Labuhan Batu Selatan District, Sumatera Utara Province	June 17, 2014 (Certified)
Aek Raso (PTPN III)	2014	Aek Raso Estate	2014	Labuhan Batu Selatan District, Sumatera Utara Province	June 30, 2014 (Certified)
Pabatu (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	2018	Adolina	2018	Serdang Bedagai dan Deli	Certified on April

(PTPN IV)				Serdang, Sumatera Utara	2018
Bah Jambi (PTPN IV)	2018	Bah Jambi	2018	Simalungun, Sumatera Utara	Certified February 2018
		Marihat	2018	Simalungun, Sumatera Utara	Certified February 2018
		Bah Birung Ulu	2024	Simalungun, Sumatera Utara	Certifeid
		Marjandi	2019	Simalungun, Sumatera Utara	Certified on 20 may 2019 (1,802.0 Ha)
			2022	Simalungun, Sumatera Utara	Out of scope Certification 2 <sup>nd</sup> Stage Audit (30.0 Ha)
Dolok Sinumbah (PTPN IV)	2018	Dolok Sinumbah	2018	Simalungun, Sumatera Utara	Certified on April 2018 (3,757.0 Ha)
			2022	Simalungun, Sumatera Utara	Out of scope Certification 2 <sup>nd</sup> Stage Audit (35.94 Ha)
		Balimbingan	2018	Simalungun, Sumatera Utara	Certified on April 2018
Mayang (PTPN IV)	2021	Mayang	2019	Simalungun, Sumatera Utara	Certified on March 2019
		Bukit Lima	2022	Simalungun, Sumatera Utara	Preparation
Gunung Bayu (PTPN IV)	2019	Gunung Bayu	2019	Simalungun, Sumatera Utara	Certified on September 2019
		Tanah Itam Ulu	2019	Simalungun, Sumatera Utara	Certified on September 2019
Tinjowan (PTPN IV)	2019	Tinjowan	2019	Simalungun, Sumatera Utara	Certified on March 2019
		Aek Nauli	2019	Simalungun, Sumatera Utara	Certified on March 2019
		Padang Matinggi	2019	Simalungun, Sumatera Utara	Certified on March 2019
Air Batu (PTPN IV)	2018	Air Batu	2019	Asahan, Sumatera Utara	Certified on May 2019
		Air Batu	2022	Asahan, Sumatera Utara	Out of Scope certification 2 <sup>nd</sup> Stage Audit
Berangir (PTPN IV)	2018	Berangir	2018	Labuhan Batu Utara, Sumatera Utara	Certified on July 2018
		Berangir	2022	Labuhan Batu Utara, Sumatera Utara	Out of scope Certification 2 <sup>nd</sup> Stage Audit (10.0 Ha)
Sawit Langkat (PTPN IV)	2018	Sawit Langkat	2018	Langkat, Sumatera Utara	Certified on June 2018
		Sawit Langkat	2022	Langkat, Sumatera Utara	Out of scope Certification 2 <sup>nd</sup> Stage Audit

					(301.50 Ha)
Pasir Mandoge (PTPN IV)	2020	Pasir Mandoge	2020	Asahan, Sumatera Utara	Certified on October 2018
		Sei Kopas	2020	Asahan, Sumatera Utara	Certified on October 2018
		Tonduhan	2020	Simalungun, Sumatera Utara	Certified on October 2018
		Sei Kopas (HPK)	2022	Asahan, Sumatera Utara	-
Timur (PTPN IV)	2022	Timur	2022	Mandailing Natal, Sumatera Utara	-
		Balap	2022	Mandailing Natal, Sumatera Utara	-
Ajamu (PT PN IV)	2021	Ajamu	2019	Labuhan Batu Utara, Sumatera Utara	Certified on September 2019
		Meranti Paham	2019	Labuhan Batu Utara, Sumatera Utara	Certified on September 2019
		Panai Jaya	2022	Labuhan Batu Utara, Sumatera Utara	Preparation
Sosa (PTPN IV)	2022	Sosa	2022	Padang Lawas, Sumatera Utara	Preparation
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)	2023	Tanjung Medan	2023	Rokan Hilir District, Riau Province, Indonesia	Certified
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	2023	Siak District, Riau Province, Indonesia	-
Sei Buatan (PTPN V)	2022	Sei Buatan	2023	Siak District, Riau Province, Indonesia	Certified
		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)	2023	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	2023	Jambi Province	-
Bunut (PTPN VI)	2022	Bunut	2022	Jambi Province	-
Ophir (PTPN VI)	2022	Ophir	2022	Sumatra Barat Province	Certified
		Pangkalan 50 Kota	2022	Sumatra Barat Province	Certified
Aur Gading	2023	Durian Luncuk	2025	Jambi Province	-



	(PTPN VI)					
	Solok Selatan (PTPN VI)	2023	Solok Selatan	2023	Sumatra Barat Province	-
	Tanjung Lebar (PTPN VI)	2023	Tanjung Lebar	2023	Jambi Province	Certified
			Bukit Cermin	2023	Jambi Province	Certified
	Bekri (PTPN VII)	2022	Bekri	2022	Lampung Province	Certified
			Rejosari	2022	Lampung Province	Certified
			Padang Ratu	2022	Lampung Province	Certified
	Betung (PTPN VII)	2022	Betung	2022	Lampung Province	Certified
			Bentayan	2026	Lampung Province	-
	Talang Sawit (PTPN VII)	2023	Betung Krawo	2023	Musi Banyuasin District, Sumatera Selatan Province	-
	Sungai Lengi (PTPN VII)	2023	Sungai Lengi	2023	Muara Enim District, Sumatera Selatan Province	-
	Kertajaya (PTPN VIII)	2022	Kertajaya	2022	Lebak District, Banten Province	Certified
			Cisalak Baru	2024	Lebak District, Banten Province	-
			Bojongdatar	2024	Lebak District, Banten Province	-
	Cikasungka (PTPN VIII)	2022	Cikasungka	2022	Bogor District, Jawa barat Province	-
			Sukamaju	2023	Sukabumi District, Jawa barat Province	-
	Gunung Meliau (PTPN XIII)	2023	Gunung Meliau	2022	Sanggau District, Kalimantan Barat Province	Certified
	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\3	Luwu	2023	Luwu Timur, District, Sulawesi Tengah	-
			Keera-Maroon	2023	Luwu Timur, District, Sulawesi Tengah	-
			Malili	2023	Luwu Timur, District, Sulawesi Tengah	-
			Asera	2023	Luwu Timur, District, Sulawesi Tengah	-
	Date Approval TBP on November 2022.					
1.10.2	Progress of Associated Smallholders and Out growers for Certifiable Standard					
	UoC hasn't smallholder scheme					



<b>2.0</b>	<b>ASSESSMENT PROCESS</b>
<b>2.1</b>	<b>Assessment Team</b>
<b>IC</b>	<ol style="list-style-type: none"> <li><b>Haikal Ramadhan Kharismansyah (Lead Auditor).</b> Indonesian citizen, Bachelor of Agriculture department of plant and pest disease (Agrotechnology). He has 3 years' experience as an Agronomy Staff in private oil palm plantation in Indonesia. Training which had attended including Basic Management Development Program Agronomy, Integrated Urban Pest Management, Integrated Pest Management, ISO 9001:2015, Auditor ISPO, RSPO Lead Auditor Training, ISO 22000 awareness, RSPO SCCS. Did some audit ISPO scheme with aspects best management practices. During this audit, he assigned to verify legal aspect, land dispute, SCCS, TBP, partial certification aspect, Environmental, Social, conservation, GHG, and Waste management aspects.</li> <li><b>Sentot Adi Subandono (Auditor).</b> Indonesia citizen, Bachelor of Agriculture, Department of Agricultural Cultivation. He has five years of experience working since 2005 as Plantation Operational Staff and nine years as Internal Auditor in private oil palm plantations in Indonesia. The training that has been attended includes the Basic Management Development Program of Palm Oil Plantation, Use of Limited Pesticides, Best Practices in Internal Auditing, Fraud Auditing: Prevention, Detection, and Investigation, Operational Risk Approach in Internal Auditing, General Occupational Health and Safety Expert, ISPO Auditor Training in 2016, ISO 9001: 2015, RSPO Lead Auditor Training in 2020. During this assessment, verified the aspects of Best Management Practices and OHS Aspect.</li> <li><b>Kiki Fadli (Auditor).</b> Indonesian citizen. Bachelor of Agricultural Engineering, Agricultural Engineering Study Program. Has experience working in the sustainability department in private and state-owned oil palm plantations. Has attended training on New Refreshment Lead Auditor ISPO, Lead Auditor RSPO, General OHS Expert, ISO 9001:2008, ISO 14001:2015, ISO 17021, ISO 17065, HCV, SMK3 and ISH Lead auditor training conducted by RSPO. During this assessment, he verified the worker welfare and Transparency aspect.</li> <li><b>Fauzi Prima Sanusi (Auditor Trainee).</b> Indonesian citizens. Bachelor of Forestry. Has work experience in the field of HSE, Environmental NGOs, attended training including Proper Training, General Helath and Safety Expert, Biodiversity Study, HCV, Water and Air Monitoring Management, ISO 14001: 2004 Auditor, FSC Auditor, Sustainable Forest Management Auditor 2014, ISPO Auditor 2018 , Forest and Land Fire Control Training 2014, has participated in audit activities for SFM Since 2016 FSC Audit 2017, ISPO Audit 2019 In this audit activity carried out verification in the fields of Environment, Social, conservation, GHG and Waste management aspects.</li> </ol>
<b>2.2</b>	<b>Assessment Methodology, Assessment Process and Locations of Assessment</b>
<b>2.2.1</b>	<b>Figure of person days to implement assessment</b>
<b>ASA-4</b>	<p>Number of auditors: 3 auditor and 1 Trainee</p> <p>Number of days for <b>ASA-4</b> onsite audit: 4 days</p> <p>Number of working days for <b>ASA-4</b> onsite audit: 12 Working days</p>
<b>2.2.2</b>	<b>Assessment Process</b>
<b>ASA-4</b>	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT Perkebunan Nusantara IV – Air Batu POM to the requirements of <b>Principles and Criteria for the Production of Sustainable Palm Oil 2018, Endorsed by the RSPO Board of Governors on 20th April 2020 and RSPO Certification Systems for Principles &amp; Criteria and RSPO Independent Smallholder Standard, Endorsed by the RSPO Board of Governors on 12 November 2020.</b></p> <p>The audit program is included as Appendix 2. The approach to the audit was to treat the mill and its supply base as an RSPO Certification Unit. Mill was audited together with the sample estates. A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HCVs, declared conservation areas and local communities.</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>

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

Until the deadline for fulfilling minor non-conformances in ASA-3, unit certification has not been able to fulfill all minor non-conformances so that minor non-conformities rise to major.

The auditor's journey from the airport in Medan to the audit location takes about 6-7 hours. The opening meeting was held on April 3, 2023. As for the participants who attended the opening meeting included the Estate and Mill Managers, Support Team from Medan and other staff at PT Perkebunan Nusantara IV – Air Batu POM. Closing meeting was held on April 6, 2022 attended by the same participants as the opening meeting. Management PT Perkebunan Nusantara IV – Air Batu POM accept all the onsite ASA-4 audit results.

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

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

The assessment program please find Appendix 2

### 2.2.3

### Locations of Assessment

#### ASA-4

The sampling location consider the issue arose from the review documents and stakeholder's consultation that are fundamental and crucial. On this assessment sample locations that visited and respondent that interviewed by team auditor are:

#### Air Batu POM

- **Security post.** Observation and interview related supply chain, worker welfare and OHS aspect.
- **Weighbridge.** Observation and interview related supply chain system and its administration, FFB source, and worker welfare aspect.
- **CPO Storage tank.** Observation related capacity of CPO storage.
- **Kernel Storage.** Observation related capacity of PK storage.
- **WWTP.** Field observations related to WWTP entry, runoff, effluent testing. Officers are equipped with PPE and effluent discharge records.
- **Water Source Reservoir and Water Intake.** Observations and interviews related to water management, recording of water use, health checks, PPE and waste management.
- **Employee Housing.** Observation of the availability of infrastructure such as employee housing facilities, clean water facilities, educational facilities, religious facilities, health facilities and sports facilities.
- **Empty Bunch Area.** Observations related to material handling, OHS and environmental management.
- **Hydrant Simulation.** Observations and interviews with factory fire emergency response officers related to emergency response procedures, availability and state of emergency response equipment and handling officers in conducting simulations.
- **Hazardous Waste Temporary Storage.** Observations and interviews with officers related to material handling, work procedures, OHS, wages and environmental management.
- **Warehouse Central.** Observations and interviews with officers related to material handling, work procedures, OHS, label and symbol material, goods administration system and chemical storages procedures.

- **Grading Station.** Observations and interviews related work procedure, safety aspect, worker welfare, anti-bribery practices, and etc.
- **Chain Station.** Observations and interviews related work procedure, safety aspect, worker welfare etc.
- **Sterilizer Station.** Observations related work procedure and safety aspect.
- **Hoisting crane.** Observations related work procedure and safety aspect.
- **Engine Room.** Observations and interviews related work procedure, safety aspect, worker welfare, environment aspect etc.
- **Boiler Station.** Observations and interviews related work procedure, safety aspect, worker welfare etc
- **Press Station.** Observations and interviews related work procedure, safety aspect, worker welfare etc.
- **Nut and Kernel Station.** Observations and interviews related work procedure, safety aspect, worker welfare etc.
- **Empty Bunch Station.** Observations related work procedure and safety aspect.

#### **Air Batu Estate**

- **HCV Lala River.** Observation and interview related management of HCV area.
- **HCV Slope Area.** Observation and interview related management of HCV area.
- **Non Certified Area. Block 12 AO. Afdeling VIII.** Observation related non certified area.
- **Boundary Pole Number 163, 162, 136, and 137.** Observation and interview related maintenance of boundary area
- **Emplacement Afdeling VII-IX.** Observation and interview related housing facilities, sanitation, management of domestic waste, and environmental health aspect.
- **Rinse House Afdeling VII-IX.** Observation and interview related pesticide applicator sanitation facility.
- **Landfills Afdeling VII and IX.** Observations related to domestic waste management.
- **Fertilizer Warehouse Afdeling VII and IX.** Observation of material handling, OHS, and handling of hazardous materials.
- **Land Application Afdeling III.** Observations and interviews with workers related to work procedures, environmental management, OSH, employment and complaint mechanisms.
- **Domestic waste management at Afdeling 3,4 and 5,6.** Observation related to domestic waste observations related to waste management, landfills, and types of waste
- **Housing Facility at Afdeling 3,4 and 5,6.** observations related to housing conditions, sanitation, building feasibility, cleanliness of the housing environment
- **Rinse house at Afdeling 3,4 and 5,6.** observations related to building conditions, water availability, storage of work tools and PPE
- **Fertilizer Warehouse at at Afdeling 3,4 and 5,6.** Observations related to fertilizer storage procedures, warehouse conditions, equipment for emergency response, and interviews with officers about OHS, medical check up, and worker status
- **HCV Area (Riparian) at Block 00M Afdeling 6, Block 2003E Afdeling 3 and Block 200A Afdeling 2.** Observations related to HCV management and potential pollution.
- **Chemical warehouse.** Observations and interviews for material handling, OHS, and hazardous materials handling.
- **HGU Pole No. 79 Afdeling 6, No 66 and 66a Afdeling 5, No. 37 Afdeling 3 & No. 31 Afdeling 2.** Observation related to area operational boundaries.
- **Spray Activities Block 08R Afdeling 3.** Field observations and interviews related to aspects of Employment, OHS, Environment and BMP.
- **Rinse house.** Field observation related Hazardous handling management and OHS aspect.
- **HCV Area Boundary of Hesa River Block 03E Afdeling 3.** Observation regarding implementation of HCV 4 area management.
- **Nursery.** Field observation and interviews related BMP and OHS Aspect.
- **Immature Area Block 20N Afdeling 5.** Field observations and interviews related to aspects of Employment, OHS, Environment, EFB application, and BMP.
- **Beneficial plant, *Turnera ulmivolia*, Block 20N and 20J Afdeling 5.** Observation and interviews related IPM.

	<ul style="list-style-type: none"> <li>• <b>Global Telling Caterpillars, Block 18E afdeling 5.</b> Field observations and interviews regarding digital caterpillar census techniques using CTD (Control Tower Dashboard) and environmental aspects.</li> <li>• <b>Harvesting Activities, Block 18F Afdeling 5.</b> Field observations and interviews related to aspects of Employment, OHS, and BMP.</li> <li>• <b>FFB Loading, Block 18F Afdeling 5.</b> Field observations and interviews regarding aspects of Employment, OHS and BMP.</li> </ul>
<b>2.3</b>	<b>Stakeholder Consultation and Stakeholders Contacted</b>
<b>2.3.1</b>	<b>Summary of stakeholder consultation process.</b>
<b>ASA-4</b>	<p>Summary of stakeholder consultation process for Air Batu POM was held by:</p> <ul style="list-style-type: none"> <li>• Public Notification on website MUTU International on March 20, 2023</li> <li>• Public consultation with NGOs (by email) such as WALHI, AMAN, and Sawit Watch on 27 March 2023</li> <li>• Public consultation meeting with government institution on 3 April 2023</li> <li>• Public consultation meeting with internal stakeholders and contractor on 3 April 2023</li> </ul> <p>Numbers of input from stakeholders were clarified by Air Batu POM</p>
<b>2.3.2</b>	<b>Stakeholder contacted</b>
	<i>Please find appendix 1</i>
<b>2.4</b>	<b>Determining Next Assessment</b>
	The next visit ( <b>RC</b> ) will be conducted eight (8) months to twelve (12) months after date of annual license.

### 3.0 ASSESSMENT FINDINGS

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

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

During the assessment, there was eight (8) Nonconformities were assigned against Major/Critical Compliance Indicators, six (6) Nonconformities were assigned against Minor/Non-Critical Compliance Indicators and one (1) opportunity for improvement were identified. Further explanation of the non-conformities raised and corrective actions taken by the company are provided in section 3.5.

Further explanation of the non-conformities raised and corrective actions taken by the company are provided in section 3.5. The company has already prepared and implemented the corrective 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 of eleven (11) Major non-conformity and two (2) Minor non-conformity(s) had been closed out shall be verified during next assessment.

MUTUAGUNG LESTARI found that Air Batu POM – PT Perkebunan Nusantara IV subsidiary of PT Perkebunan Nusantara III complied with the requirements of Principles and Criteria for Sustainable Palm Oil Production 2018, The Indonesia National Interpretation, endorsed by the RSPO Board of Governors on 20 April 2020 and RSPO Certification Systems for Principles & Criteria and RSPO Independent Smallholder Standard, Endorsed by the RSPO Board of Governors on 12 November 2020.

Therefore, MUTUAGUNG LESTARI Recommends RSPO Certification of compliance is continued

Ref Std.	VERIFICATION RESULT of MUTU-Certification	
<b>PRINCIPLE #1 BEHAVE ETHICALLY AND TRANSPARENTLY</b>		
<b>1.1</b>		
<b>The unit of certification provides adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.</b>		
<b>1.1.1 and 1.1.3</b>		
<p>The company has a Decree of the Board of Directors of PT Perkebunan Nusantara IV No. 04.03/Kpts/02/II/2018 dated 5 February 2018 which was approved by the Main Director regarding the publication of PTPN IV company documents which regulates the types of company documents and authority over the publication of company documents, namely there are 22 information such as company profiles, land permits, audited financial reports, documents on permits/permits, waste management, disposal plans, etc which can be published and accessed publicly and there are 27 information such as the company's articles of association, formula for production bonuses/services, commodity selling price formula, etc which cannot be published openly.</p> <p>The company also shows procedures related to transparency mechanisms in providing information to stakeholders which are contained in the SPO document for the Retention Period of Requests for Information and Responses No. SPO 06 No. Revision 03 Effective Date August 1, 2017 which describes the mechanism for requesting information and responding, among others, as follows:</p> <p><b>Head Office</b></p> <ul style="list-style-type: none"> <li>• The process of controlling requests for information and responses is managed by the corporate secretary.</li> <li>• All requests for information are forwarded to the Board of Directors for disposition.</li> <li>• According to the disposition, forwarded to the relevant Section for implementation according to the disposition of the Board of Directors.</li> <li>• Implementation of requests for information and responses to stakeholders.</li> <li>• The maximum period for responding to requests for information from stakeholders is 30 working days.</li> </ul> <p><b>Business unit</b></p> <ul style="list-style-type: none"> <li>• The process of controlling requests for information and responses is managed by the HR and General Assistants.</li> <li>• All requests for information are then submitted to the Unit Manager to be processed and solutions taken.</li> </ul>		



- After the Unit Management has examined the request for information, a decision is taken and a response is then submitted to the information requester.
- If the Unit Management feels that this requires a higher level process, then the request is submitted to the GUU Manager and the Head Office to be asked for a solution to the completion of the response request.
- If the process and solution for requesting information has been decided by the GUU Manager and Head Office, then the response request is submitted to the Plantation Unit Manager to be forwarded to the information requester
- The maximum period for responding to requests for information from stakeholders is 30 working days.

Based on the results of verification of incoming and outgoing document documents, it is known that incoming letters including requests for information have been responded to by the company, for example letters requesting assistance for MTQ activities with No. 020/01/PAN-MTQ/2023 January 2022, which was responded to by the company on February 2022 with letter No. ABA/X 34/II/2023.

### 1.1.2

The unit of certification can show evidence that information has been received in an appropriate form and language related to stakeholder engagement, company rights and obligations that have been conveyed to all relevant stakeholders, including:

#### **Compliance with Social and Environmental Regulations**

- Ministry of Environment and Forestry electronic receipt, ID: 1656720341-4910, TTE period 01 April 2022 to 20 June 2022, print time 02 July 2022, Report on Hazardous and Toxic Waste Management, status Reported.
- Ministry of Environment and Forestry electronic receipt, ID: 1675397632-4910, electronic receipt period 01 July 2022 to 31 December 2022, print time 03 March 2022, Water Pollution Management Report, status Reported to the Ministry of Environment and Forestry and the Environmental Service Long live the Province of Sumatera Utara.
- Ministry of Environment and Forestry electronic receipt, ID: 1680582583-4910, electronic receipt period 01 July 2022 to 32 December 2022, print time 04 April 2022, Air Pollution Management Report. Reported status.
- Ministry of Environment and Forestry electronic receipt, ID: 1675397680-4910, electronic receipt period 01 July 2022 to 31 December 2022, print time 03 February 2023, Report on Management of Hazardous and Toxic Waste, status Reported to the Ministry of Environment and Forestry As well as the Department of the Environment of Sumatera Utara Province.

#### **Compliance with Best Management Practices Regulation:**

- OHS Report Quarter 3 2022 PTPN IV Air Batu to the Department of Labor integrated service unit Labor Inspection Region IV on 10 October 2022.
- PTPN IV Air Batu Quarter 4 2022 OHS Report to the Manpower Office integrated service unit Labor Inspection Region IV on 11 January 2023.

#### **Compliance with Legal Regulation:**

The unit of certification submits a report on the utilization of Right to Cultivate to the Asahan District Land Office on 13 January 2023.

#### **Compliance with manpower Regulation:**

- Compulsory Manpower Reporting with reporting number 21272.20230213.0001 reporting date 13 February 2023.
- Proof of Fixed Period Working Agreement registration with no. 0068/III-DKT/II/2023 on January 5, 2023 with a total of 115 employees.

Based on interviews with village representatives and the Asahan District office, it was conveyed that they already know the mechanism and PIC in requesting information from companies and stakeholders can also access information, for example by accessing the company's website directly.

### 1.1.4

The company shows SPO Communication and Consultancy with the Community No. SPO 03, Revision 03, Effective Date 2 January 2017 which describes the procedures for communicating with the company and the community, as follows:

- Communication and consultation with the community in the Plantation and Factory Units is directly managed by the HR and General Assistant representing the Manager to communicate with the Muspida, Koramil, Polsek, religious leaders, traditional leaders and the surrounding community. All results of communications that occur must be submitted to the Manager to be known and processed and will be informed to the public what the policies and follow-up actions will be carried out by the company in handling the results of these communications and consultations no later than 3 months after the information is received by the

Manager in order to maintain corporate image. Furthermore, if there is something important for the Board of Directors to know, the Manager can directly convey it to the District General Manager and jointly inform the Board of Directors.

- Communication and consultation with the community in the District is directly managed by the Assistant for Human Resources and Public Affairs in the district to communicate with Muspida, Koramil, Polsek, religious leaders, traditional leaders and the surrounding community. All communications that occur must be submitted to the District General Manager to be known and processed and then the public will be informed what the policies and follow-up actions will be carried out by the company in handling the results of the communication and consultation no later than 3 months after the information is received by the General Manager District in order to maintain the company's image. Furthermore, if there is something important for the Board of Directors to know, the District General Manager can immediately convey it to the Board of Directors.
- Communication and consultation with the public at the Head Office is managed directly by the Public Relations (public relations/corporate communication) Head Office in the Corporate Secretary Section. All the results of communications that occur must be submitted to the Head of the Corporate Secretary Section to be known and processed and then the public will be informed what the policies and follow-up actions will be carried out by the company in handling the results of these communications and consultations no later than 3 months after the information is received by the company. Head of Corporate Secretary Section in order to maintain the company's image. Furthermore, if there is something important for the Board of Directors to know, the Head of Corporate Secretary will immediately convey it to the Board of Directors.

The company also shows the minutes of socialization of the company's communication and consulting mechanisms to stakeholders and community representatives which were held on November 23, 2022 which was attended by 10 participants. Based on the results of interviews with representatives of the Piasa Ulu Village community and government stakeholders, it is known that stakeholders already know the mechanism of communication and consultation with the company.

#### 1.1.5

The company has a list of stakeholders which was updated on August 18, 2022 which informs the name of the agency, contact name, field of cooperation and contact number. The list of stakeholders consists of:

- Village head
- Asahan District Government
- Head of subdistrict
- Police Station
- Military Headquarters at the ward
- NGOs
- Public figure
- Partners such as contractors, FFB suppliers, hazardous and toxic waste transporters, FFB Transporters, CPO Transporters, etc
- Internal Stakeholders

At the time of the assessment, the auditor verified the contact on the list of stakeholders where it is known that the contact can be contacted and corresponds to the name of the personnel listed.

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

#### 1.2

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

##### 1.2.1

The CH has a Business Ethics Policy contained in the Plantation Management System Policy which was approved by the Director in January 2022. This policy states a commitment to comply with applicable laws and regulations; implement best work practices in the company's business processes; provide the best resources in the preparation, implementation, and continuous improvement; as well as establishing, implementing, maintaining and improving anti-bribery programs aimed at preventing, detecting and dealing with corruption and bribery including providing guidance regarding their implementation.

The company can show the record of dissemination of the Code of Ethics to stakeholders including internal and external stakeholders as shown in the Minutes of socialization of public communication regarding the implementation of the RSPO and PTPN IV Policy dated 05 January 2023 to Chief Engineers, Assistants and FFB suppliers. The results of interviews with workers in Factory Security and Factory Sorting areas, it is known that workers have understood and implemented anti-bribery policies. The results of interviews with the FFB and EFB transport contractors also revealed that the person concerned had never given and/or been asked for

money/goods/facilities that led to bribery. The results of the document review in the contractor's SPK also found that there was a prohibition on bribery.

Based on the explanation above, the company has an ethical behavior policy that is implemented and implemented in all business operations and transactions, including recruitment and contracts.

### 1.2.2

Mechanisms for monitoring compliance with company policies and internal and external stakeholder codes of conduct are carried out through several methods, as follows:

- Letter of Agreement between PTPN IV and PT Adzra Arsyi Bersaudara regarding Seedling Maintenance Services Work Semester 1 of 2023 number 04.04/S.Perj/BBT/1660/II/2023 which states the agreement of the parties for Termination of the Agreement and the legal consequences if partners are proven to have committed corruption decided by the authorities.
- Internal audits which are conducted periodically by the Internal Oversight Unit.

**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 Satria POM certification unit has several supply bases. In fulfilling compliance, the company has complied with several relevant regulations, namely by having the following documents:

#### **Compliance with Social and Environmental regulations**

- Environmental Evaluation Document (DELH) for the activities of the Plantation and Palm Oil Mill of PT. Perkebunan Nusantara IV Air Batu Business Unit with an area of 7,877.75 Ha with the location of the unit in Air Batu Subdistrict and Tinggi Raja Subdistrict, Asahan Regency, Sumatera Utara Province.
- Permit for the Temporary Storage of Hazardous and Toxic Waste based on the Decree of the Regent of Asahan number 503/LB3/DPMPTSP/0010/XI/2018 dated November 13, 2018 and is valid for 5 years.
- Land Application Permit in accordance with Decree of Regent of Asahan Number: 503/IPAL/DPMPTSP/0006/VI/2020 on June 4, 2020 with a validity period of 5 years.
- Decree of the Minister of Public Works and Public Housing Number 285/KPTS/M/2021, concerning the Granting of Water Resources Exploitation Permits to the Limited Liability Company Perkebunan Nusantara IV for Palm Oil Processing in the Hessa River, Asahan Regency, Sumatera Utara Province, dated March 9, 2021, period valid 2 years. The permit states:
  - a. In part DECIDES letter C, the permit to exploit water resources as referred to in Letter A of the First DIKTUM is granted for a period of 2 (two) years from the enactment of this Ministerial Decree, in Letter D The permit period as referred to in Letter C of the First Dictum may be extended subject to the provisions no later than 3 (three) months before the license expires, the permit holder must apply for a license extension
  - b. Letter B Sixth Dictum In addition to the permit revocation provisions referred to in letter A of the SIXTH DICTUM, a permit is declared invalid if: 1 the validity period of the water resources exploitation permit ends
- Letter Number: 04.01/X/128/III/2023, dated March 8, 2023, Regarding Application for Extension of Underground Water Permits to the Governor of Sumatera Utara cq. Head of the One Stop Integrated Investment and Licensing Service Office, for underground water permits for Air Batu (Emplasmen Afdeling I – IX).

The company has not been able to demonstrate the process of extending the Water Resources Exploitation Permit which has expired since March 9, 2021 and Submitting an application for an extension of the Underground Water Permit (ABT) for Units Air Batu. **This become nonconformity Number 2023.01.**

#### **Compliance with Best Management Practices Regulation:**

- The CH has carried out rejuvenation without burning and planted oil palm using certified seeds.
- The CH controls weeds and pests using pesticides registered at the Directorate General of Fertilizers and Pesticides, such as Capture with the register number RI.01010120072927.
- The CH already has a factory machine license and is subject to periodic inspections by the competent authority, such as license



deed no. 02/H.0158.C for boiler No. 1 which had its last inspection in December 2022.

- The CH has a POM that works 2 shifts, has 2 boilers with a capacity of 20 tons/hour and 22 tons/hour with 9 active OHS Boiler licensed operators. POM also has an engine room that works 2 shifts, and has 1 generator with a capacity of 455 KVA and 3 active electricians. There are also 2 turbines with a capacity of 800 KVA each with 3 active OHS licensed operators. POM also has a hoisting crane with an active OHS licensed operator.

### Compliance with Legal Regulation:

The total HGU area owned by the company is 7,877.75 Ha with the following details:

- HGU Certificate No. 2 dated 17 July 2003 for an area of 5,615.68 Ha valid until 31 December 2026.
- HGU Certificate No. 41 dated 16 May 2013 for an area of 381.36 Ha valid until 01 January 2034.
- HGU Certificate No. 42 dated 16 May 2013 for an area of 1,155.25 Ha. Valid until 01 January 2034.
- HGU Certificate No. 43 dated 16 May 2013 for an area of 725.65 Ha. Valid until 01 January 2034.

The scope of certification in this assessment is 7,418.73 ha according to the area stated in the AMDAL. This was also confirmed by letter reducing the scope of certification number 04.03/X/03/III/2019 covering an area of 459.02 Ha even though the company actually had the 2019 DELH document to adjust the scope of the Plantation and Factory study to 7,877.75 Ha. The reference for the scope of certification still refers to the scope reduction letter. Meanwhile, the Air Batu Non Certified area is planned to be certified in 2023.

Based on the Decree of the Regent of Asahan No. 503/IUP/BPPPM/1632/XJ/2012 dated 27 November 2012 concerning Plantation Business Permits (IUP) for PT PN IV Air Batu Plantations in Air Batu District and Tinggi Raja District, Asahan Regency with oil palm plantations covering an area of 8,030.41 ha and a processing unit with a capacity of 30 tonnes/hour.

### Compliance with Manpower Regulation:

- Proof of Recording of Work Agreement for a Specific Time by the Asahan District Manpower Office with record number No. 0068/III-DKT/I/2023 dated 5 January 2023 for 115 workers who are in accordance with government regulations No 35 of 2021.
- Compulsory Manpower Reporting with reporting number 21272.20230213.0001 reporting date February 13, 2023 which is in accordance with minister of labor regulations No 18 of 2017.
- The company has set a minimum wage with components of basic salary, special allowances and rice supplies so that a total of IDR 2,522,610 is obtained which is in accordance with the Decree of the Governor of Sumatra Utara No 188.44/746/KPTS/2021.

### **2.1.2**

The unit of certification has not been able to show the Compliance Evaluation Report document on Legislation, Regulations and Other Requirements Related to the Application of RSPO/ISPO as stipulated in the Procedure for Identification and Access to Environmental Regulations and Other Regulations (PL-MR-02). **This become nonconformity Number 2023.02**

### **2.1.3**

The company has procedures for monitoring and maintaining HGU pole as stated in document No. SPO 12.0 (Rev.02) dated 02 January 2015 which states that monitoring and maintenance of pole is carried out every semester. Based on the monitoring results of the HGU pole condition which were last implemented in December 2022, there is information as follows:

- Afdeling II → A total of 36 HGU pole with details of 34 good conditions and 2 missing.
- Afdeling IX → A total of 36 HGU pole with details of 16 missing and 20 in good condition.

Based on the results of field visits to HGU pole No. 162 and 163 Afdeling VII; HGU pole No. 136 and 137 Afdeling; HGU pole No 79 Afdeling VI; HGU pole No. 66 and 66A Afdeling V; HGU pole No. 37 Afdeling III and HGU pole No. 31 Afdeling 2 are known to be in good condition according to monitoring results.

The management said that they had made progress on repairing and re-installing missing/damaged stakes and were currently entering the stage of ordering materials for field stake installation. However, up to the time the assessment was completed, documentation related to this matter could not be shown.

Based on this, it can be concluded that the Unit of Certification has not been able to show sufficient evidence that it has consistently carried out the maintenance of its boundary markers (HGU benchmarks) as stipulated in its own procedures. **This becomes non-conformity No.2023.03**

2.1.1	Status: Non-conformity No.2023.01	
2.1.2	Status: Non-conformity No.2023.02	
2.1.3	Status : Non-conformity No.2023.03	
<b>2.2</b>		
<b>All contractors providing operational service and supplying labour, and Fresh Fruit Bunch (FFB), comply with relevant legal requirements.</b>		
<b>2.2.1 and 2.2.3</b>		
<p>The company shows a list of contracted third parties listed in the list of contractors for the period March 2023 which also informs the name of the company, object of work, contract number, contact party and contact number, including 2 CPO transporters, 1 PK transporter, 1 Security Service, 1 labor supply service, 2 FFB transporters, 4 plant maintenance, 3 FFB suppliers, etc. And it can be shown that the cooperation contract has its own clause regarding the fulfillment of relevant legal obligations, namely in article 8 for example in SPK No: 04.05-Peng/S. Perj/02/III/2023 dated March 10, 2023 regarding Kernel transport cooperation between PTPN IV and CV Karya Mandiri.</p> <p>In addition, this article also includes a separate clause which prohibits practices involving child labor, forced labor, and workers from human trafficking, which states that as a form of compliance with applicable laws and regulations, the parties are required to comply with provisions such as not employing underage children according to labor regulations, not practicing forced labor, not employing workers who are the result of human trafficking and so on.</p>		
<b>2.2.2</b>		
<p>The company shows an agreement with labor provider services that already contains clauses regarding legal compliance obligations, for example work agreement letter No. 04.07/S.Perj/18/III/2022 dated March 21, 2022. The agreements have explained:</p> <ul style="list-style-type: none"> <li>• Obligation to use PPE</li> <li>• Guarantee that there is no child labor, forced labor or the consequences of human trafficking and protection</li> <li>• Third parties follow PNC RSPO, ISCC, and ISPO. Therefore, in carrying out its work, the contractor is obliged to comply with the provisions made by the company regarding PNC RSPO, ISPO and ISCC.</li> </ul> <p>The company shows an evaluation of the compliance with regulations for labor supply contractors, including the following:</p> <ul style="list-style-type: none"> <li>• Data on wages for workers for the period February 2023 which are already above the Asahan district minimum wage, for example with the initials IYP and DP with wages of IDR 3,024,300.</li> <li>• Work agreement letter between outsourced workers and labor service providers, for example personnel with the initials IYP No. 37/PKWT/PT.KNJ/II/2023 dated 1 February 2023.</li> <li>• Proof of payment for Social Security Agency of Employment and Health for the February 2023 period which was paid on February 10, 2023.</li> <li>• Minutes of PPE handover on 1 February 2023 to 5 workers with PPE types, namely safety shoes and helmets.</li> </ul>		
	<b>Status: Comply</b>	
<b>2.3</b>		
<b>All FFB supplies from outside of the unit of certification are from legal sources.</b>		
<b>2.3.1</b>		
<p>The direct FFB suppliers that cooperate with Air Batu POM are Sei Kopas, Tinjowan, Berangir, and Padang Matinggi which are still in the same group.</p>		
<b>2.3.2</b>		
<p>Based on the results of the document review, it is known that Air Batu POM received FFB from a third party, namely</p> <ul style="list-style-type: none"> <li>• CV Abadi Jaya.</li> <li>• PT Semut Merah Beriring.</li> <li>• CV Doge – Doge Star.</li> </ul> <p>From the results of the document review it is also known that the three third-party FFB suppliers receive FFB from other sources before sending it to the mill belonging to the unit of certification. In the previous assessment this indicator became a nonconformity. For that the company shows some improvements as follows:</p> <ol style="list-style-type: none"> <li>1. List of names of third party FFB suppliers along with information on legality documents for CV Abadi Jaya, CV Semut Merah</li> </ol>		

<p>Beriring and CV Doge Doge Star.</p> <ol style="list-style-type: none"> <li>List of third party smallholders who supply third party FFB which informs the coordinates and status of the land.</li> <li>Memo of the Manager of the Air Batu Estate dated 14 October 2022 number ABA/MU/161A.X/2022 regarding vendor obligations to provide information on FFB suppliers, including the name of the FFB owner, coordinates, and land status.</li> <li>Socialization of third party FFB purchases to internal companies and representatives of smallholders supplying FFB.</li> </ol> <p>However, the unit of certification has not been able to demonstrate:</p> <ol style="list-style-type: none"> <li>Results of monitoring obligations related to legality permits, addresses, oil palm area and geolocation of farmers who send FFB to collectors as written in the root cause analysis.</li> <li>Example of information on land status (SHM/SKT/SK sub-district head) and the area of land owned by supplying farmers as written in the corrective action.</li> <li>Corrective action in accordance with the root cause analysis.</li> </ol> <p>Thus the non-compliance is declared unfulfilled and the category is raised to Major (<b>Minor raised to Major</b>).</p>		
<b>2.3.2</b>	<b>Status: No-conformity No.2022.01</b>	
<b>PRINCIPLE #3 OPTIMISE PRODUCTIVITY, EFFICIENCY, POSITIVE IMPACTS AND RESILIENCE</b>		
<b>3.1</b> <b>There is an implemented management plan for the unit of certification that aims to achieve long-term economic and financial viability.</b>		
<b>3.1.1</b> <p>The CH has prepared a Management Plan in the 5-Year Long-Term Plan document for the 2020-2024 Period. The Long-Term Plan contains projected area statements, projected FFB production, CPO and PK production, CPO and PK revenues, CPO and PK production costs, CPO and PK net income, total plantation costs, total factory costs, management costs, profit/loss. The CH has no plasma. An example of a projection for 2023 is as follows:</p> <ul style="list-style-type: none"> <li>FFB Production: 178,330 tonnes</li> <li>CPO: 34,328 tons</li> <li>PK: 5,733 tons</li> </ul>		
<b>3.1.2</b> <p>The CH has a replanting program for the period 2017 to 2021 which was discussed in the previous audit. The results of the document review are known, that the CH replanting program in 2023 in Afdeling 6 is planned for 569 ha, and has been 100% realized. As of March 2023, 243 ha of replanting have been realized. The results of field observations in the immature area Block 20N Afdeling 5 with a planting year of 2020 show that the plant is of the Marihat type. No burn marks found. The wicket area has been planted with nuts and EFB has been applied at a dose of 40 tons/ha/year. Turnera ulmivolia has been planted on the edge of the block as an application for IPM. The results of the interviews revealed that the plant population was 143 palm trees/ha.</p>		
<b>3.1.3</b> <p>The CH has conducted regular management reviews. The year 2022 is set forth in the Management Review Meeting document which was held on January 17, 2023 which was attended by unit managers, Head Assistants, Administrative Assistants, Plantation Personnel Assistants, Workers Unions, and the Document Security System. Matters discussed included audit results, customer feedback, process performance, and management review follow-up.</p> <p>The CH also conducts periodic internal audits. It has been shown in the document Results of Routine Estate and Air Batu Factory Audits for the period June 2020 – December 2021, carried out on 02 – 11 February 2022. The inspections included estate performance, Mill performance, and replanting. For the 2022 period it has not been carried out, due to the timing of the audit by the Internal Audit Unit Section.</p>		
	<b>Status: Comply</b>	
<b>3.2</b> <b>The unit of certification regularly monitors and reviews their economic, social and environmental performance and develops and implements action plans that allow demonstrable continuous improvement in key operations.</b>		
<b>3.2.1</b> <p>The certification unit already has a system to improve existing practices, in accordance with the latest information and techniques as</p>		

well as a socialization mechanism for all workers following current technological developments. The unit of certification also develops guidelines for farmers by providing systematic training for continuous improvement. Some of the evidence that has been applied for continuous improvement include:

**Environment Practices Aspect:**

Management and control of fires in company areas and monitoring potential fires in company border areas that benefit the community.

- The use of shell and fiber waste for alternative fuels reduces the use of fossil fuels and the palm oil production process at the Mill
- Management and monitoring of liquid waste through management of WWTP pools, testing of effluent quality every 1 month and reporting it to the Environmental Agency.
- Management and monitoring of air quality through several actions such as road maintenance, air quality testing every 6 months, routine maintenance of vehicles and machinery and planting trees around the factory area.
- Management of surface water and ground water through testing of quality standards every 6 months, protecting river banks, and measuring the volume of use to limit the use of water from exceeding the permit.
- Greenhouse Gas Management by implementing land clearing with a mechanical system without burning, banning household waste burning in residential areas, reducing the use of fossil fuels, planting trees around the mill area.

**Best Management Practices Aspect:**

The CH has developed a digital implementation of the UPDKS census using the CTD (Control Tower Dashboard) system.

**Manpower Aspect:**

- The unit of certification has established minimum wage regulations for all workers based on the stipulation of the minimum wage by the Governor of Sumatra Utara for 2022.
- The unit of certification is also committed to avoiding acts of discrimination, sexual harassment, child labor or acts of violation of human rights in the work environment.

**3.2.2**

Based on document verification, for The RSPO metric template known annual data 12-month period use (for schedule reporting annual data social and environmental, included monitoring data of water consumption, management dan monitoring HCV.

The company shows the RSPO Metrics P&C Template a week prior the audit, however there are several reviews regarding data in the Matrix that need to be synchronized and it's finalized on the last day of audit. In accordance with the guidelines in the RSPO P&C Metric Template, it is stated that the RSPO P&C Metric Template will be completed at the unit level of certification and must be submitted to the certification body prior to RSPO certification, recertification, or annual supervisory audit.

<b>3.2.2</b>	<b>Status: Non-conformity No.2023.04</b>	
--------------	--	--

**3.3**

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

**3.3.1**

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

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

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

and so on.

Based on field observations at Air Batu POM and Air Batu Estate it is known that procedures have been implemented in every operational work.

### 3.3.2

The CH already has a system that guarantees the consistency of the implementation of procedures which include the Target Guidelines and Work Instructions for the Internal Audit of the Plantation Management System, SOP for Inspecting FFB at collection points, and the implementation of SPI. For contractor performance, performance evaluation is also carried out for compliance with company procedures and regulations which have been discussed in indicator 2.1.2.

Records of SPI inspections, Results of Routine Estate and Air Batu Factory Audits for the period June 2020 – December 2021, carried out on 02 – 11 February 2022 have been shown. The inspections included estate performance, Mill performance, and replanting. For the 2022 period it has not been carried out, due to the timing of the audit by the Internal Audit Unit Section. The results of field observations on harvest transport activities in Block 18F Afdeling 5, Kerani Harvest conducted FFB grading at the collection point before the FFB was transported.

### 3.3.3

The CH has maintained monitoring and follow-up records of the implementation of procedures in every aspect of operational work. The Estate/Mill Internal Audit Report has been shown in the Estate and Air Batu Factory Routine Audit Results document for the period June 2020 – December 2021, carried out on 02 – 11 February 2022. The checks are related to estate performance, Mill performance, and replanting. For the 2022 period it has not been carried out, due to the timing of the audit by the Internal Audit Unit Section.

The results of field observations at the Air Batu Estate during the harvesting work in Block 18F Afdeling 5 found that harvesters had carried out the work in accordance with their procedures. Observations at the Mill, as well as at the engine room station, also show that the workers have carried out the work in accordance with the procedures they have. For contractor performance, performance evaluation is also carried out for compliance with company procedures and regulations which have been discussed in indicator 2.1.2.

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

## 3.4

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

### 3.4.1-3.4.2

There are no changes to the social and environmental impact management documents from the previous audit period, the certification unit periodically submits social and environmental impact management reports which are summarized in the 2022 *RKL-RPL* Implementation Report for Semester II, the contents of the report include:

- Air quality and smell
- Increased noise
- Decrease in surface water quality
- Deterioration of groundwater quality
- Decreased diversity of flora and fauna
- Opening job opportunities and business opportunities
- Increasing people's income and local economy
- Changes in people's perceptions and attitudes
- Public health problems.
- Disturbance of security and order
- Increased potential for land fires
- Increase in toxic and hazardous waste and waste
- Public facilities and social facilities.
- Scholarship



- Outreach to the community.
- Cattle breeders from nearby village administrators.

*RKL-RPL* Implementation Report Semester II of 2022 has been reported to Government Agencies with the example of *RKL-RPL* Implementation Report Semester II of 2022, submitted with proof of Electronic Receipt of Environmental Electronic Reporting Information System, ID 1675397680-4910, period 01 July 2022 to December 31, 2022, to the Ministry of Environment and Forestry and the Sumatera Utara Province Environmental Service.

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

Social and environmental management and monitoring plan has been developed with participation of affected stakeholders. The involvement of affected stakeholders in the assessment is that the surrounding community consists of surrounding village representatives including village representatives of Sijabut Teratai, Tanjung Asri, Tanjung Alam, Pinanggrian, bahung Sibatu-batu, Air Batu I/II Plantation, Air Batu III/IX Plantation, Sei Alim Ulu, and internal stakeholder including SPBUN, Gender Committee, and Worker Union with a total of 26 participants in 28 January 2022. Based on result of interview with surrounding community and internal stakeholders, it is known that company has identified and done management and monitoring towards environmental and social impact such as public facilities and social facilities, employment opportunity, business opportunity, etc. There is any issue from community which not discussed in SIA review.

### 3.4.3

The Unit of Certification has shown the RKL-RPL Semester II 2022 Report which has been submitted to the Ministry of Environment and Forestry and the Sumatera Utara Province Environmental Service, with proof of Electronic Receipt of the Environmental Electronic Reporting Information System, ID 1675397680-4910, period July 1 2022 to December 31, 2022. Based on a document review, the RKL-RPL Semester II 2022 Report contains the results of several management and monitoring of environmental impacts such as ambient air quality, noise level and wastewater quality as well as the results of management and monitoring of social impacts such as community perceptions, business and employment opportunities, CSR realization, opportunities to do cattle business and participation in the certification unit in the field of religion. Based on the results of the document review, environmental monitoring in Semester II of 2022 has been carried out based on the environmental management and monitoring plan that has been made and all parameters have complied with relevant regulations.

**Status: Comply**

## 3.5

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

#### 3.5.1-3.5.2

The company has a human resource management system, for example as follows:

- PDIK Recruitment and Appointment of IA-IID Group Employees No 04.15.01A issued in June 2013.
- PDIK Employee Performance Assessment Group IA-IVD No 04.15.04 issued in June 2013.
- PDIK Issuance of Employee Pension Decree Group IA-IVD No 04.15.12 issued in June 2013.
- Collective Labor Agreement for the period 2022 – 2023 in CHAPTER II in article 12 regarding acceptance, in Article 13 regarding appointment, in Article 14 concerning class and career path, in article 15 regarding promotion in class, in article 16 regarding promotion (promotion), in Article 17 regarding demotions and in Article 18 regarding mutations.

Based on employee data, it is known that the company has work arrangements for permanent employees which are regulated in the CLA and Fixed Period Working Agreement workers which are regulated in the work contracts of each personnel. The company also shows records of the implementation of employment procedures, for example:

#### **Employee Promotion and Assessment**

The company shows employee ratings for the 2022 period, for example as follows:

- Employee with the initial S, security position, promoted from class IA/14 to IB/0 with an assessment of 5 points for attendance, 5 points for job knowledge, 5 points for productivity, 4 points for teamwork and 5 points for honesty.
- Employee with the initials KP, position as assistant machine room operator, was promoted from class IA/14 to IB/0 with an assessment of 5 points for attendance, 5 points for job knowledge, 5 points for productivity, 5 points for teamwork and 5 points for honesty.

With a rating scale from 1 point is very bad to 5 points is very good.

### Pension

The company shows a document listing retired employees, which is known in the February 2023 period there were 3 retired personnel. The company has also provided retirement rights for these personnel, for example for personnel with the initial T who have worked for 28 years and 7 months who have received severance pay, cashed leave, moving expenses, etc. in February 2023.

The results of interviews with representatives of trade unions, stated that the employment procedures had been carried out by the company and in a language that was understood, in accordance with applicable regulations and the staff could also explain the mechanism regarding termination of employment, retirement or promotion. Based on interviews it is known that there is no discrimination against workers. The company has also provided employee rights in accordance with company rules and regulations.

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

## 3.6

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

#### 3.6.1

##### Hazard Identification Risk Assessment and Control

HIRAC describes Activities, identification of potential hazards (source/event, impact), existing controls, initial risk analysis (level of probability, severity, level of risk). The identified activities cover all operational activities in the estate and mill. In the previous audit, indicators related to HIRAC have become OFI because there is no hazard identification, risk assessment, and risk control in the sorting area. The results of the Mill HIRAC document review for the January 2023 update, HIRAC has covered activities at the factory including security, weighbridges, sorting, loading ramps, boiling, chains, hoisting cranes, digesters, presses, machine rooms, boilers, kernels, to shipping CPO. For estate HIRAC, hazard identification, risk and control have also been carried out, such as seeding, planting, inserting, manual plant maintenance, chemist maintenance, harvesting, etc.

### OHS Program

The OHS programs that have been implemented by The CH include monthly OHS Committee meetings, regular OHS Committee reports to the Manpower Office, safety inspections, periodic health checks, recording of work accidents, and others.

#### The realization of the OHS plan

- Medical check-up, health check has been discussed in indicators 3.6.2 and 7.2.10.
- Examination of OHS aspects, including inspection of vibrations at the Air Batu Mill on December 21, 2022 in the front yard of the office, production room, and residential areas with results below the quality standard. Observations also revealed that the first aid kit was in complete condition and the staff understood the function of first aid.
- OHS Training and Outreach: Routine briefings are carried out every morning. The themes discussed included the obligation to use PPE, safe working methods, handling work accidents, basic first aid training to outreach about the Covid-19 pandemic.
- Work accident monitoring: During the period August – December 2022 there were no work accidents in the Air Batu Mill area. For the Air Batu Estate, there were 11 minor work accidents, such as being hit by fronds, overturned during harvest, and struck by thorns.

Simulation of emergency response Q4 of 2022 on December 23, 2022 in front of the loading ramp, with participants from all elements of the OHS committee management, D and B licensed fire officers, as well as parts related to the participants 37 people consisting of OHS committee leaders, OHS Expert, fire team, first aid team, Evacuation Team, village heads, and hamlet heads. The trainings carried out were riot, earthquake and fire teams.

#### 3.6.2

One of the OHS Organization programs is to hold regular meetings every month. For example, in January 2023, the meeting will be held on January 9, 2023 with an agenda to prepare for OHS month and discipline in using PPE. The meeting was attended by 13 participants.

**1. Fire emergency response facilities at the Air Batu Factory and Estate**

- Study of the Decree of the Minister of Manpower number 186 of 1999 concerning Fire Fighting Units in the Workplace – Appendix 1 - it is known that the vegetable oil factory is included in the Moderate fire classification 3, namely a workplace that has a high number and combustibility, and when a fire occurs it releases heat high, so the fire spread quickly. Article 2 regulates the obligation of entrepreneurs to prevent, reduce and extinguish fires by providing fire extinguishers and means of evacuation.
- The results of a review of the lay out document for the Air Batu Factory fire extinguisher found that there was 1 hydrant in the kernel area.
- Based on the review of the APAR List documents, it is known that there are 32 APAR units in the Air Batu Factory, and 61 APARs in Afdeling I to IX, as well as other support areas.
- The results of a review of the HIRADC MILL document for the 2023 period which was ratified on 11 January 2023, it is known that there is no risk identification regarding fire risks, such as (but not limited to) in the engine room area where there is a fuel tank for generators, as well as the Boiler/boiler area where there is a pile of shells as a fuel stock.
- The results of field observations at the Air Batu Factory are known as follows:
- There are no evacuation routes, evacuation direction signs, and visitor lines in the office area and the area within the Air Batu Factory.
- Only has 1 hydrant in the kernel station area, equipped with 1 nozzle and 1 hose with a length of  $\pm 25$  m. Simulations have been carried out with the result that the nozzle burst does not reach the highest point in the MILL.
- APAR at TPS LB3 does not work (no powder comes out).
- Workers in the empty bunk area work while smoking.
- Drivers transport FFB in the smoking sorting area.
- The results of observations in Afdeling 2,3,5,6,7, and 8 show that land fire management infrastructure owned, such as sand, axes, and keypok, have not fully referred to fire prevention facilities, referring to Permentan 5 of 2018. It is also known that the facilities and infrastructure for fire prevention have not been shown.

**2. Organization of OHS committee PTPN IV - MILL and Air Batu Estate**

The results of the review of the Minister of Manpower Regulation number 4 of 1987 found that employers who employ 100 people or more are required to form OHS committee which is determined by the appointed Minister/Official.

The results of the document review are known:

- Decree of the Head of the Sumatera Utara Province Manpower Office number 566/363-7/DTK/SU/IX/2022 concerning Ratification of PTPN IV OHS committee Structure of Air Batu Factory number ABA/X/77/VII/2022 dated 11 July 2022 which was ratified on 30 September 2022 with a secretary by the name of Christian Doly R Marpaung.
- PTPN IV estate and Air Batu factory manager's electronic memo number ABA/04.07/eM-233/VII/2022 dated 16 July 2022 to the Head of HR regarding employee assistance (Medan Directors Office) on behalf of Christian Doly R Marpaung to the Air Batu estate/factory for RSPO Internal Audit from 25 July to 05 August 2022. This shows that the employee has been working in the Office of the Board of Directors since July 2022. This is corroborated by the results of an interview with the PIC DSS (Document System and Certification) which explains that Christian Doly's employees R Marpaung has been transferred to the Medan Board of Directors Office since July 2022.
- Quarter 4 of 2022 OHS committee Report dated January 4, 2023, stated that the OHS committee Secretary was Nurazman, who had not been shown the approval decree.
- OHS Expert authority card for PTPN IV with the name Nurazman with register number 1802121222/Q-AK3U/12/XII/2022 as of 12 December 2022 which is valid until 12 December 2025. It was informed that he currently serves as OHS Expert General of PTPN IV estate and the Air Batu factory, but the certificate of approval has not been shown.
- Cover letter for Approval of OHS committee management for the 2023 period with number ABA/X/03/IV/2023 to the UPT Labor Inspection Region IV of Sumatera Utara Province, which was sent when the audit was carried out on April 5 2023. It is known that the OHS committee secretary who was submitted under the name Nurazman, until the audit is completed, no response information has been obtained from the Terait Office.

**3. Medical Examination for all workers**

- The results of a review of the Regulation of the Minister of Manpower and Transmigration number 02 of 1980 states, among



others in article 3:

- Periodic Health Checks are intended to maintain the health status of workers after being in work, as well as assessing possible effects from work as early as possible which need to be controlled with prevention efforts.
- All companies must conduct periodic health checks for workers at least once a year.
- Results of the review of Health Examination OHS Procedures with code 4.3.15 revision 0 dated March 11, 2022 which regulates, among other things, managers scheduling special Health checks, especially.
- The results of a review of the OHS committee Report document for quarter 4 of 2022 updated on January 4, 2023, it is known that the company has 645 workers and 76 administrators.
- The results of a review of the GMCU Results Report document for Pabatu Hospital in 2022 for the Air Batu plantation, it is known that Health checks have been carried out for 55 employees on 5 – 8 December 2022, with the category of 28 pesticide handlers, 8 chemical handlers, and 19 periodic checks vital signs (physical and eye), EKG, chest X-ray, and laboratory (including CHE for pesticide handlers). This means that not all workers get periodic health checks according to regulations.

Thus it can be concluded that:

1. The unit of certification has not been able to show sufficient evidence that it has sufficient fire management infrastructure to deal with emergencies at the Mill including forest and land fire prevention facilities according to Minister of Agriculture Number 5 of 2018.
2. The unit of certification has not been able to show sufficient evidence that the structure of the OHS Committee owned has been approved by the relevant agency.
3. The company's medical examination procedure does not refer to the Regulation of the Minister of Manpower and Transmigration number 02 of 1980 and not all workers have received periodic health checks according to the Regulation of the Minister of Manpower and Transmigration number 02 of 1980. **This become nonconformity No. 2023.04**

<b>3.6.2</b>	<b>Status: Non – Conformity No. 2023.05</b>	
--------------	---	--

### **3.7**

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

#### **3.7.1-3.7.2**

The company shows a training program for each unit in 2023 where the training also includes parties who need training such as staff, workers and contractors. The training programs include the following:

- Refreshment of boiler operations planned for March 2023.
- Refreshment of PPE usage planned for January 2023.
- Refreshment of OHS basics which is planned for July 2023.
- Refreshment of hazardous and toxic waste management planned for May 2023.

The company also shows the realization of training, for example:

- Refreshment of boiler operation which was carried out on March 5, 2023 which was attended by 5 participants.
- Refreshment on the use of PPE which was carried out on January 24 2023 which was attended by 29 participants.

The results of interviews with representatives of trade unions and workers such as warehouse officers, harvesters, fertilizer workers, grading officers, boiler officers stated that the company had provided training or outreach regarding work procedures to each worker orally and was understood by workers.

#### **3.7.3**

The certification unit showed a recording of the socialization of sustainability policies and supply chain systems on 15 February 2023 and was attended by officers who handle certified and uncertified products such as FFB sourcing, administrative systems, to product handling. Based on the results of interviews with weighbridge officers, it is known that the officers have been able to explain well about the supply chain system and FFB traceability, this is in line with the consistency of opportunities for improvement in the previous assessment where the person in charge has a better understanding of the SCCS system.

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

### **3.8**

**Supply Chain Requirements for Mills**

#### **3.8.1-3.8.2**

Air Batu POM applied Mass Balance module due received FFB both from certified and noncertified source.

**3.8.3**

Estimated certified product recorded in the last Assessment Report and Certificate, and updated in the RSPO Palm Trace. Actual certified produced has been verified during this assessment. The estimates of certified production for the next license period also have been set, in reasonable amount taking into account the last year production. The data are shown in the following table:

Product	Estimate Production Period of Dec 20, 2022 – May 23, 2023	Actual Production (MT) of previous Audit April 2022 – March 2023	Estimate Production for 12 Month (MT)
FFB	130,000	129,273.83	136,000.00
CSPO	27,000	24,084.96	30,000.00
CSPK	5,500	3,943.56	5,500.00

**3.8.4**

Air Batu POM has meet the requirement regarding to the reporting of its supply chain, as it has been registered as RSPO member and on RSPO IT Platform :

License ID : CB142501  
 Member Name : Air Batu Palm Oil Mill  
 Member ID : RSPO\_PO1000004280  
 Total certified area : 7,418.73 ha  
 Start date : 20/12/2022  
 End date : 23/05/2023

**3.8.5**

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

The procedure also describe each personnel in charge:

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

**3.8.6**

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 this assessment, the latest internal audit was held on January 2023 for all business unit and there is no nonconformity related to supply chain indicators.

**3.8.7**

Product	Estimate Production period of Dec 20, 2022 – May 23, 2023	Actual Production (MT) of previous audit April 2022 – March 2023
FFB	130,000	129,273.83
CSPO	27,000	24,084.96

CSPK	5,500	3,943.56
------	-------	----------

Based on the table known there is no over production of certified product compared to the quota. for handling non-conforming oil palm products, has been set in Standard Operating Procedures for Supply Chain (Document number 04.03/KS/SUS/P/001 revised dated on March 1, 2020).

### 3.8.8

Based on document verification obtained information in the license period it was known if the certified product sold as described in the table below:

	Despatch period (MT) April 2022 – March 2023
CSPO sold under RSPO Scheme	9,250.00
CSPO sold under other scheme	-
CSPO sold as conventional	15,010.38
CSPK sold under RSPO Scheme	3,874.52
CSPK sold under other scheme	-
CSPK sold as conventional	-

Product	Actual Production (MT) of Previous Audit April 2022 – March 2023
FFB	129,273.83
CSPO	24,084.96
CSPK	3,943.56

\*Opening stock CSPO are 2,623.35 MT

\*Opening stock CSPK are 425.40 MT

Based on the data, there is no over sales of certified products or any non-certified products that are claimed to be certified products. Examples of sales documents shown include TR-3b37b993-5484 with following information :

- Seller Contract Number : 0014/HOLDING/PKO-L/N-IV/VII/2022
- Seller Reference Number : 089/HOLDING/PK-MB/ABA/II/2023
- Product Name : CSPK
- Volume : 707.84 MT
- Creation Date : 23-02-2023
- Confirmation Date : 02-03-2023
- Buyer Member Name : PT Perkebunan Nusantara IV Pabrik Pengolahan Kelapa Sawit Pabatu

### 3.8.9; 3.8.10; 3.8.11

Air Batu POM show the contractor agreement letter for CPO and PK transporter in period 2022/2023 i.e :

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/III/2023
3	PT Kereta Api Indonesia	CPO transporter	Jalan Perintis Kemerdekaan Nomor I, Bandung	04.05/S,Perj/Pem/04/III/2022

Based on the document verification, it informs that the contractor is willing to be audited at any time by an independent certification body.

### 3.8.12

Air Batu POM has record of all Certified FFB, CSPO and CSPK as presented in the table below :

- **FFB**  
April 2022 – March 2023 : 129,273.83
- **CSPO**

Period	CPO Production (MT)		Total	Cert CPO Dispatch (MT)			Total	Stock CPO	
	Cert	Non Cert		RSPO	Other Scheme	Non Cert		Certified	Non Certified
April 2022 – March 2023	24,084.96	11,951.72	36,036.38	9,250.00	-	15,010.38	24,260.38	2,446.97	-

\*Opening stock CSPO are 2,623.35 MT

- **CSPK**

Period	CSPK Production (MT)		Total	Cert PK Dispatch (MT)			Total	Stock PK	
	Cert	Non Cert		RSPO	Other Scheme	Non Cert		Certified	Non Certified
April 2022 – March 2023	3,943.56	2,404.03	6,347.60	3,874.52	-	-	3,874.52	494.44	-

\*Opening stock CSPK are 425.40 MT

Based on the mass balance calculation, it is known that:

- CSPO production is 24,084.96 MT. Sold as RSPO non certified 15,010.38 and as RSPO certified 9,250 MT. Opening stock in March 2023 is 2,623.35 MT so that CSPO stock is 2,446.97 MT.
- CSPK production is 3,943.56 MT and sold as RSPO product amounting to 3,874.52 MT. Opening stock in April 2023 is 425.40 MT so that CSPK stock is 494.44

### 3.8.13-3.8.14

Air Batu 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

Air Batu Mill has only implemented RSPO mass balance supply chain system due the mill receives FFB from both certified and uncertified source.

### 3.8.16

Based on the mass balance calculation, it is known that:

- CSPO production is 24,084.96 MT. Sold as RSPO non certified 15,010.38 and as RSPO certified 9,250 MT. Opening stock in March 2023 is 2,623.35 MT so that CSPO stock is 2,446.97 MT.
- CSPK production is 3,943.56 MT and sold as RSPO product amounting to 3,874.52 MT. Opening stock in April 2023 is 425.40 MT so that CSPK stock is 494.44

From shipping announcement verification, known that shipping announcement carried out not more than 3 months after dispatch. For example TR-3b37b993-5484 with following information :

- Volume : 707.84 MT

- Creation Date : 23-02-2023
- Confirmation Date : 02-03-2023

**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.

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

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

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

**4.1.1**

The CH has a Policy respecting Human Rights, covering the prevention of retaliation against Human Rights Defenders, as well as prohibiting intimidation and violence by certification units and contracted services, including contracted security services contained in the Plantation Management System Policy approved by the Director on January 2022. This policy states a commitment to comply with applicable laws and regulations; implement best work practices in the company's business processes; provide the best resources in the preparation, implementation, and continuous improvement; respect and uphold human rights in all work units of the company.

This policy has been disseminated to workers and 3rd parties. Minutes of socialization on the application of the RSPO and PTPN IV Policy have been shown to Assistants and FFB suppliers on 05 January 2023. The socialization to workers was carried out on 09 February 2023. As a result of interviews with workers in the estate, it was found that there was no intimidation and violence in the plantation area.

**4.1.2**

The CH does not initiate acts of violence or any form of intimidation in its operations. For security officers using their own employees, contractors, and the TNI-Polri. For TNI Polri officers in the company, an Order has been shown from the Head of Operational Section of the Asahan Police dated 27 March 2023 regarding the security of national vital objects and certain objects in the PTPN IV Estate Air Batu area with a timeframe of 01 – 30 April 2023. Meanwhile for the TNI, has shown the Order of Yonif Commander 126 Kala Cakti dated March 16, 2023 for the security of national vital objects with an emphasis on avoiding physical contact and direct contact with the public.

Based on interviews with community representatives from Sei Alim Ulu Village and Piasa Ulu Village, it was conveyed that the company did not use violence in resolving conflicts.

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

**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**

The company shows joint regulations of the board of commissioners and directors of PTPN IV No DK-60/PER/XI/2013 and No 04.03/PER/13/XI/2013 concerning the whistleblowing system which explains the mechanism for submitting and handling reports, for example as follows :

- The company provides a written or e-mail channel for reporting violations through [complaint@ptpn4.co.id](mailto:complaint@ptpn4.co.id) or through an electronic room portal managed by the Whistleblowing Management Unit (UP3).
- Each reporter will receive proof of receipt of the report which includes the reporting registration number.
- On the reports received, for the next process they will be reported to the Board of Directors, Board of Commissioners.
- In carrying out verification, if needed UP3 can communicate with the reporter.
- UP3 verifies the report and decides whether or not further investigation is necessary on the report within 30 days and can be extended for 14 working days.
- If based on the verification results indicate indications of a report then UP3 will not follow up on the report, if there is an indication of a violation then proceed to investigation.
- Protection of whistleblowers is contained in article X in the document.

In addition, there is also an SOP for internal communication and handling employee complaints with SPO No. 19 revision 2 with an effective date of January 2, 2015. If the problem cannot be resolved at the unit level, it will be continued at the board of directors level and thereafter in accordance with the agreement of the parties, including to the legal channels or other resolution channels such as the RSPO Complaints System.

Based on interviews with community representatives from Sei Alim Ulu Village and Piasa Ulu Village, it was stated that the company had responded if there were complaints from stakeholders.

#### 4.2.2

The company has SPO Communication and Consultation with the community Number 03 dated 2 January 2017, Revision No. 4 In point 5.1 it is explained that Communication and consultation with people who cannot read and write is carried out by the PIC by conveying and introducing the problems to be resolved which can be in the form of pictures, stories, videos, dialogues and case examples.

Based on interviews with community representatives from Sei Alim Ulu Village and Piasa Ulu Village, it was conveyed that they already knew the communication mechanism and that complaints could be submitted orally or in writing.

#### 4.2.3

Based on interviews with community representatives from Sei Alim Ulu Village and Piasa Ulu Village, it was stated that if there are complaints, the company will inform the parties about the progress of complaint handling, including the agreed time frame, and the results will be available and communicated to relevant stakeholders. From the recapitulation of incoming and outgoing letters for the 2022 period up to the audit assessment, it is known that there is documentation related to invitation letters and requests for assistance from stakeholders and there are no complaints/complaints from stakeholders.

#### 4.2.4

The company has an SOP for internal communication and handling employee complaints with SPO No. 19 revision 2 with an effective date of January 2, 2015. If the problem cannot be resolved at the unit level, then it will be continued at the board of directors level and thereafter in accordance with the agreement of the parties, including legal or other resolution channels such as the RSPO Complaints System.

From the recapitulation of incoming and outgoing letters for the 2022 period up to the audit assessment, it is known that there is documentation related to invitation letters and requests for assistance from stakeholders and there are no complaints/complaints from stakeholders.

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

### 4.3

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

##### 4.3.1

The results of the document review show that the company has proposed a TJSL (Social and Environmental Responsibility) program, as follows:

- Electronic memo number ABA/04.01/eM-401/XI/2022 dated November 22, 2022, from the Plantation Manager and Air Batu Factory to the Head of the Corporate Secretariat regarding the priority TJSL program based on the Corporate Secretariat Memo number 04.01/KOL/eM-574/ V/2022 on May 11 2022, namely the concrete rebate of Dusun III Sei Kampak, but no supporting data for the proposal/proof of participatory program creation and realization has been shown.
- Electronic memo number ABA/SEVP.Op.II/eM-24/I/2023 dated 26 January 2023, from the Plantation Manager and Air Batu Factory to SEVP (Senior Executive Vice President) Operation II, concerning the results of a review and survey of several proposals and submission of 5 programs, such as the construction of the tahfidz house of the Birrul Walidain Asahan Foundation, the construction of the Al Barokah Mosque, the construction of the Al Falah Mosque, 100,000 carp seeds, and repair of bathrooms and ablution areas. The basis for submitting/proposal activities and the realization of the program has not yet been shown.
- Results of interviews with HR representatives, it is known that there has been no realization of TJSL 2022.
- The results of interviews with representatives of Sei Alim Ulu Village, Piasa Ulu Village, and Air Batu III-IX Village found that there was a letter requesting assistance from Sei Alim Ulu Village since January 2023 which received no response at all and was not aware of any CSR from the company let alone the form community participatory involvement in the preparation of the program.



Based on this, it is known that the Unit of Certification has not been able to show enough evidence that the contribution to community development is based on the results of consultations with local communities. <b>This become nonconformity No. 2023.05</b>		
<b>4.3.1</b>	<b>Status: Non -conformity No. 2023.05</b>	
<b>4.4</b> <b>Use of the land for oil palm does not diminish the legal, customary or user rights of other users without their Free, Prior and Informed Consent (FPIC).</b>		
<b>4.4.1</b> The total HGU area owned by the company is 7,877.75 Ha with the following details: <ul style="list-style-type: none"> <li>• HGU Certificate No. 2 dated 17 July 2003 for an area of 5,615.68 Ha valid until 31 December 2026.</li> <li>• HGU Certificate No. 41 dated 16 May 2013 for an area of 381.36 Ha valid until 01 January 2034.</li> <li>• HGU Certificate No. 42 dated 16 May 2013 for an area of 1,155.25 Ha. Valid until 01 January 2034.</li> <li>• HGU Certificate No. 43 dated 16 May 2013 for an area of 725.65 Ha. Valid until 01 January 2034.</li> </ul> <p>The scope of certification in this assessment is 7,418.73 ha according to the area stated in the AMDAL. This was also confirmed by letter reducing the scope of certification number 04.03/X/03/III/2019 covering an area of 459.02 Ha even though the company actually had the 2019 DELH document to adjust the scope of the Plantation and Factory study to 7,877.75 Ha. The reference for the scope of certification still refers to the scope reduction letter. Meanwhile, the Air Batu Non Certified area is planned to be certified in 2023.</p>		
<b>4.4.2; 4.4.4 – 4.4.6</b> The Air Batu business unit has been operating since 1928 under a Dutch company which was subsequently nationalized by the Government of Indonesia in 1958 so that there is no land acquisition process from the community. Since the nationalization process until now there has been no area expansion or addition of new land from the community.		
<b>4.4.3</b> The Air Batu Business Unit already has an operational map with a scale of 1: 80,000. The map has identified the company's and communities legal rights according to the HGU document. In addition, as explained in 4.4.2 it is known that the company has been operating since 1928 during the Dutch colonial period which was then nationalized in 1958 so there was no process of land acquisition		
	<b>Status: Comply</b>	
<b>4.5</b> <b>No new plantings are established on local peoples' land where it can be demonstrated that there are legal, customary or user rights, without their FPIC. This is dealt with through a documented system that enables these and other stakeholders to express their views through their own representative institutions.</b>		
<b>4.5.1-4.5.8</b> The operational activities of the certification unit have been going on since 1928 and until now there has been no information regarding the addition of areas or the addition of new permits. This is in accordance with the information obtained from the results of public consultations with representatives of the Plantation Service and the Asahan District National Land Agency. The results of interviews with community representatives from Sei Alim Ulu Village, Piasa Ulu Village, and Air Batu III/IX Village revealed that there had never been a land compensation process because the company existed much earlier than the community.		
	<b>Status: Comply</b>	
<b>4.6</b> <b>Any negotiations concerning compensation for loss of legal, customary or user rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.</b>		
<b>4.6.1; 4.6.2; 4.6.4</b> The company has a procedure for identifying legal rights, customary rights, or usufructuary rights in the SOP document for Handling Land and Land Conflicts No. 04 Rev. 03 dated 2 January 2017. PTPN IV Air Batu is a plantation inherited from the Netherlands and was later nationalized by the Government of the Republic of Indonesia in accordance with government decree no. 19 dated 2 May 1959. Thus there was no FPIC process or land compensation in the history of its development		
<b>4.6.3</b> Based on the results of interviews with representatives of Sei Alim Ulu Village, Piasa Ulu Village, and Air Batu III/IX Village, it is known		

that land ownership rights are not limited by gender. Both men and women have equal rights in the opportunity to own land rights.		
	<b>Status: Comply</b>	
<b>4.7</b> <b>Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their FPIC and negotiated agreements.</b>		
<b>4.7.1 &amp; 4.7.2</b> The company has a procedure for identifying legal rights, customary rights, or usufructuary rights in the SOP document for Handling Land and Land Conflicts No. 04 Rev. 03 dated 2 January 2017. PTPN IV Air Batu is a plantation inherited from the Netherlands and was later nationalized by the Government of the Republic of Indonesia in accordance with government decree no. 19 dated 2 May 1959. Thus there was no FPIC process or land compensation in the history of its development.		
<b>4.7.3</b> The unit of certification has been operating since 1928 and was nationalized in 1958 to become a state-owned company and until now it has not made additional permits or expanded the company's area.		
	<b>Status: Comply</b>	
<b>4.8</b> <b>The right to use the land is demonstrated and is not legitimately contested by local people who can demonstrate that they have legal, customary, or user rights.</b>		
<b>4.8.1-4.8.4</b> The Air Batu business unit is a Dutch heritage plantation which has been in operation since 1928 which was then nationalized around 1958 so that the land ownership rights originally held were in the form of erphact rights.  Based on the results of interviews with representatives of the Perkebunan Air Batu III/IX Village, Piasa Ulu Village, and Sei Alim Ulu Village, it is known that until now there have been no issues regarding conflicts or land disputes. This was reinforced by the results of field visits when checking HGU boundary pole and company boundaries where there were no indications of any problems regarding land dispute		
	<b>Status: Comply</b>	
<b>PRINCIPLE #5 SUPPORT SMALLHOLDER INCLUSION</b>		
<b>5.1</b> <b>The unit of certification deals fairly and transparently with all smallholders (Independent and Scheme) and other local businesses.</b>		
<b>5.1.1</b> The Company has sale and purchase agreements with several outside FFB suppliers, for example: 1. CV Abadi Jaya Number: ABA/CV.AJ/SP-TBS/01/VIII/2022, August 23, 2023. 2. PT Semut Merah Berring, Number: ABA/PT.SMB/SP-TBS/02/VIII/2022, ladder; August 24, 2023. 3. CV Doge Doge Star, Number: ABA/DDS/SP-TBS/03/VIII/2022, August 24 2023.  The agreement contains an explanation regarding the price and payment of FFB, in which the purchase price for FFB is determined and announced periodically to sellers every Tuesday, Wednesday and Friday. The price of FFB follows fluctuations in the price of palm oil and palm kernel in the market. For the payment process, the certificate holder pays by transferring money to the account of the FFB seller. Based on interviews with representatives of CV Abadi Jaya, sellers had no difficulty getting FFB price information and there were no negative issues related to payment. The company has also shown proof of payment for FFB on 21 March 2023 to the seller for the purchase period 17-20 March 2023, accompanied by proof of transfer and details of the quantity of FFB along with the selling price signed by both parties.		
<b>5.1.2</b> Based on the results of interviews with FFB suppliers (PT CV Abadi Jaya), it is known that the company as the FFB buyer always informs the FFB price to the supplier on a regular basis, either via telephone or multimedia message. The unit of certification shows information on the price of FFB with proof of screenshots of multimedia messages, period 04 April 2023.		



**5.1.3**

There is no change in the contents of the agreement letter from the previous audit activity. 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 cooperates with local contractors, such as transporting palm kernels, maintenance activities and many more. All contracts have been agreed between the management and the contractor concerned. An example of a contract in units is shown below:

- CV Karya Mandiri Work Agreement Letter: 04.05-Peng/S.Perj/02/III/2023, dated March 10, 2023 between PTPN IV and CV Karya Mandiri for palm kernel transportation activities. The agreement explains the type of work, the value of the contract, terms of work, term and others. The company always conveys the company's Code of Ethics to contractors.
- PT Semut Merah Berring Work Agreement, Number: ABA/PT.SMB/SP-TBS/02/VIII/2022, date; August 24, 2023, between PTPN IV and PT Semut Mera Berring for FFB supply activities. The agreement describes the mechanism for determining and submitting price information, FFB specifications, payment mechanism, time period, work conditions and others. The company always conveys the company's Code of Ethics to contractors.

**5.1.6**

For the payment process, the certificate holder pays by transferring money to the account of the FFB seller. Based on interviews with representatives of CV Abadi Jaya, sellers had no difficulty getting FFB price information and there were no negative issues related to payment. The company has also shown proof of payment for FFB on 21 March 2023 to the seller for the purchase period 17-20 March 2023, accompanied by proof of transfer and details of the quantity of FFB along with the selling price signed by both parties.

**5.1.7**

The certification unit showing certificate test result number: 1012/SKHP-MT/ASH.59/2022, Legal Metrology UPTD Office of Cooperatives and Trade of the Asahan Regency Government, test date October 10, 2022, with a re-calibration period before October 2023, 1 (one) electronic bridge weighing unit Capacity 50,000 kg, GSC brand, Type GST 9700, Serial No. 967616 *"Legally on 2023 according to the law of Republic Indonesia No. 2 of 1981 concerning Legal Metrology"*. With the calibration evidence, the company has shown evidence that the weighing equipment used to weigh FFB from outsiders is minus indications of fraud.

**5.1.8**

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

**5.1.9**

Company has grievance mechanism for external stakeholder, including for smallholder in procedure No. 13 Rev. 01 dated January 2, 2015. The mechanism of grievance its accordance with the group plantation of PTPN IV, However, based on document review of complaint book, there is no complaint from independent supplier.

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

**5.2**

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

**5.2.1-5.2.5**

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.		
	<b>Status: Comply</b>	
<b>PRINCIPLE #6 RESPECT WORKERS' RIGHTS AND CONDITIONS</b>		
<b>6.1</b>		
<b>Any form of discrimination is prohibited.</b>		
<b>6.1.1-6.1.2</b>		
The company demonstrated PTPN IV's plantation management system policy, which was issued on January 25 2022 by the Director, which among other things explained in point 13, namely providing equal opportunities for everyone to get jobs and positions regardless of ethnicity, religion, race and gender.		
The company also periodically socializes company management system policies, for example as shown in the documentation of company management system policy socialization which was held on February 16, 2023 which was attended by 23 participants.		
Based on the results of field observations, it is known that the company has implemented policies related to non-discrimination and equal opportunity, for example there are women workers who occupy strategic positions, namely as plantation managers.		
Based on interviews with trade unions and the gender committee it was stated that there is no discrimination and all workers have the same opportunities, for example in terms of promotion and also there are no migrant workers.		
<b>6.1.3</b>		
The company shows records of the implementation of employment procedures, for example in the 2022 period employee assessment, such as:		
<ul style="list-style-type: none"> <li>Employee with the initial S, security position, promoted from class IA/14 to IB/0 with an assessment of 5 points for attendance, 5 points for job knowledge, 5 points for productivity, 4 points for teamwork and 5 points for honesty.</li> <li>Employee with the initials KP, position as assistant machine room operator, was promoted from class IA/14 to IB/0 with an assessment of 5 points for attendance, 5 points for job knowledge, 5 points for productivity, 5 points for teamwork and 5 points for honesty.</li> </ul>		
With a rating scale from 1 point is very bad to 5 points is very good. Based on this, the company has carried out promotions on the basis of skills, abilities and quality of workers.		
<b>6.1.4</b>		
Based on the results of the document review, interviews with workers and interviews with the management of the gender committee, it is known that there is no treatment for pregnancy testing which is a discriminatory measure in employee recruitment.		
<b>6.1.5</b>		
The Company has a gender management for the 2020-2025 period with a management composition, namely a chairman with the initials R and 3 members consisting of female and male workers. Based on the results of interviews with representatives of the Gender Committee, it is known that there were no incidents of sexual harassment or domestic violence. The gender committee also conducts outreach to workers on a regular basis, for example during morning briefings. The results of interviews with representatives of female workers, it can be concluded that workers already know the complaint mechanism or complaints related to domestic violence or harassment.		
The gender committee also has work programs, for example:		
<ul style="list-style-type: none"> <li>Improvement of cleanliness in residential areas.</li> <li>Increasing the faith and piety of employees.</li> <li>Socialization of gender committees and grievance mechanisms.</li> <li>Outreach related to human rights.</li> <li>Monitoring the number of pregnant, giving birth and breastfeeding women.</li> </ul>		

The company also shows the realization of the program, for example stated in the documents of female employees who are pregnant, giving birth and breastfeeding for the 2022-2023 period. Based on these documents, it was found that until March 2023 there were no pregnant, giving birth or breastfeeding female workers.

#### 6.1.6

The company has a wage scale structure listed in the PTPN IV directors' decision letter No. 04.07/Kpts/15/III/2022 concerning basic salary and special allowances based on employee class, with the lowest being IA/00 and the highest being IID/06.

The company shows proof of payment for workers with the same scope, for example employees with employee number 4014980 and employee number 4015005 who are Mill machine room operators with group ID/00, who get the same wage value, namely:

- Basic salary of IDR 2,026,878
- Special allowance of IDR 506,720
- Workers' supply of rice is IDR 209,000
- Allowance of IDR 846,772

Based on interviews with machine room operators, it was stated that the wages received were in accordance with the wage scale structure with the level of each personnel class.

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

### 6.2

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

#### 6.2.1

The company has a collective work agreement for the period 2022 – 2023 which has been ratified through the Decree of the Head of the Sumatera Utara Province Manpower and Transmigration Service No. 568/20-6/DTK/I/2022 concerning registration of collective labor agreements dated January 19, 2022. The cooperation agreement describes employment relations, leave and absence from work, wages, employee welfare & social security, transfers, sanctions, termination of employment, complaints and others.

In addition, the company also shows a work agreement for a certain time between workers and the company, for example personnel with the initials EV with agreement no. ABA/S.Perj/336/XII/2022 dated 1 July 2021 for harvest work. The agreement has explained several working conditions, rights and obligations of workers and others. For example worker responsibilities, wages, leave, social security and others. The agreement has been signed by both parties.

Based on document verification, field observations and interviews with workers (harvest workers, fertilizing workers, factory workers, etc.), it is known that there is no indication of forced labor and that employees have earned wages above the minimum wage.

#### 6.2.2

The company shows a collective labor agreement for the period 2022 – 2023 which stipulates detailed wages (article 33), working conditions (article 12), regular working hours (article 20), deductions (article 41), overtime (article 21), sick leave (article 29), the right to leave (articles 25-26), maternity leave (article 27), reasons for dismissal (article 70), notice period before dismissal (article 74), etc.

The company shows a list of the number of workers for March 2023, namely 637 permanent employees, 115 Fixed Period Working Agreement people and 5 outsourced employees.

From the results of interviews with workers and unions, it is known that the company has provided a copy of the agreement to the workers. From the interviews it was also known that the company had provided socialization regarding the CLA to the workers. The auditor team has carried out a simulation of calculating the salaries of workers with the initials Su and Sa, for example. Based on the simulation that has been done, it is known that the company has provided wages in accordance with applicable regulations.

Based on document verification, interviews with workers (harvest, fertilizer, mill workers, etc.) it was found that there was no indication of forced labor. In addition, they receive wages in accordance with the provisions of the minimum wage. Based on interviews with harvesters and wage simulations, it is known that harvesting workers' wages are based on their work (base/target).

Interviews with trade unions and workers said that the wages paid were in accordance with applicable regulations. Based on the interview, it is also known that deductions for workers are like BPJS tax deductions and have been explained in company regulations. Based on interviews with contractors and verification of contractor workers' wages, it is known that contractor workers have been given the minimum wage by the contractor.

### 6.2.3

The company shows PTPN IV Directors Regulation No. 04.01/PER/01/III/2022 concerning guidelines for providing harvest premiums, loading premiums and processing premiums, in letter C regulates compensation for employees who work when the factory does not process on weekdays, Sundays and national holidays, for example for room operators machines, namely for weekdays Rp. 30,899, Sundays Rp. 61,797 and national holidays Rp. 82,397.

Based on interviews with management representatives, it was stated that the personnel working at the factory did not process the total working hours for 6 hours. The company also shows compensation for machine room operator employees at Mill, for example for the period March 2023, namely:

DAY/DATE	PERSONNEL	
	Sa	Su
Wednesday, 22 March 2023 (National Holiday)	82.397	82.397
Sunday, March 26, 2023	61.797	61.797
<b>TOTAL</b>	<b>144.194</b>	<b>144.194</b>

If the simulation of giving overtime is in accordance with CLA article 21 and government regulations 35 of 2021 article 31, they are as follows:

PERSONNEL	MONTHLY WAGE	HOUR WAGES	OVERTIME COMPENSATION (6 HOURS)		TOTAL
			22 March 2023	26 March 2023	
Sa	2.533.598	14.645	175.740	175.740	<b>175.741</b>
Su	2.533.598	14.645	175.740	175.740	<b>175.741</b>

From the simulation results, it is known that there is a difference in overtime pay for the two personnel, on March 22 and 26 2023 of IDR 207,286.

In addition, the Company also shows Memo No. SDM/Col/M-01/II/2023 regarding the security service hour schedule which explains that the distribution of shifts for security personnel is 2 shifts with working hours from 06.30 – 18.30 (12 hours) for the first shift with 2 hours of rest, so that the number of hours work 10 hours/day.

The company shows a list of overtime security personnel for the period March 2022, for example for personnel with the initials U and N where on March 9, 2023 the total overtime payments are 2 hours overtime and on March 21 2023 the total overtime payments are 1 hour overtime, so there is a difference Overtime wages are not paid on March 9, 2023 for 1 hour of overtime and on March 21, 2023 for 2 hours of overtime.

Based on this, the company has not been able to show that the implementation of overtime payments is fully in accordance with the provisions issued and applicable regulations. **This become nonconformity No. 2023.06.**

### 6.2.4

From the results of the previous assessment, based on a field visit to Afdeling IX, 2 houses were found that had been renovated in 2022, such as repairing toilets and zinc. The company also shows a budget for 2023 which will be programmed for repairs in 31 houses.

Based on the results of document review, interviews with workers, interviews with workers' representatives (trade unions and gender committees) and field observations, it is known that the company provides housing, sanitation facilities, water supply, medical needs, education and public facilities, which are briefly explained as follows:

- Houses (dwellings): Staff houses and employee houses.
- Clean water facilities: water and bathrooms.

- Health facility: clinic.
- Places of worship: mosques and churches.
- Sports facilities: volleyball court, soccer field, badminton hall, table tennis court, mini golf course and tennis court.

### 6.2.5

Based on the results of interviews with workers and workers representatives (labor unions and gender committees) as well as field observations regarding access to basic needs, it is known that workers access to proper, sufficient, and affordable food is very easy to obtain because the location of the work unit and housing is close to the center of the crowd so it is easy to find traders, shops and vegetable sellers to fulfill their daily basic needs.

### 6.2.6

A decent living wage is given to all workers in accordance with applicable regulations, namely based on the Decree of the Governor of Sumatera Utara Province No. 188.44/746/KPTS/2021 dated November 19, 2021, which stipulates the Sumatera Utara provincial minimum wage in 2022 at IDR 2,522,609.94 / month. The company has implemented it with a wage component consisting of basic wages, special allowances and rice supplies.

The company shows the Decree of the Board of Directors No. 04.07/Kpts/15/III/2022 on March 31, 2022 concerning Basic Salary and Special Benefits for Gol employees. IA – IVD 2022 which is effective from January 1, 2022, such as:

- In Group IA/0, basic salary is IDR 2,018,088, special allowance is IDR 328,522 and rice supply is IDR 176,000 so that a total of IDR 2,522,610 is obtained.
- In Group IB/0, basic salary is IDR 2,018,221, special allowance is IDR 328,674 and rice supply is IDR 176,000 so that a total of IDR 2,522,895 is obtained.

Based on the data above, the determination of wages is in accordance with the Decree of the Governor of Sumatera Utara Province.

Regarding the Living Wage, the company has assessed the wages paid in accordance with the minimum wage and has also assessed the in-kind benefits provided, which include school facilities, extra food and work clothes, with the following details:

Goal : IA/0

- Prevailing Wages
  - Salary : IDR 2,522,610
  - Other allowances : IDR 1,614,471
- In-Kind Benefit
  - School Facilities : IDR 317,827
  - Extrafooding : IDR 129,450
  - Work clothes : IDR 75,650

Total : IDR 4,458,199,-

### 6.2.7

The results of the verification of the minor findings on the findings of the previous assessment, it is known that the company showed 37 people recording Fixed Period Working Agreement harvest on December 7, 2022 and recording Fixed Period Working Agreement harvest on January 5, 2023 as many as 115 people. In addition, there are 4 outsourced personnel with Fixed Period Working Agreement status who are placed in the Mill processing section.

In the March 2023 employee list, it is known that there were 115 harvest workers with Fixed Period Working Agreement employee status and 4 processing employees with outsourced status. The company shows the work agreement for outsourced workers with PT KNJ, for example personnel with the initials DP and IYP who signed a work agreement on February 1, 2023, but with Fixed Period Working Agreement status.

The company shows the calculation of the need for harvesting workers for the period March 2023, it is known that the need for harvesting workers is 337 people while the actual fulfillment at this time is 302 people (Permanent Worker: 187 and Fixed Period Working Agreement: 115) so there is a shortage of 35 people.

Based on the Fixed Period Working Agreement work agreement between workers and companies, for example workers with the initials A and EV, it is known that the agreement was signed on July 1, 2021. The company also shows the results of the 2022 employee assessment with the Fixed Period Working Agreement recommendation being extended.

Referring to RI Government Regulation No. 35 of 2021 concerning Fixed Period Working Agreement, outsourcing, working time and rest time, and termination of employment in article 4 paragraph 2 states that Fixed Period Working Agreement cannot be held for permanent jobs and GAPKI Central Management Decree No. SK/002/PPG/II/2013 concerning the flow of work implementation processes in the oil palm plantation business sector states that harvesting and processing FFB into CPO is the main work.

Based on this, the non-compliance with this indicator has not been fulfilled because until now there has not been enough evidence that all the main work has been carried out by permanent workers so that the **non-conformity category becomes Minor raised to Major with No. 2022.07**

6.2.3	Status: nonconformity No. 2023.06	
6.2.7	Status: nonconformity No. 2022.07	

**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 and 6.3.3**  
The company demonstrated PTPN IV's plantation management system policy which was issued on January 25 2022 by the Director, which among other things explained in point 18, namely encouraging and facilitating employees to form labor unions.

The company already has a workers' union which was registered with the Asahan District Manpower Office on October 4, 2019 with No. 3434/III-DKT/X/2019 and plantation workers union decree No. 02/Kpts/SP.BUN-PTPN-IV/VII/2019 regarding the inauguration of the composition of the management of the Air Stone Unit SPBUN for the 2019-2024 period with details as follows:

- Chairman and Vice chairman I – III
- Secretary and Deputy Secretary I – III
- Treasurer and Deputy treasurer I – II
- Protection and defense section
- Education and training division
- Organizational division
- Company analysis section
- Business development division
- Inter-agency and public relations section
- Social and welfare section
- Women's empowerment section
- Coordinator of each afdeling and mill

The company also demonstrated the realization of the workers' union program, for example the socialization of company policies on 30 June 2022 which was attended by 20 participants. Based on the results of interviews with workers and trade union representatives, it is known that there are companies that have facilitated the formation of trade unions and do not interfere with the formation or activities of registered organizations/trade unions, or other representatives who are freely chosen for all workers, including migrant workers and contract workers as well have no conflict of interest with the company.

**6.3.2**  
The company regularly holds monthly meetings between management and members or management and company management. The company also has records of meetings, such as the recording of a meeting held by the union on January 18, 2023 regarding a wage increase which was attended by 15 people.

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

**6.4**  
**Children are not employed or exploited.**



**6.4.1; 6.4.2; 6.4.4**

The company demonstrated PTPN IV's plantation management system policy which was issued on January 25 2022 by the Director which among other things explained in point 9 namely the commitment not to use underage children in accordance with laws and regulations and workers who are the result of human trafficking. Based on the verification of the employee list for the period March 2023, it was found that there were no workers under 18 years of age. In addition, socialization of company management system policies was also carried out on February 16, 2023 which was attended by 23 participants.

Based on the results of interviews with the contractor, it was conveyed that there is a clause in the cooperation agreement which states the prohibition of using underage children. The company also shows one of the contracts with third parties, for example a cooperation contract with a kernel transporter with No. 04.05-Peng/S.Perj/02/III/2023 dated 10 March 2023 which states in article 11 point 3 that the contractor is obliged to comply with all applicable laws and regulations, including not employing minors.

**6.4.3**

At the time of the audit assessment, there were no young workers or apprentices. In addition, based on the employee list for the period March 2023, there were no workers under the age of 18.

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

**6.5**

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

**6.5.1-6.5.2**

The company demonstrated PTPN IV's plantation management system policy which was issued on January 25 2022 by the Director which among other things explained in point 11 namely preventing sexual harassment and various forms of violence against women workers and protecting the reproductive rights of women workers. In addition, management system policies are socialized periodically to employees and stakeholders, for example the socialization which was held on February 16 2023 with 23 participants and also communicated during the morning assembly. Based on interviews with representatives of the gender committee, it was stated that so far there had been no incidents of sexual harassment and violence.

**6.5.3**

The company also shows documents of female employees who are pregnant, giving birth and breastfeeding for the 2023 period. Based on these documents, it was found that until March 2023 there were no female workers who were pregnant, giving birth and breastfeeding.

Based on the results of interviews with representatives of the gender committee, it is known that the majority of working women are of old age, so no one is pregnant or has just given birth. However, the gender committee representative explained that if a female employee had just given birth or was about to give birth, she would be given permission for 45 days pre-delivery and 45 days after delivery, giving permission to breastfeed according to the needs of the baby by being allowed to leave work, which was known by the foreman and direct supervisor.

**6.5.4**

The company has procedures for handling complaints listed in the SOP for internal communication and handling employee complaints No. SPO 19 Revision 2 is effective January 2, 2015 and joint regulation of the board of commissioners and directors of PTPN IV No. DK-60/PER/XI/2013 and No. 04.03/PER/13/XI/2013 concerning the whistleblowing system which describes the mechanism for submitting and handling reports, for example as follows:

- The company provides a written or e-mail channel for reporting violations through [complaint@ptpn4.co.id](mailto:complaint@ptpn4.co.id) or through an electronic room portal managed by the Whistleblowing Management Unit.
- Each reporter will receive proof of receipt of the report which includes the reporting registration number.
- On the reports received, for the next process they will be reported to the Board of Directors, Board of Commissioners.
- In carrying out verification, if needed UP3 can communicate with the reporter.
- UP3 verifies the report and decides whether or not further investigation is necessary on the report within 30 days and can be extended for 14 working days.
- If based on the verification results indicate indications of a report then UP3 will not follow up on the report, if there is an indication of a violation then proceed to investigation.
- Protection of whistleblowers is contained in article X in the document.

Based on the results of interviews with representatives of the trade unions and the gender committee, it is known that workers have understood the procedures and mechanisms for submitting complaints to the company. This is because the company has routinely socialized this procedure by installing a data collection mechanism in each department.		
Based on the explanation above, it can be concluded that the unit of certification 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.		
	<b>Status: Comply</b>	
<b>6.6</b>		
<b>No forms of forced or trafficked labour are used.</b>		
<b>6.6.1</b>		
Based on the results of the review of employee list documents, interviews with labor unions and gender committees, interviews with management and the results of field visits at the estate and mill, it was found that there were no migrant/foreign workers.		
<b>6.6.2</b>		
The company shows proof of Fixed Period Working Agreement registration with No. 0068/III-DKT/II/2022 on January 5 2023 which reported that there were 115 workers with Fixed Period Working Agreement status who were employed as harvesters.		
The company also shows a work agreement for a certain time, for example personnel with the initial A with agreement no. ABA/S.Perj/334/XII/2022 dated 1 July 2021 for harvest work. The agreement has been signed by both parties and explains, among other things, the following:		
<ul style="list-style-type: none"> <li>• Describe the type and location of work</li> <li>• Working time 1 week 6 days</li> <li>• Rewards given</li> <li>• Be included in the Social Security Agency program.</li> </ul>		
The proof of the implementation of the work agreement is contained in the worker's pay slip, for example in the period March 2023 with a basic wage of IDR 3,024,301 or already exceeding the provincial minimum wage and personnel who have also been registered with Social Security Agency as evidenced by the details of benefits and deductions for Social Security Agency.		
	<b>Status: Comply</b>	
<b>6.7</b>		
<b>The unit of certification ensures that the working environment under its control is safe and without undue risk to health.</b>		
<b>6.7.1</b>		
The CH already has an OHS Organization, but has not yet received approval from the relevant Office. This has been discussed in indicator 3.6.2.		
One of the OHS Organization programs is to hold regular meetings every month. For example, in January 2023, the meeting will be held on January 9, 2023 with an agenda to prepare for OHS month and discipline in using PPE. The meeting was attended by 13 participants.		
<b>6.7.2</b>		
<b>The CH has a Procedure for Handling Work Accidents and Emergencies</b>		
<ul style="list-style-type: none"> <li>• Emergency Preparedness and Response Environmental Procedure with code ABA-PL-MU-01 revision 0 which took effect on 05 December 2023.</li> <li>• Procedure for Handling Work Accidents revision 00 which took effect on 02 June 2017.</li> </ul>		
<b>First Aid Officer</b>		
The CH has a doctor who has a Hiperkes training certificate with the initials Dr. MH in June 2027. The CH also has a first aid officer in the unit who also works as a foreman on the estate and carries a first aid kit.		
Based on field observations, such as during harvesting and spraying activities, it was found that the foreman was carrying a first aid kit/bag. The results of the interview revealed that the foreman was able to explain the name and function of the first aid kit. Training on first aid is also conducted by the company. The training was held in Pabatu on 2 - 4 August with 3 participants from the certification		

unit.

Based on field observations at Air Batu POM and the office, it is also known that there are no evacuation routes leading to the gathering point in case of an emergency. The available fire extinguishers are APAR and only 1 hydrant in the kernel area. Hydrant test results can function properly. Related to this is also discussed in indicator 3.6.2.

#### Records of work accidents

As stated in the OHS Committee report and monthly monitoring of work accidents carried out by the OHS committee secretary. It is known that monitoring work accidents during the period August - December 2022 in the Air Batu Mill area did not occur work accidents. For the Air Batu Estate, there were 11 minor work accidents, such as being hit by fronds, overturned during harvest, and struck by thorns.

#### 6.7.3

- Results of a review of the Mechanism for Replacement of Workers' PPE and 5% Replacement, which includes replacement of PPE that is damaged while working and stock of PPE as much as 5% of the number of factory employees.
- The results of the review of CLA documents for the period 2022 – 2023 article 49 state that the company provides OHS equipment according to SNI, including safety shoes for factory employees which are given every 1 year.
- Results of field observations:
  - The foot protectors used are not uniform (some use safety shoes/safety boots but some use regular boots).
  - There is no PPE in stock.
- Based on observations at the Central Warehouse, it is known that there is no PPE stock. The company has also not been able to show the PPE stock advertisement it has. The results of interviews with representatives of the CH, were informed that the MILL PPE stock was empty.
- Interview result:
  - There are 2 Fixed Period Working Agreement workers at the chain station not using the shoes provided by the company
  - 2 Boiler workers did not use the shoes provided by the company.
  - 2 Kernel station workers using company provided boots.
- Management explanation:
  - Fixed Period Working Agreement workers have not been given shoes because they started to work when the PPE application had been submitted so they had not received their rations.
  - The PPE stock should be 5% but the current condition is that the number of PPE that arrives is in accordance with the demand so there is no stock available.

The company has not been able to show enough evidence that all workers have used the appropriate PPE (especially leg protectors) and are provided free of charge. **This becomes non-conformity No.2023.08.**

The results of interviews with spray workers in Block 08R Afdeling 3 show that the PPE has appropriate with the HIRAC, and apron is the most frequently damaged. The results of the document review revealed that the distribution of aprons to afdeling 3 spray workers was on 5 February 2023. The results of the interview, if the PPE is damaged, replace it with a new one. Observations at Air Batu Estate also revealed that workers used the rinse house to wash themselves after working with chemicals, and then changed their clothes. The remaining washing water is collected for use in the next spray activity.

#### 6.7.4

The company has a policy to include employees in the Collective Labor Agreement Documents for the period 2022 to 2023, especially in Chapter VIII concerning Social Security and Worker Welfare. The document describes some of the following information:

- For prospective employees, the Company registers the Employment Social Security Agency Program in accordance with applicable regulations, which consist of Work Accident Benefits, Death Benefits, Old Age Benefits and Pension Benefits.
- Companies through Employment Social Security Agency register social security programs for employees in accordance with applicable regulations, which consist of Work Accident Benefits, Death Benefits, Old Age Benefits and Pension Benefits.
- The settlement process for obtaining allowances/compensation from the social security administering body is the responsibility of the company.

The company has shown proof of Social Security Agency payments for permanent employees and Fixed Period Working Agreement, including:

## Employment

- Proof of payment for February 2023 paid on March 1, 2023.
- Proof of March 2023 payment paid on March 31, 2022.

## Health

- Proof of payment for February 2023 paid on February 14, 2023.
- Proof of March 2023 payment paid on March 17, 2023.

In the 2022 period until the audit is carried out, there are no work accidents. Furthermore, if there is a work accident or incident that causes injury, the company will assist in the treatment of workers and their insurance claims.

### 6.7.5

As stated in the OHS Committee report and monthly monitoring of work accidents carried out by the OHS committee secretary. It is known that monitoring work accidents during the period August - December 2022 in the Air Batu Mill area did not occur work accidents. For the Air Batu Estate, 11 minor work accidents occurred, such as being hit by fronds, oversight during harvesting, and getting hit by thorns. The CH has routinely reported this to the relevant offices through the OHS Report. The CH has also carried out work accident calculations using LTA, which is calculated every month. For example, in December at POM, no work accidents occurred, so the FR value is 0 and SR is also 0.

### 6.7.3

Status: Non-conformity No.2023.08

## 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 results of a review of the Basic Guidelines and Work Instructions for Control of Pests and Diseases of Oil Palm Plants with code 04.04/KS/TAN/P/005 revision 1 dated 24 February 2020, it is known that rat control in juvenile/old TM includes using Tyto alba. Gupon cages for Tyto alba are installed every 30 ha and their condition and level of activity are monitored periodically every month.

The results of the review of the procedural document have also regulated the implementation of periodic censuses, such as the census of beetles, UPDKS and rats. As a result of interviews with company representatives, a global census is carried out every month. The company has shown the results of the census on April 4 2023.

#### 7.1.2

Invasive species in Indonesia refer to the Minister of Environment and Forestry Regulation number P.94 of 2016. The results of field observations in Blocks 20N and 20J Afdeling 5, it is known that the Turnera ulmivolia plant, which is an invasive species, is in a well-maintained condition.

#### 7.1.3

The results of field observations in circle path spraying activities in Block 08R Afdeling 3, it is known that the spraying is carried out using a knapsack sprayer with water as the solvent. The results of interviews with management representatives found that there was no spray treatment using fire.

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 results of the document review and field observations in the circle path spraying work in Block 08R Afdeling 3 used pesticides. The basis for the use of specific pesticides against target pests/weeds has been demonstrated by the company in the Pest and Plant Disease Management Procedure document. For example, the Capture pesticide with the active ingredient cypermethrin for beetle and caterpillar control.

#### 7.2.2

Based on the results of the document review, it is known that the company has records, including:

- Recap of pesticide use in 2021.
- Records of active ingredients per hectare capture semester 2 of 2022 which have not been informed of their LD<sub>50</sub>.

The results of field observations in the activities of circle path spraying Block 08R Afdeling 3 were found to use cone up and metsulindo pesticides. The results of visits to the nursery area also obtained information on the use of dithane and sevin in controlling pests and diseases. All of these pesticides have not shown records of pesticide use (including the active ingredients used) and the LD<sub>50</sub> of the active ingredients, the area of treatment, the amount of use of the active ingredient per hectare and the number of applications.

Based on this, it is known that the company has not been able to show records of the use of pesticides (including the active ingredients used) and the LD<sub>50</sub> of the active ingredients, the area of treatment, the amount of active ingredients used per hectare and the number of applications. **This becomes non-conformity No.2023.08**

### 7.2.3

The CH has a commitment to minimize the use of pesticides and has the IPM concept, which is contained in the Palm Oil Plant Pest and Disease Control Procedure document which was approved by the Main Director and has been active since 24 February 2020. In the document it is stated that pest control can be carried out biologically, among others, mechanical and chemical. Based on field observations, it is known that The CH has developed beneficial plants such as *Turnera ulmolia* and *Antigonon leptosus* along Collection Road. The results of implementing the IPM have had the impact of reducing the use of Cypermethrin for bagworms, namely in 2021 it is 0.30 liters/ha and in 2022 it is 0.13 liters/ha.

### 7.2.4

The results of a review of the Basic Guidelines and Work Instructions for Control of Pests and Diseases of Oil Palm Plants with code 04.04/KS/TAN/P/005 revision 1 dated 24 February 2020, it is known that considerations in chemical control include if there is a heavy attack in an area < 60 ha, is an emergency measure when there is an explosion of UPDKS pest attacks.

The results of field observations and interviews in the TBM area Block 20 N Afdeling V, it is known that there is a spray treatment using Anticipatory Capture of horn beetles 3 times a month without prior census. It is also known that the condition of the plants has no traces of old attacks or new attacks from beetles. The results of interviews with DSS representatives, it is known that the capture applications during October to December are as follows:

- October 15, 22, 29
- November 9th, 18th, 9th
- December 13th, 23rd, 29th

Based on this evidence, it is known that the use of pesticides in a preventive way to prevent UPDKS pests is not in accordance with the procedures that are owned. **This becomes non-conformity No.2023.09**

### 7.2.5

The CH was showing Director Letter number 04.04/SE/18/X/2016 dated 14 October 2016 concerning: prohibited active pesticide (WHO Category 1A&1B). That letter was addressed to the group manager District I-IV) and all managers' cc: Director, Internal Superintendent, and Planning Division. The CH also shows a Memo from the Head of the Plants Section to all Plantation Managers dated February 14, 2022 concerning Prohibition of Herbicide with the active ingredient paraquat.

Based on field observations to the chemical warehouse and interviews with spraying workers in Block 08R Afdeling 3, sighted that there are no using chemicals with categories WHO 1A, WHO 1B since 2016. They use Metsulindo which has the active ingredient methyl metsulfuron.

### 7.2.6

Pesticide applications have been carried out by persons who have completed the necessary training, and have been applied according to the product label. The results of interviews during field observations in circle path activities revealed that workers were able to explain the safe handling of pesticides according to procedures. Informed by informants that they have received training in handling pesticides from the company. The results of field observations also show that workers have implemented safe work techniques. The results of the document review found that pesticide training had been held at the company, which was held on 22 February 2023 in Afdeling 2.



**7.2.7**

The storage of pesticides at the company complies with best practices. The results of field observations in the pesticide warehouse area at the Central Warehouse show that pesticides have been grouped by type, there is an MSDS in a language understood by workers, symbols for hazardous and toxic substances, in a place with good air circulation and sufficient lighting. The warehouse is locked and there is a limited area warning and the use of PPE when accessing it. The results of interviews with workers revealed that workers could explain and demonstrate safe work techniques in that area.

**7.2.8**

Same with the previous audit. The certification unit has SOP for Hazardous Waste Management with No. SPO 02 No. Revision 02 dated January 2, 2015. The SOP explains that all toxic hazardous material waste and used packaging for toxic hazardous material waste produced cannot be reused for other purposes and must be immediately handed over to a permitted temporary storage place for toxic hazardous material waste.

Based on the results of a field visit to the final waste disposal site and employee housing, it was found that there were no used pesticide containers disposed of at the final waste disposal site (*TPSA*), but it was found that pesticide containers were reused as water storage in afdeling VIII housing. This becomes NCR on 7.3.1.

As a result of a field visit to the temporary storage site for hazardous and toxic waste at the Air Batu Factory, it is known that the chemical waste packaging used is stored in a temporary storage area and will be handed over to a hazardous and toxic waste collector who has a permit.

**7.2.9**

The results of field observations in circle path spraying activities in Block 08R Afdeling 3, it is known that the spraying is carried out using a knapsack sprayer with water as the solvent. The results of interviews with management representatives found that there was no air spray treatment. Based on this, it is known that there is no application of pesticides through the air.

**7.2.10**

The results of the review of the OHS Health Examination Procedure with code 4.3.15 revision 0 dated 11 March 2022 which regulates, among other things, special health checks for employees who have a lot to do with hazardous chemicals.

The results of the review of the GMCU Results Report document for Pabatu Hospital in 2022 for Air Batu plantations, it is known that health checks have been carried out for 55 employees on 5 – 8 December 2022, with the category of 28 pesticide handlers, 8 chemical handlers, and 19 periodic, with vital checks sign (physical and eye), ECG, chest photo, and Laboratory (including CHE for pesticide handlers)

The results of a review of the document for the List of Names of Chemical Officers in Afdeling which was approved by Askep Rayon B, it was found that there were workers who were not included in the GMCU Results Report in December 2022, including:

- Untung (SAP 4015320 - Afdeling 4)
- Suwandi (SAP 4015108 – Afdeling 4)
- M Hatta P (SAP 4015413 – Afdeling 8)
- Sunariyo (SAP 4015187 – Afdeling 9)

The results of field observations at the circle path activities in Block 08R Afdeling 3 revealed that there was a worker with the name Saiful who was not included in the GMCU Results Report in December 2022.

Based on this evidence, it is known that not all chemical handlers at the Air Batu Estate have received a special health check. **This becomes non-conformity No.2023.10**

**7.2.11**

The CH has a commitment regarding pesticide applicators not being carried out by pregnant or lactating women, or people with medical limitations. The results of field observations in circle path spraying activities in Block 08R Afdeling 3 revealed that there were no female workers who were pregnant, and/or breastfeeding, or with medical limitations. The results of the interviews revealed that women workers who were pregnant or breastfeeding, or workers with medical limitations were transferred to non-pesticide jobs. Based



on this, it is known that there are no workers who are pregnant, or breastfeeding, or with medical limitations who apply pesticides.		
<b>7.2.2</b>	<b>Status: Non-conformity No.2023.08</b>	
<b>7.2.4</b>	<b>Status : Non-conformity No.2023.09</b>	
<b>7.2.10</b>	<b>Status: Non-conformity No.2023.10</b>	
<b>7.3</b>		
<b>Waste is reduced, recycled, reused and disposed of in ways that are environmentally and socially responsible manner.</b>		
<b>7.3.1</b>		
The company shows a waste management plan described in the following documents:		
1. Air Waste, Documented in SOP for Air Waste Pollution Management, SPO No. 14 Revision 02, dated 02 January 2015, regulates: Identification of sources of air waste, monitoring and measurement of air quality standards which are carried out every 6 months, control and protection by making dust traps, carrying out reforestation, regular maintenance of machine units, and practicing without burning in land clearing activities.		
2. Solid and Liquid Waste Documented in:		
A. SOP for Utilization of Palm Oil Mill Waste No. SPO 17 Revision 02 dated 12 January 2015, regulates:		
<ul style="list-style-type: none"> <li>Utilization of empty fruit bunches</li> <li>Utilization of palm oil liquid waste for land applications</li> <li>Utilization of waste palm shell and fiber, used for boiler fuel</li> <li>Solid utilization to increase soil fertility</li> <li>Utilization of solid and liquid waste is documented in:</li> </ul>		
B. B. Permit for Utilization of liquid waste based on Decree of the Asahan Regent Number: 503/IPAL/DPMPPTSP/0006/VI/2020 concerning Permits for Disposal of Wastewater, dated 4 June 2020 with a validity period of 5 years.		
3. Hazardous and Toxic Waste :		
Documented in SOP for Hazardous and Toxic Waste Management, no. SPO 02, revision 3 published date 2 Jan 2017, explained in the procedure section:		
<ul style="list-style-type: none"> <li>Availability of temporary storage in accordance with applicable regulations.</li> <li>Identify sources of waste including used oil, used batteries, used jerrycans for chemical packaging, rags, sacks of used fertilizers and chemicals and used light bulbs.</li> <li>Providing emergency response facilities at <i>TPS LB3</i>.</li> <li>Keep records for every <i>LB3</i> sent from the business unit.</li> <li><i>LB3</i> packaging in accordance with applicable regulations.</li> <li><i>LB3</i> storage is carried out according to the shelf life stated in the TPS permit.</li> <li>Collaborating with licensed <i>LB3</i> collectors.</li> <li><i>B3</i> waste management has been equipped with a permit based on Decree of the Asahan Regent Number: 503/LB3/DPMPPTSP/0010/XI/2018 concerning Granting of Temporary Storage Permits of Hazardous and Toxic Materials to PTPN IV Kebun Air Batu, dated 13 November 2018 valid for 5 years.</li> </ul>		
4. Documented Domestic Waste in SPO for household domestic waste management document No. SPO-20 2nd revision, effective January 2 2015, in the procedure described related to waste management from offices and housing, provision of trash bins (garbage bins) in offices and housing , construction of temporary landfills, construction of final landfills with a size of 1.5 x 2 x 9 meters with a minimum distance of 1 Km from housing, and prohibition of burning domestic waste.		
In the implementation of waste management, it is divided into several types based on the characteristics of the waste it produces, including:		
1. Hazardous and Toxic Waste :		
a. The company has a Letter of Agreement between PT Perkebunan Nusantara IV and PT Veronica Tannaga regarding the Transportation of Hazardous and Toxic Waste, number 04.03/S-Per/37/VI/2022, December 19, 2022, valid until June 18, 2023, and PT Veronica Tannaga accompanied by an Operational Feasibility Letter for waste collection activities, Number S-758/PSLB3/VPLB3/PLB.3/11/2021, 28 December 2021, issued by the Directorate General of Waste, Waste and Hazardous Toxic Material Management, Ministry of Environment and Forestry.		
b. The company shows documents for storing and handing over hazardous and toxic waste as follows:		

- Manifest waste of Hazardous and Toxic Materials:
- KLHK number – 1679905284, type of used battery waste, volume: 0.02 tons, February 2, 2023.
- KLHK Number – 1679909165, type of packaging waste used for hazardous and toxic materials, volume: 0.2488 tons, dated February 2, 2023.
- Logbook of Hazardous and Toxic Waste for the first quarter of 2023, it was recorded that waste was released: used pesticide containers: 207.6 kg, 41.2 kg used chemical bottles and 20 kg used batteries.
- Hazardous and toxic waste balance in the first quarter of 2023, Hazardous and toxic waste is recorded according to the log book.

2. Domestic waste :

- a. The company provides trash bins in residential areas and around the factory as well as provision of final waste disposal sites in each afdeling.
- b. Garbage is transported once a week to the final landfill.

3. Solid, liquid and air waste:

Solid waste from the FFB processing process in the form of shells and fiber is reused by the Certification Unit as a substitute for fossil fuels (diesel) for electricity generation in boilers. Some of the solid waste in the form of shells is also shipped or sold, while the empty fruit bunches are used as fertilizer. Waste utilization data is explained in more detail in indicator 7.9.1.

The Unit of Certification uses POME for land applications. Regulation and management of POME is explained in more detail in indicator 7.8.3. For air waste, the company has not used waste air in general, namely the Biogas Plan. So far, management related to air waste has only been limited to measuring air quality from waste-producing sources such as boilers and generators.

Based on the results of field visits at the Air Batu Palm Oil Mill and Air Batu Estate, it is known that there are:

- Disposal of used food waste in the Air Batu Mill CPO kernel stack area.
- There are traces of burning waste in the Air Batu CPO Mill residential area.
- In Divisions 5, 6 and 8 domestic waste is not managed properly, with trash being found in piles behind the house and scattered in several locations, waste is not placed in the bins provided and not disposed of periodically at the Water Waste Disposal Site (during site visits) The final landfill is empty), and there are traces of burning domestic waste.
- In afdeling 8, traces of chemical packaging were found which were used for water storage and used oil drums stored in the residential yard and some were used for storage of manual land firefighting equipment (rakes, hoes).
- In the Air Batu Mill CPO area, it can be seen that there were disposal of used brake fluid packaging around the weighing area, used paint cans in the security post area and Engine Room station, as well as used oil packaging in the boiler area.

Based on the results of interviews with the Medical Officer of the KEBUN POLYCLINIC, it was explained that medical waste at the KEBUN Polyclinic is stored in used medicine boxes and then handed over to the Pulau Raja Plantation Health Center every 2 weeks, using a closed container and taken by ambulance.

Based on the above, the Company has not been able to show evidence of household and domestic waste management as well as B3 waste and B3 waste in health care facilities that are managed according to company procedures and applicable regulations. So **This become nonconformity Number 2023.11**

### 7.3.2

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

Result of interview with workers who live in housing complex also stated that waste management carried out by Unit of Certification was very good and regular. Trash cans are provided properly, all waste disposal facilities have also been provided by Unit of Certification waste bins that will be replaced if damaged, hazardous waste warehouses and landfills. Residents of housing complex

also understand very well how to separate the types of waste they produce and what types of waste should not be reused.

### 7.3.3

Based on the results of field visits at Housing Afdeling 5,6 and 8, it can be found that domestic waste is not managed properly, by finding garbage piled up behind the house and scattered in several locations, waste is not placed in the bins provided and not disposed of periodically to the Water Waste Disposal (during the visit to the location of the Final Waste Disposal Site was empty), and there were traces of burning domestic waste, This becomes NCR on 7.3.1.

7.3.1	Status: Nonconformity Number 2023.11
-------	--------------------------------------

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

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

### 7.4.2

The latest records of soil and leaf tissue analysis are available. The results of the analysis incorporated into the fertilizer program. The result as follows:

- Soil tissue analysis was carried out by the Mutu Agung Lestari laboratory, 15 – 28 December 2022, with test parameters including Moisture, C-organic, Total N, pH H<sub>2</sub>O, etc.
- Leaf tissue analysis was carried out by the Palm Oil Research Center laboratory, September 14, 2021, with a total of 207 samples, with test parameters including N, P, K, Ca, Mg, and B content.

### 7.4.3

Elemental recycling strategies such as EFB and LA are available. The results of field observations show that the application of EFB has been carried out, one of which is in Block 20N Afdeling 5, at a dose of 40 tons/ha/year. It is also known from the results of field observations that a land application has been carried out in Afdeling 3.

### 7.4.4

The company has yet to show records of fertilizer use in 2022. **This become nonconformity Number 2023.12.**

7.4.4	Status: Nonconformity Number 2023.12
-------	--------------------------------------

## 7.5

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

### 7.5.1

The CH has a soil suitability map report which included a description of the soil types, topography, soil texture, drainage condition, land suitability level, and the limiting factor. The map is available on a 1: 50,000 scale. There is no peat soil area in PTPN IV – Air Batu. The types of soil found in Air Batu Estate are *Typic Hapludults* and a small portion of *Typic Tropofluvent* with flat-hilly topography (slope 0-8%.in Afdeling I – VI and slope 0-15% in Afdeling VII – IX).

### 7.5.2-7.5.3

The results of field observations in Afdeling 2,3,5,6,7,8,9 and document studies show that there is no replanting on steep slopes.

	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

The unit of certification has a soil suitability map report which included a description of the soil types, topography, soil texture, drainage condition, land suitability level, and the limiting factor. The map is available on a 1: 50,000 scale. There is no peat soil area in PTPN IV – Air Batu. The types of soil found in Air Batu Estate are *Typic Hapludults* and a small portion of *Typic Tropofluvent* with flat-hilly topography (slope 0-8%.in Afdeling I – VI and slope 0-15% in Afdeling VII – IX).

### 7.6.2

Based on field observations in Afdeling 2,3,5,6,7,8,9 and document review, it is known that there is no extensive planting on marginal and fragile soils.

### 7.6.3

The results of field observations in Afdeling 2,3,5,6,7,8,9 note that the drainage system, road irrigation and other infrastructure refer to topographical information.

Status: Comply

### 7.7

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

#### 7.7.1-7.7.7

The unit of certification has a soil suitability map report which included a description of the soil types, topography, soil texture, drainage condition, land suitability level, and the limiting factor. The map is available on a 1: 50,000 scale. There is no peat soil area in PTPN IV – Air Batu. The types of soil found in Air Batu Estate are *Typic Hapludults* and a small portion of *Typic Tropofluvent* with flat-hilly topography (slope 0-8%.in Afdeling I – VI and slope 0-15% in Afdeling VII – IX).

Status: Comply

### 7.8

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

#### 7.8.1

The Unit of Certification has identification of rivers and water sources in its operational area in the HCV document and there is also a water management plan included in the HCV management plan, environmental management and monitoring plan document (DELH) and riparian protection procedures (No. SPO 05 revision 02 effective January 2, 2015). The plan includes establishing river border boundaries, protecting river borders by not spraying chemicals and enriching trees. Actions taken include conducting river water quality tests on a regular basis, monitoring the volume of water use, applying wastewater treatment plants to permitted land. The Unit of Certification conducts water quality testing every semester by a testing laboratory accredited by KAN No. LP-1284-IDN. Surface water testing locations were carried out upstream and downstream of the Hessa River. While testing the quality of well water is carried out in each afdeling. Based on an analysis of environmental monitoring in the RKL-RPL Semester II 2022 report, it was informed that the company's activities did not have a negative impact on water quality.

Based on the results of interviews with management representatives in Afdeling 5 and 6 it is known that the unit of certification provides wells as a source of water and is free for use by residents of the housing.

#### 7.8.2

The Certification Unit has:

- SOP for Mechanism of River Rim Management Document No. SPO 05 (revision 2) dated January 2 2015, among other things, stated that marking (identification) of river banks, making warnings/prohibition signs, protecting river banks with a width of 10 - 50 m.
- Recommendations for management of HCV 4.1 areas in the 2011 Report on Results of Identification of High Conservation Value Areas at Air Batu Estate of PT PN IV: Do not clean up cover crops using chemical means.

Based on the results of a field visit to the Lala River riparian area in afdeling IX block 11R, it was found that there were traces of pesticide application and no boundary markings.

Based on the description above, the certification unit has not been able to provide sufficient evidence that river bank management has referred to the RSPO Manual on BMPs for the management and rehabilitation of riparian reserves' (April 2017) or the Simplified Guide Management and Rehabilitation of Riparian Reserves (2018) and the procedures owned, **This become nonconformity**

**Number 2023.13**

**7.8.3**

All palm oil mill effluent generated by the Air Batu Palm Oil Mill is processed in a wastewater treatment plant before being distributed to plantations as land applications. Monitoring of the quality of liquid waste is carried out routinely every month and the results are reported to the Environment Agency every three months. Example of water analysis results: Laboratory Test Results Report for the period January 4, 2023, BOD 455 mg/L (threshold 5000 mg/l) and pH 7.67.

Based on the analysis of wastewater from January to June 2022, all parameters tested were below the threshold, especially BOD and COD. This shows that POME can be applied to land applications. The certification unit already has a waste utilization permit for land application based on Asahan District Head Decree No. 503/IPAL/DMPPTSP/0006/VI/2020 on 4 June 2020 and is valid for 5 years.

Based on the results of field visits at the Air Batu Palm Oil Factory WWTP, it is known that there is no runoff of wastewater outside the pond, liquid waste can be properly and adequately accommodated in the WWTP pond, the flowmeter functions properly and can calculate the volume of waste for application clearly

**7.8.4**

The certification unit explains that water consumption for FFB processing is monitored using a flow meter installed in the WTP piping system. Based on the results of the document review, the company showed water use documents for the period January - December 2022, recorded 166,364,750 kg of processed FFB, and total water use of 266,184 m3.

<b>7.8.2</b>	<b>Status: Nonconformity Number 2023.13</b>
--------------	---

**7.9**

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

**7.9.1**

The Certification Unit uses shells and fiber as boiler fuel to drive turbine power which can reduce the use of fossil fuels. There are records of shell and fiber use for the period January – December 2022, 166,364,750 kg of FFB processing, 23,291,065 kg of fiber production, 9,981,885 kg of shell production, use of: 23,292,065 kg of fiber and 9,981,885 kg of shells.

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

**7.10**

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

**7.10.1**

Unit of certification has carried out an inventory of GHGs contained in Identification of Pollution and Emission in 2022. Based on document analysis, unit of certification has identified all source of GHG produced by its operational activity. Identification of significant sources of GHG emissions are identified and mitigation plans have been developed by the unit of certification covering mills and plantations. Significant GHG emissions include land use change, POME processing, use of fertilizers and pesticides, use of fossil fuels for operations and transportation. The mitigation plans include, among other things, the correct dosage and application of fertilizers as recommended, reducing reuse and recycling, limiting the use of electricity, transportation, and machine maintenance, as well as periodic air quality tests. Unit of certification has also reported the results of the GHG calculation to the public which was submitted to the RSPO GHG website.

Reduction of fossil fuels in the unit of certification has been carried out by using fibers and shells for fuel substitution. The unit of certification uses POME to apply to land with test results from the monitoring period January-December 2022 and January-February 2023 showing that all parameters of wastewater testing have met the applicable quality standards. Based on a review of documents for example: monitoring of pesticide use, monitoring of diesel fuel, identification of HCV and others it was found that accurate data had been entered into the RSPO GHG. The unit of certification has calculated GHG emissions for the 2022 period using the Palm GHG Calculator version 4.1. Accurate data has been entered into the RSPO PalmGHG Calculator (Palm GHG version 4.1) and verified. Summary of net GHG emissions from the PalmGHG calculator from audit reports where the "Apply full version" calculation option is applied".

## Summary of Net GHG Emissions

Emissions per product	tCO <sub>2</sub> e/tProduct
CPO	2,26
PK	2,26

Production	t/yr
FFB processed	133.794,97
CPO produced	30.303,41
PK produced	5.029,6

Extraction	%
OER	18,22
KER	3.02

Land use	Ha
Planted area on mineral	26.304,90
Planted on peat	0
Total area planted	26.304,90
Conservation Area (Forested)	0
Conservation Area (Non-Forested)	983,52
FFB Production per hectare	6,32

## Summary of field emission and Sinks

Description	Own		Group		3 <sup>rd</sup> Party		Total
	tCO2e	tCO2e/ tFFB	tCO2e	tCO2e/ tFFB	tCO2e	tCO2e/ tFFB	
Emissions Sources							
Land conversion	69729	0.52	188069,78	87,6	0.00	0.00	231537.81
CO2 emissions from fertilizer	8172,24	0.06	21937,52	10,22	0.00	0.00	18619.07
NO2 emissions from peat	0.00	0.00	0.00	0.00	0.00	0.00	25017.41
NO2 from Fertilizer	5679,87	0.78	16214.50	7.55	0.00	0.00	10792.00
Fuel consumption	467,86	0.06	1927.35	0.90	0.00	0.00	1758.80
Peat oxidation	0.00	0.00	0.00	0.00	0.00	0.00	182473.20
Sinks							
Crop sequestration	-66093.85	-9,10	-176283.46	-9.26	0.00	0.00	-217950.54
Sequestration in Conservation area	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	13821.22	2,47	238426.53	14.67	952.08	0.00	253199.83

## Summary Oil Mill Emissions and Credits

Remarks	tCO <sub>2</sub> e	tCO <sub>2</sub> e/t FFB
Emissions sources		
POME	7466.33	0.04
Fuel consumption	148.12	0.00
Grid electricity	0.00	0.00



Credits		
Export of grid electricity	0.00	0.00
Sales of PKS	0.00	0.00
Sales of EFB	0.00	0.00
Total	8526.75	0.05

**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 document verification, there is no additional new areas in the scope of certification, it is still the same as the previous audit activities. Unit of Certification has identified pollution and emissions activities including GHG. Pollution/emissions come from activities such as land clearing, fertilization and use of chemicals (spray activities), use of solar in transportation, lighting and processing of FFB, and management of POME.

**7.10.3**

Based on document verification, there was no addition of a new area within the scope of certification, it is still the same as the previous audit activity. The Unit of Certification has identified pollution and emission activities including GHG. Pollution/emissions come from activities such as land clearing, fertilizing and the use of chemicals (spraying activities), the use of solar power in transportation, lighting and processing of FFB, as well as POME management. The Unit of Certification has also implemented GHG emission management, including: establishing a zero burning policy in land clearing, use of fertilizers and chemicals according to recommendations, application of EFB and POME on land, routine emission testing, use of fiber and shells as boiler fuel, planting trees in river border area.

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

**7.11**

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

**7.11.1**

The company has a plantation management system policy issued in January 2022 which includes point 15 point e, namely implementing zero burning during plantation development and actively supporting initiatives to prevent and control forest fires and haze. The company has also socialized it to employees, stakeholders and community representatives, for example on 10 February 2022 at the Office.

The company has also socialized fire control and prevention to the public and employees by placing a ban on burning in potential fire areas and direct socialization on March 14, 2023 which was attended by 31 people. In line with this, the field visit also found the implementation of replanting without burning, for example in Afdeling II Air Batu Estate.

**7.11.2**

The company demonstrated PTPN IV's plantation management system policy which was issued on January 25 2022 by the Director which among other things explained in point 15 point e namely implementing zero burning during plantation development and actively supporting initiatives to prevent and monitor forest fires and haze. The company also has an emergency response structure coordinated by a fire chief who oversees the core fire team, fire team and security team.

From field visits, for example to Afdeling VIII-IX it is known that there are facilities and infrastructure for preventing and controlling

land fires such as axes, shovels, sand, etc. and the company has not referred to Minister of Agriculture Regulation 5 of 2018 so this has become a non-compliance with indicator 3.6.2

The company routinely reports the results of fire monitoring, for example the Land Fire Monitoring Report for the second half of 2022 to the Asahan District Environmental Office on January 15, 2023.

### 7.11.3

The company periodically conducts emergency response simulations, especially fires, for example, which was carried out on December 23 2022 which was attended by 37 participants from employees and stakeholder representatives and has been reported for the 4th quarter of 2022 on February 8 2023.

**Status: Comply**

### 7.12

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

#### 7.12.1 and 7.12.8

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

#### 7.12.2

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

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

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

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

#### 7.12.3

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

The company shows the Report of Identification of High Conservation Value Areas of PTPN IV Air Batu Estate in 2011: HCV 4 is located between the riverbanks with an area of 257.01 Ha, Afd VI limestone cliffs: 0.2 Ha, Afd VIII steep cliffs: 0.25 Ha, Jurangan Afd VIII: 0.01 Ha.

Recommendations for the management of HCV 4.1 and 4.2 areas in the 2011 Report on Results of Identification of High Conservation Value Areas at Air Batu Estate of PT PN IV:

1. Clearing land selectively and restoring specific land cover at the required minimum limit and plantation business area.

2. Determination of the width of the river bank in Air Batu Estate, with the size of the river bank being 10-20 meters to the right and left of the river for small rivers and for large rivers 100 meters to the right and left of the river and 5-10 meters for embankment rivers.
3. Rehabilitation of river banks using bamboo plants, vertifer/reeds and tree species with stratified crowns.
4. It is recommended that the Piasa River be developed by implementing civil engineering conservation by building embankments and vegetatively by planting reeds, mahang, waru, banyan, Ketapang and meranti.
5. Do not clean the cover crop by chemical means.
6. Installation of boundary signs.
7. Rehabilitation of land cover in areas with high erosion potential and prone to landslides as well as installing warning boards.
8. Additional planting with perennials on exposed slopes or cliffs.
9. Rehabilitation or restoration with various perennials with plant species that have strong roots and are multicultural.

Based on the results of the field visit:

1. In afdeling VI of the Langar River: no evidence of rehabilitation activities for the open riverbank area was found.
2. In the block 004 riverbank area, and the Sukirman intersection, it was found that the condition of the riverbanks had not been allocated for a minimum width of 10 meters, and rehabilitation activities had not been carried out where the condition of the riverbanks was mostly in an open condition without vegetation.
3. At the Piasa riverbank there was no rehabilitation of the riverbank using bamboo plants, vertifer/reed types and tree species with stratified crowns.

**So this is become nonconformity number 2023.14**

#### **7.12.5**

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

#### **7.12.6-7.12.7**

The Unit of Certification has procedures for identifying and protecting plants and animals with No. SPO 09 Revision No 02 dated 01 August 2017 which states that it is not permissible to catch, maintain or kill protected or unprotected animals, it is not permissible to trade wild animals, the company carries out supervision in the form of periodic surveillance once a year, if there are still employees or non-employees who catch it, keeping or killing animals, whether protected or not protected by state regulations, will be reported to the authorities. (OFI)

The company also monitors the existence of flora and fauna around the company area. Based on the results of flora and fauna monitoring carried out in December 2022, it is known that there are several types of flora and fauna, namely:

- 7 species of birds, for example: Crow (*Corvus enca*), Kacer (*Enicurus velatus*), Ruak-Ruak (*Gallicrex gallicrex*), and Tengkek (*Halcyon Pileata*).
- 5 types of mammals: Weasel (*Paradoxurus hermaphroditus*), Squirrel (*Tupaia javanica*), Long-tailed Monkey (*Macaca fascicularis*), and Pangolin (*Manis javanica*).
- 7 types of reptiles such as: Turtles (*Geochelone elegans*), Monitor lizards (*Varanus salvator*), Lizards (*Mabouja multifasciata*), and Cobras (*Naja sp.*).
- 33 species of plants such as Gelaga (*Panicum maximum*), Durian (*Durio zibetinnus*), Mahogany (*Switenia mahagoni*), and Waru (*Habiscus tilaceus*).

The Unit of Certification has also carried out monitoring of HCV areas which will be carried out in December 2022. Based on the monitoring results of HCV areas it is known that there is no disturbance to HCV areas such as fishing, hunting and animal trapping.

Based on the results of the field visit:

1. HCV 4.2 area in Afdeling VI block 00M and Afdeling III block 00E, it is known that there are warning boards/signboards prohibiting hunting and prohibiting poisoning/shocking fish.
2. HCV 4.2 Fadeling II area, block 00A river border, it is known that there are warning boards/signboards prohibiting hunting and prohibiting poisoning/shocking fish.

Based on the results of interviews with workers, residents of the housing complex, and representatives of the Air Batu I/II Plantation

and Sei Alim Ului Village, Piasa Ulu Village, Air Batu III/IX Village, it is known that they understand that catching or hunting animals is prohibited. The Unit of Certification has conducted outreach about the existence of flora and fauna around the plantation by direct socialization or by using nameplates of animal species around the plantation area.

**7.12.8**

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

**7.12.4**
**Status: Nonconformity number 2023.14**

**3.2 Conformity Checklist of Certificate and Trademark Use**

<b>1.</b>	<b>Evidence of permission or approval certificate and trademark from Certification Body which submitted by Client</b>	<b>X or √</b>
<b>ASA-3</b>	The company didn't use trademark on the product.	√
	<b>Status: Comply</b>	
<b>2.</b>	<b>Implementation of certificate and trademark used by Client comply with size and type (shape) against Guideline of trademark Use</b>	<b>X or √</b>
<b>ASA-3</b>	The company didn't use trademark on the product.	√
	<b>Status: Comply</b>	
<b>3.</b>	<b>Implementation of Certificate and Trademark is not used on product</b>	<b>X or √</b>
<b>ASA-3</b>	The company didn't use trademark on the product.	√
	<b>Status: Comply</b>	
<b>4.</b>	<b>Controlling of Certificate and Trademark, including withdrawing inappropriate trademark.</b>	<b>X or √</b>
<b>ASA-3</b>	The company didn't use trademark on the product.	√
	<b>Status: Comply</b>	

### 3.3 Summary of RSPO Partial Certification.

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

PT Perkebunan Nusantara III Time Bound Plan (TBP) is explained in point 1.10. PT Perkebunan Nusantara (PTPN) III has informed the TBP progress, MUTU has considered that PTPN IV is complied with the RSPO requirement for TBP. The Time Bound Plan was revised and declared by PTPN IV on November 2021.

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

MUTU Auditor has verified company partial certification and concludes that:

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

Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
2.1.1	Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	PT Perkebunan Nusantara III has carried out self-assessment (i.e internal audit) against uncertified management units dated on 1 December 2020 by PT Perkebunan Nusantara III, PT Perkebunan Nusantara III has submitted some self-assessment reports year 2021 on behalf PTPN III, PTPN V, PTPN VI, and PTPN VIII. It has support- ed evidence of the self-assessment against each requirement such as self assessment reports
2.1.2	No replacement after dates defined in NIs Criterion 7.3 of: <ul style="list-style-type: none"> <li>• Primary forest.</li> <li>• Any area identified as containing High Conservation Values (HCVs).</li> <li>• Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3.</li> </ul>	<p><b>PTPN III</b></p> <p>Based on document verification sighted that all uncertified unit has conducted LUCA and submitted to the RSPO:</p> <ul style="list-style-type: none"> <li>- KRBTN dated 20 August 2021, there are raw non-compliant land clearance with area 489.83 Ha.</li> <li>- KBDY dated 20 August 2021, there are raw non-compliant land clearance with area 116.20 Ha.</li> <li>- KKINO dated 18 August 2021, there are raw non-compliant land clearance with area 477.85 Ha.</li> <li>- KJLRS dated 18 August 2021, there are raw non-compliant land clearance with area 3,823.91 Ha.</li> </ul> <p>The KBDBY and KRBTN has conducted HCV-HCS assessment by CV Greenera dated 19 to 23 October 2021. While the KNINO and KJLRS will be assessed on June 2022 by ALS- HCV. The company to be consider to realization this plan on June 2022.</p> <p>PTPN III's development of a new planting area (Muara Upu at South Tapanuli – Hapesong Estate) and there is a conversion area from crumb rubber to oil palm at Batang Toru Estate,</p>



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

Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<p>November 2018 by Samsul Ulum (license : ALS15013US) as lead assessor and some assessor members i.e R.Sukasmianto, Moh.Yasin, Bahrun, Pemi Aprilis, Devis Rachman, Ihwan Rafina, Roland Sinulingga and Endra Gunawan on behalf PT Fodec Khatulistiwa. It has carried out public consultation dated on 20 February 2018 (initial public consultation) &amp; 4 June 2018 (public consultation for the result of HCV assessment). There are some evidences that public consultations has involved stakeholders. Current condition that HCV assessment report has been satisfactory category on 23 March 2021.</p> <ul style="list-style-type: none"> <li>During audit, other the uncertified management units has not been carried out HCV assessment such as Unit of Ophir business (Ophir POM &amp; estate), Unit of Pangkalan 50 Kota business (Pangkalan 50 Kota estate), Unit of Solok Selatan business (Solok Selatan POM &amp; estate), Bukit Cermin Estate, PT Bukit Kausar &amp; PT MAJI but PTPN VI have budget &amp; the allocation activity plan year 2020 for HCV assessment in Unit of Ophir business, Unit of Pangkalan 50 Kota business and Unit of Solok Selatan business. Allocation Activity Plan year 2020 is postpone because any reduction operational cost in pandemic covid-19. PTPN VI have action plan and estimating cost for HCV assessment include of the review by HCV RN, HCS, LUCA &amp; SIA. Bunut estate &amp; POM, Batang Hari estate and Tanjung Lebar estate have estimate for finalization of HCV RN and LUCA document in year 2021. Whereas, the remain of uncertified management unit is Triwulan I and IV year 2022. Before HCV assessment will doing by RSPO ALS assessor and has review by HCV-RN so uncertified management units has carried out assessment of protected areas refer to Indonesian regulation by internal assessor.</li> </ul> <p>Batanghari Business Unit (Batanghari Estate) &amp; Bunut Business Unit (Bunut Estate &amp; POM) has submitted disclosure liability, LUCA &amp; shp file to RSPO and RSPO has responded email from auditee on 29 January 2020 where RSPO is requesting some clarifications and auditee has not been submitted email to RSPO for some clarifications which needed. It is still waiting finalization of LUCA document.</p> <p>Auditee has been submitted reporting template for disclosure of areas cleared without prior HCV assessment since Nov 2005 file on behalf other uncertified management units i.e Unit of Tanjung Lebar Business (Tanjung Lebar estate &amp; POM), Unit of Durian Luncuk Business (Aur Gading POM &amp; Durian</p>

Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<p>Luncuk Estate), Unit of Ophir Business (Ophir Estate &amp; POM), Unit of Pangkalan 50 Kota Business (Pangkalan 50 Kota estate), Bukit Cermin estate, PT Bukit Kautsar &amp; PT MAJI.</p> <p>Some management units has carried out land clearing activities (replanting or conversion activities) since November 2005 without processed by HCV identification/assessment. Based on RaCP tracker (per November 2019) in RSPO website and the result of correspondence with RSPO compensation panel that the management units under PT Perkebunan Nusantara VI have 0 management unit with potential liability because information inside of disclosure liability form &amp; LUCA still revised by auditee on behalf Unit of Batanghari Business and Unit of Bunut Business and other uncertified management units has not been submitted disclosure liability. LUCA and shp file.</p> <p>Following up one of resolution from 35<sup>th</sup> BHCVWG meeting year 2017 are pushing certified management unit to submit annex 7 &amp; 8 (compensation concept note &amp; compensation plan) to RSPO compensation panel in annual surveillance audit by each certification body according time frame which has decided in meeting. The progress of the concept note approval can be saw in indicator of 7.12</p> <p>There are some land clearing areas above year 2010 until 18 October 2016 (auditee join with RSPO) under PT Perkebunan Nusantara VI areas but New Planting Procedure (NPP) was not implemented. Based on information of NPP document that it will ensuring compliance with new planting requirement at the time of certification. After join to RSPO, there is conversion of plant type (from rubber to oil palm) year 2017 in Pangkalan 50 Kota estate and it have potential as sanction areas.</p> <p><b>2<sup>nd</sup> partial audit was conducted on 24-25 November 2021</b></p> <p>The Tanjung Lebar Business Unit postponed to February 2022, due to single membership consolidation and approval process by RSPO Secretariat and the Disclosure &amp; Liability of Tanjung Lebar is still pending. While the Disclosure &amp; Liability of Batang Hari Business Unit has approved by RSPO secretariat with Zero Liability dated 20 June 2020; the audit planned on 22 December 2021. Therefore the Disclosure &amp; Liability of Bunut Business Unit is still on process, the latest email from Indrawan Suryadi (RSPO Secretariat) dated 23 November 2021. For the Bunut Business Unit certification plan is on schedule (December 2021).</p> <p>There are also letter for SEVP Operation from Head of Planning &amp; Sustainability with number: ND-312/06.08/XI/2021 dated 25 November 2021 about RSPO certification preparation in Bunut &amp; Batang Hari Business units and also awareness criteria 7.12 RSPO P&amp;C and Risk Analysis for six</p>

Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<p>business units (Ophir, PLK, Solseil, BKC, B. Kausar, and MAI) by Consultant Inovasi Sejahtera Berkelanjutan.</p> <p><b>PTPN VII</b> Bentayan Estate, Sungai Lengi Estate, Sinabing Estate and Talopino Estate were not conducted new planting after November 2005. However the HCV identification document was not available. The HCV assessment will conducted by consultant (Bentayan Estate: 2026; Sungai Lengi Estate: 2022; Senabing Estate: 2025 and Talopino Estate: 2024).</p> <p>Senabing Estate was conducted Conversion from year of 2005 to 2010 with area 408 Ha. The LUCA assessment will be conducted by Consultant in the year of 2025.</p>
2.1.3	Any new plantings since January 1 <sup>st</sup> 2010 must comply with the RSPO New Plantings Procedure.	<p><b>PTPN III</b> PTPN III's development of a new planting area (Muara Upu at South Tapanuli – Hapesong Estate) and there is a conversion area from crumb rubber to oil palm at Batang Toru Estate, Hapesong Estate, Rambutan Estate dan Bandar Betsy Estate.</p> <p>For the new planting at Muara Upu – Hapesong Estate, the company has carried out applying NPP in accordance with this clause and the progress under reviewing of Compensation Task Force. Based on communication with PT PN III. The company still waiting for Head of District decision response, for land exchanged process since the land was included on peat moratorium area according to President of Republic of Indonesia decree letter no. 6 year 2013.</p> <p>While for a conversion area, the company has arranged the plan for conducting the NPP. The objective evidenced as follow:</p> <ul style="list-style-type: none"> <li>c. Internal Memo from Head of Management System for approval a purpose of NPP project for 4 (four) estates (Ba- tang Toru Estate, Hapesong Estate, Rambutan Estate dan Bandar Betsy Estate) dated January 25, 2018. This internal memo issued based on the initial gap assessment has conducted in January 2018.</li> <li>d. Form of Request Budget (No. 3.16/PPAB/07/2018) dated January 29, 2018.</li> </ul> <p><b>PTPN V</b> Auditee has been submitted reporting template for disclosure of areas cleared without prior HCV assessment since Nov 2005 file on behalf other uncertified management units i.e Unit of Tanjung Lebar Business (Tanjung Lebar estate &amp; POM), Unit of Durian Luncuk Business (Aur Gading POM &amp; Durian Luncuk Estate), Unit of Ophir Business (Ophir Estate &amp; POM),</p>

Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<p>Unit of Pangkalan 50 Kota Business (Pangkalan 50 Kota estate), Bukit Cermin estate, PT Bukit Kautsar &amp; PT MAJI.</p> <p>Some management units has carried out land clearing activities (replanting or conversion activities) since November 2005 without processed by HCV identification/assessment. Based on RaCP tracker (per November 2019) in RSPO website and the result of correspondence with RSPO compensation panel that the management units under PT Perkebunan Nusantara VI have 0 management unit with potential liability because information inside of disclosure liability form &amp; LUCA still revised by auditee on behalf Unit of Batanghari Business and Unit of Bunut Business and other uncertified management units has not been submitted disclosure liability. LUCA and shp file.</p> <p>Following up one of resolution from 35<sup>th</sup> BHCVWG meeting year 2017 are pushing certified management unit to submit annex 7 &amp; 8 (compensation concept note &amp; compensation plan) to RSPO compensation panel in annual surveillance audit by each certification body according time frame which has decided in meeting. The progress of the concept note approval can be saw in indicator of 7.12</p> <p>There are some land clearing areas above year 2010 until 18 October 2016 (auditee join with RSPO) under PT Perkebunan Nusantara VI areas but New Planting Procedure (NPP) was not implemented. Based on information of NPP document that it will ensuring compliance with new planting requirement at the time of certification. After join to RSPO, there is conversion of plant type (from rubber to oil palm) year 2017 in Pangkalan 50 Kota estate and it have potential as sanction areas.</p> <p><b>PTPN VII</b> Bentayan Estate, Sungai Lengi Estate, Sinabing Estate and Talopino Estate were not conducted new planting after November 2005. However the HCV identification document was not available. The HCV assessment will conducted by consultant (Bentayan Estate: 2026; Sungai Lengi Estate: 2022; Senabing Estate: 2025 and Talopino Estate: 2024). Senabing Estate was conducted Conversion from year of 2005 to 2010 with area 408 Ha. The LUCA assessment will be conducted by Consultant in the year of 2025.</p>
2.1.4	Any Land conflicts are being resolved through a mutually agreed process, e.g. RSPO Grievance procedure or Dispute Settlement Facility, in accordance with RSPO criteria 6.4, 7.5 and 7.6.	<p><b>PTPN III</b> KRBTN</p> <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>

Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<p><b>PTPN V</b> There was land conflict between PT PN V with community in Senama Nenek village, located in Sei Kencana Estate and Terantam Estate for approximately <math>\pm 2,800</math> Ha (<math>\pm 550</math> Ha under Terantam Estate and <math>\pm 2,250</math> Ha under Sei Kencana Estate). During this initial audit, this area has been released in accordance with a court decision.</p> <p><b>PTPN VI</b> PT Perkebunan Nusantara VI have SOP of implementing FPIC, SOP of communication and consultation with community, SOP of handling land conflict including procedure of calculation and compensation.</p> <p>Land compensation process has done a few time ago for some areas in uncertified management units (Unit of Bunut Business, Unit of Tanjung Lebar Business, Unit of Batanghari Business, Unit of Durian Luncuk Business, Unit of Ophir Business). The record and document of land compensation on behalf PT Bukit Kautsar has provided by auditee as example photograph of hand over land compensation payment, land compensation letter date on 21 October 2009, letter date on 21 October 2009 from head of village, statement letter date on 21 October 2009 that land owners has agreed land to acquired, measure note date on 21 October 2009, receipt note of land compensation payment, ID card and land owner letter from head of village. Whereas, PT MAJI and Unit of Bukit Cermin Business has provided sample of land compensation i.e payment receipt, photograph of land compensation activity, copy ID card, agreement of payment, statement letter of hand over and legal land.</p> <p>Community who lose access and land right for plantation areas has given the opportunity to benefit (direct and indirect) from plantation development as sample in form of scheme smallholder areas, as employee, as contractor (transportation, supplier for daily food, etc), as FFB supplier, etc.</p> <p>Refer to case tracker or status of complaints under PT Perkebunan Nusantara VI period of February 2011 to during audit that any 1 cases and it has closed based complaint panel decision (since year 2019). Further details on this case are available here:  <a href="http://www.rspo.org/members/complaints/status-of-complaints/view/26">http://www.rspo.org/members/complaints/status-of-complaints/view/26</a>. Unit of Bukit Cermin Business has provided some evidences relate of land compensation record and document from dispute/conflict areas.</p> <p><b>2<sup>nd</sup> partial audit was conducted on 24-25 November 2021</b> Based on document log book of external letter verification on the uncertified units sighted that there were no land dispute</p>



Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<p>claim from the communities during period January to October 2021.</p> <p><b>PTPN VII</b> The Senabing Estate has not been able the land use historical for the area 2,355.72 Ha. Currently also the Senabing Estate not obtained HGU from the related Agency. There are land conflict resolution in Senabing Estate (Lahat District), the land dispute was started on 14 August 1986. It has resolved dated 9 June 2011 by Minute of Land Measurement number SENA/BA382/2001 in Tanjung Makmur Village for area 1.25 Ha.</p>
2.1.5	Any Labour disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.	<p><b>PTPN III</b> Based on self assessment in KRBTN, KBDSY, KKINO and KJLRS and desk study on internet sighted that there are no labour dispute issues, since last year period until the partial audit conducted on 8-9 November 2021.</p> <p><b>PTPN V</b> There is no labour issue/dispute found during this initial certification audit.</p> <p><b>PTPN VI</b> There is a mechanism of resolving grievance and compliant from employee and industrial action. It has covered in the collective labour agreement between PT Perkebunan Nusantara VI and SP- BUN PTPN VI (labour union) period of 2020 to 2021 (article 76 – sub section XIV) and SOP of internal communication and handling employee complaint. Scope of collective labour agreement is all company employees and as a normative reference for subsidiaries. Collective labour agreement has signed by both parties and any evidence of registration about collective labour agreement from Ministry of Man Power has been shown by auditee. Based on self-assessment against uncertified management units, there is no identified labor disputes ongoing at subsidiary companies of PT Perkebunan Nusantara VI. Based on website date on 3 October 2017 that any labour dispute between Mr M.Dasuky Hajar Nasution and PT MAJI. Based on communication with representative of PTPN VI that it has followed up both parties. SP-Bun (labour union) have vital position because based on SOP of internal communication and handling employee complaint that employee's grievance &amp; complaint can be informing to labour union (SP-BUN) and organization will try to resolve complaints at the labour union level and any mechanism solving grievance and compliance from employee on collective labor agreement (CLA)</p> <p><b>2<sup>nd</sup> partial audit was conducted on 24-25 November 2021</b> The renewable of collective labor agreement period of 2022-2023 is still on process, that the final meeting in Yellow Hotel will be conducted on 25 to 26 November 2021.</p>

Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<b>PTPN VII</b> There are no labour dispute during internal audit assessment, the company will be follow up the regulation of PP 50 of 2012, PP 38 of 2011, PP 101 of 2014, and Permenaker 19 of 2012.
2.1.6	Any Legal non-compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.	<b>PTPN III</b> <b>KRBTN</b> Letter from Sumatera Utara Governor with number 520.33/145/DISPMPPTSP/5/1.5/1/2018 dated 25 January 2018 about Revision of commodity from rubber to oil palm plantation in Rambutan Estate. Revision from Rubber: 2,253.35 Ha & Oil Palm 546.41 Ha to Rubber: 1,156.95 Ha and Oil Pal 5,158.33 Ha.  There are several HGU certificate with HGU number 1 year of 1996 in Sei Bamban Village (569.32 Ha), Sei Priok Village (780.45 Ha), Paya Bagas Village (4,373.78 Ha); and also Sei Simujur Village (1) number 18 year of 2009 with area 793.15 Ha.  <b>KBDBY</b> <i>Surat Pendaftaran Usaha Perkebunan</i> with number HK.350/530/Dj.Bun.5/VII/2001 Bandar Betsy Estate with area 5,348.90 Ha with commodity rubber. Therefore conversion license from rubber to oil palm with number 503.35/271/17.42018 dated 12 February 2018 with area 116.2 Ha.  HGU on process, the latest process are Nota Dinas number 419/ND-300.HP.03.01/VII/2021 from KANWIL BPN Sumatera Utara Province dated 1 July 2021 about Renewal of HGU Bandar Betsy with area 5,348.90 Ha dated 2 July 2021.  <b>KJLRS</b> IUP on process due to revision of AMDAL document. However there are HGU number 03 year of 1994 with area 2,318.87 Ha.  <b>KKINO</b> IUP on process due to revision of AMDAL document. However there are HGU number 122 year of 1999 with area 4,632.60 Ha. Based on Self-assessment there are some conditions not yet compliance with RSPO criteria 2.1 such as: 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.

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

Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<p>Business have permit of release for forest areas from government (Minister of Forestry Decree no.260/KPTS-VII/1988 and no.418/KPTS-II/1990). Whereas, PT Bukit Kautsar have permit of release for forest areas from government too (Minister of Forestry Decree no.69/Kpts-II/1997 &amp; no.443/Kpts-II/1999 and letter from Head of Forestry Agency in Jambi Province no. S.6.802/Dishut/BIPH.1.2/XII/2015). PT Mendahara Agro Jaya Industri have permit of release for forest areas from gov- ernment too (Minister of Forestry Decree no.954/Kpts- II/1999).</p> <p>7. Plantation Business Permit (Izin Usaha Perkebunan) on be- half PT MAJI (Head of Tanjung Jabung Timur decree No.30 year 2005) and PT Bukit Kautsar - Pengabuan POM (Governor of Jambi decree No.564/KEP.Gub/Disbun/2011).</p> <p>8. Environment Document on behalf Ophir Estate &amp; POM (letter no.213/II/DAR-3/1999), Solok Selatan Estate (head of Solok Selatan District decree No.660/152/KLH-2011), Pangkalan 50 Kota Estate (head of capital investment and integration ser- vice decree no.007/IL/DPMPTSP-LK/I/2020), Aur Gading POM &amp; Durian Luncuk estate (Governor of Jambi Province decree No.171/Kep.Gub/BLHD/2009), Bukit Cermin Estate (approved by No.100.A year 2011 on 3 Octover 2011) and PT MAJI (approved by No.76 year 2007 on 23 March 2007) was available.</p> <p>A documented system relate of law requirements and mechanism to ensuring compliance with legal compliance and a system to tracking changes to the law and regulation has covered in procedure of updating law and regulation and evaluation of compliance. All uncertified management units has provided the list of relevant law and regulation and the status of compliance because the mechanism to ensuring compliance with legal compliance has been implemented.</p> <p>Auditee has provided a legal land, map of legal land and a procedure of boundary monitoring where boundary monitoring shall be conducting every month and reporting in report of boundary monitoring result. Uncertified management units has provided the report of boundary monitoring result such as Unit of Tanjung Lebar business, Unit of Batanghari business, Unit of Solok Selatan business, Unit of Pangkalan 50 Kota business, Unit of Ophir business, PT MAJI, Unit of Durian Luncuk business, Unit of Bunut business, Unit of Bukit Cermin business and PT Bukit Kautsar.</p> <p><b>PTPN VII</b> The company will be follow up the regulation of PP 50 of 2012, PP 38 of 2011, PP 101 of 2014, and Permenaker 19 of 2012.</p>

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

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

#### 3.4.1. Identification of Findings, Corrective Actions and Observations at ASA-3

<b>NCR No.</b>	: 2022.01	<b>Issued by</b>	: Briyogi Shadiwa
<b>Date Issued</b>	: 4 August 2022	<b>Time Limit</b>	: ASA-4
<b>NC Grade</b>	: Minor	<b>Date of Closing</b>	: 17 June 2023
<b>Standard Ref. &amp; Requirement</b>	<b>2.3.2</b> <b>For all indirectly sourced FFB, the unit of certification obtains from the collection centres, agents or other intermediaries, the evidence as listed in indicator 2.3.1</b>		
<b>Evidence observed (filled by auditor)</b>  <ul style="list-style-type: none"> <li>- The company shows records of FFB receipts for the period May 2020 to July 2022. In the recordings it is known that there are FFB from third parties such as: CV Abadi Jaya, PT Semut Merah Beriring and CV Doge Doge Star.</li> <li>- Based on the results of public consultations with FFB suppliers on behalf of CV Abadi Jaya, it is known that these suppliers also act as collectors of FFB from other parties.</li> <li>- The company shows proof of CV Abadi Jaya's agreement with the company (No.: ABA/CV.AI/SP-TBS/04/IX/2021) which contains information regarding the rights and obligations of the seller and buyer of FFB, including evidence of other information such as Company Registration Certificate, Address, Geolocation to Tax ID Number. However, the company has not been able to show evidence of further information related to FFB received by the collector as requested by indicator 2.3.1.</li> </ul>			
<b>Non-Conformance Description (filled by auditor):</b> The company has not been able to show evidence of information for FFB obtained indirectly.			
<b>Root Cause Analysis (filled by organization audited):</b> There is no mechanism for monitoring obligations related to legality permits, addresses, oil palm land area and geolocation of farmers who send FFB to collectors.			
<b>Correction (filled by organization audited):</b> <ul style="list-style-type: none"> <li>• Sending FFB collection documents along with information on the source of FFB to the Mill</li> <li>• Complete the STDB, NPWP, address, land area and geolocation of the farmer who sends FFB to the collectors</li> <li>• Making manager policies for collectors to send FFB source information</li> <li>• Conducting outreach regarding the policy of sending FFB source information to FFB collectors</li> </ul>			
<b>Corrective Action (filled by organization audited):</b> In order to write down the corrective action that is in accordance with the results of the root cause analysis			
<b>Assessor Evaluation and Conclusion (filled by auditor):</b>  <b>Verification Date 06 April 2023</b> The unit of certification shows evidence of improvement in the form of: <ol style="list-style-type: none"> <li>1. List of names of third party FFB suppliers along with information on legality documents for CV Abadi Jaya, CV Semut Merah Berring and CV Doge Doge Star</li> <li>2. List of third party smallholders who supply third party FFB which informs the coordinates and status of the land</li> <li>3. Memo of the Manager of the Air Batu Garden Unit dated 14 October 2022 number ABA/MU/161A.X/2022 regarding vendor obligations to provide information on FFB suppliers, including the name of the fruit owner, coordinates, and land status</li> <li>4. Socialization of third party FFB purchases to internal companies and representatives of smallholders supplying FFB</li> </ol>			



However, the unit of certification has not been able to demonstrate:

1. Results of monitoring obligations related to legality permits, addresses, oil palm area and geolocation of farmers who send FFB to collectors as written in the root cause analysis
2. Example of information on land status (SHM/SKT/SK sub-district head) and the area of land owned by supplying farmers as written in the corrective action
3. Corrective action in accordance with the root cause analysis

Conclusion :

Non-compliance is declared not fulfilled so that the non-conformity grade becomes **Minor raised to Major**

#### Verification date 6 June 2023

Please convey the root of the problem, corrective action and corrective action in each column. Based on this, the discrepancy in this indicator has not been fulfilled.

#### Verification on June 17, 2023

Evidence companies show in the form of:

- Information for FFB obtained indirectly including geolocation and land status for CV Abadi Jaya, CV Semut Merah Bering, and CV Doge Doge Star.
- Declared the PIC to be responsible for monitoring and recording evidence of information obtained indirectly from FFB, namely the quality assurance assistant.

Based on this, the discrepancy on this indicator is fulfilled.

**Verified by** : **Haikal Ramadhan Kharismansyah**

NCR No.	:	2022.02	Issued by	:	Darwin Simatupang
Date Issued	:	4 August 2022	Time Limit	:	ASA-4
NC Grade	:	Minor	Date of Closing	:	7 November 2022
Standard Ref. & Requirement	:	3.3.2 A mechanism to check consistent implementation of procedure is in place.			
Evidence observed (filled by auditor)					
<ul style="list-style-type: none"><li>• PPE requirement based on HIRAC document No. FM-4.2.1-00, for example in sterilizer station: Helmets, leather gloves and safety shoes.</li><li>• Based on the results of field observations at the sterilizer and sorting stations in Air Batu POM, it was found that several contractor workers smoked in the non-smoking area (sortation station) and did not use PPE based on the HIRAC identification set by the company.</li><li>• Based on the results of field observations and interviews on FFB Transport activities in Block R12 Afdeling 4 (contractor workers/third party) it was found that workers used PPE purchased themselves and were only given helmets from the contractor.</li><li>• Based on the results of the study of the work agreement documents between the contractor and his workers (CV Putra Mandiri and CV GAS) it was found that the workers encountered were working in the field and did not have a working relationship with the contractor.</li><li>• The company has not been able to demonstrate a mechanism related to monitoring the implementation of procedures consistently, especially regarding the fulfillment of obligations for contractor workers or third parties (eg the use of PPE and the legality of workers).</li></ul>					

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

There is not enough evidence that the company has a mechanism related to monitoring the implementation of procedures consistently, especially regarding the fulfillment of obligations for contractor workers or third parties (use of PPE and legality of workers).

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

The certification unit has not been consistent in monitoring the mechanism for fulfilling third party obligations.

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

- Conduct daily monitoring of contractor workers who work in factories to wear PPE and not smoke while working and report to assistant manager and be evaluated for reward and punishment.
- Installing no-smoking signs in the work area.
- Send proof of provision of PPE to Contractor FFB Transport workers in Afd IV.
- Ensure that vendors have sent contractor work agreement documents (CV. Putra Mandiri and CV Gas) to their workers.

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

- Conduct socialization related to the contractor's legal compliance mechanism.
- Send proof of evaluation of contractors that have been evaluated by assistant manager and approved by the manager to the planning and sustainability department of the head office once every 3 months.

**Assessor Evaluation and Conclusion (filled by auditor):**
**Verify November 7, 2022**

Companies can show documents:

- Records of socialization of vendor compliance which was held on 15 August 2022. In summary, this activity explains the fulfillment of legal compliance by third parties/vendors regarding the principles and criteria of the RSPO.
- Proof of providing PPE by CV GAS (third party contractor) to 4 workers in the form of helmets and boots.
- Documents for monitoring the use of PPE for contractor workers.
- Proof of employment agreement between the vendor/third party and the employee.
- Evaluation document for work requirements carried out by vendors for the period of October 2022.

Based on the results of verification of root cause 's identification, it is known that the company has identified the root cause of the non-conformity and can then show follow-up actions in correcting the non-conformity. The company can also identify corrective actions so that these non-conformities do not recur. Therefore, the discrepancy in this indicator **has been fulfilled and will be observed in the next audit activity**.

**Verified by** : **Darwin Simatupang**

<b>NCR No.</b>	<b>2022.03</b>	<b>Issued by</b>	<b>Rindu Galih Rezza Rachmansyah</b>
<b>Date Issued</b>	<b>04 August 2022</b>	<b>Time Limit</b>	<b>02 November 2022</b>
<b>NC Grade</b>	<b>Major</b>	<b>Date of Closing</b>	<b>13 Desember 2022</b>
<b>Standard Ref. &amp; Requirement</b>	<b>6.2.4</b> <b>The unit of certification provides adequate housing. Sanitation facilities, water supplies, medical, educational and welfare amenities to national standards or above, where no such public facilities are available or accessible. In the case of</b>		

	<b>acquisitions of non-certified units, a plan is developed detailing the upgrade of infrastructure. A reasonable time (5 years) is allowed to upgrade the structure.</b>
<b>Evidence observed (filled by auditor)</b> <ul style="list-style-type: none"> <li>Based on the results of field observations in the housing area of Afdeling 5 and Afdeling 9 workers, it was found that there were still workers' housing facilities (semi-permanent) in inadequate bathroom conditions (the bathroom was in a damaged condition) so that workers made their own emergency bathroom in the backyard of the house. This was found in Afdeling 5 as many as 1 semi-permanent house and in Afdeling 9 as many as 2 semi-permanent houses whose bathroom conditions were not proper.</li> <li>The company also has not shown any concrete programs or plans related to the improvement or monitoring of the feasibility of housing facilities.</li> </ul>	
<b>Non-Conformance Description (filled by auditor):</b> The company has not been able to ensure that all housing facilities provided to workers are in decent condition and their feasibility is monitored.	
<b>Root Cause Analysis (filled by organization audited):</b> The company already has a budget for home repairs but has not carried out activities to monitor the condition of employees' homes and realize the budget for repairs to these houses.	
<b>Correction (filled by organization audited):</b> <ul style="list-style-type: none"> <li>Making repairs to the condition of the houses found during the audit activities.</li> <li>Monitoring the feasibility of housing conditions as well as the planned housing repair budget and its realization in 2022.</li> </ul>	
<b>Corrective Action (filled by organization audited):</b> <ul style="list-style-type: none"> <li>Create a Manager's Policy regarding the employee's home improvement mechanism.</li> <li>Determine the PIC in charge of monitoring the eligibility conditions of the houses.</li> <li>Conduct outreach to employees regarding home improvement mechanisms.</li> <li>Create a 2023 home improvement program based on monitoring results.</li> </ul>	
<b>Assessor Evaluation and Conclusion (filled by auditor):</b>  <b>Verification on November 2, 2022</b> The company has determined the root causes of corrective and corrective actions related to non-conformances that arose when the audit assessment was carried out. In addition, the company shows several supporting documents such as: <ul style="list-style-type: none"> <li>Documents on the Realization and Exploitation Plan for Employee House Improvements for the 2022 and 2023 RKAP signed by the Air Batu Unit Manager on October 22, 2022 (document only in tabular form).</li> <li>Air Batu Unit RKAP documents for 2022 and 2023 where the budget for housing repairs in 2022 is Rp. 75,005,407, - and for 2023 it is Rp. 300,000,000 (The RKAP document provided is not accompanied by official approval from the leadership).</li> <li>Documents for monitoring the eligibility of employee housing for 2022, where there are still 92 houses in damaged condition and there are also several houses whose current conditions are unknown (no clear information).</li> <li>3 housing improvement programs for workers (1 unit in Afdeling 5 and 2 units in Afdeling 9) planned for 2023 according to the 2023 RKAP budget (however this document has not been signed by the Unit Manager).</li> <li>Decree of Plantation Manager/Factory of Air Batu Plantation Business Unit No. ABA/MU/kpts/03/VIII/2022 dated 12 August 2022 concerning Special Officers Responsible for Monitoring the Feasibility Conditions of Houses Related to RSPO/ISPO Air Batu Plantations.</li> </ul> <p>From the improvement evidence shown above, there are still a number of things that require additional evidence or additional information, such as:</p> <ul style="list-style-type: none"> <li>Determining the root of the problem so that it is considered and reconfirmed, because the company has had a home improvement budget since 2022 but nothing has been realized since January until the audit was carried out.</li> <li>Determination of corrective actions that have not been implemented and adapted to the new root causes, because the evidence sent is only in the form of a corrective plan and has not shown evidence that it has been realized.</li> <li>Determination of corrective actions that have not been fully demonstrated and adapted to the new root causes, due to the condition of damaged houses based on monitoring results of 92 houses but only 3 houses are planned to be repaired.</li> </ul>	

- Please for every proof of repair that is sent has an official validation (signature of the party having authority over the document) so that all documents can be declared valid.

Based on this, the discrepancy in this indicator is declared not fulfilled.

**Verification on December 16, 2022**

Companies can show additional evidence to resolve discrepancies that arise in the surveillance assessment, namely:

- Budget Documents for Employee Housing Improvements in 2022 and 2023 approved by the Air Batu Unit Manager. The Budget has been included in the 2022 and 2023 RKAP (Company Work Plan and Budget) documents.
- Documentation (photos) of worker housing improvements in 2021.
- Documents Monitoring the eligibility of employee houses for 2022 which was carried out on December 2, 2022, where the result is 112 units of employee houses that are in good condition, 329 units in moderate condition and 34 units in bad condition.
- The 2023 Employee Housing Improvement Program document which was approved by the Air Batu Unit Manager on December 2, 2022 for a total of 31 housing units and repairs started from March to December 2023.
- Program Documents and realization of employee housing in 2022 in which improvements have been realized for 3 employee houses in afdeling 5 for 1 house and afdeling 9 2 houses (total 3 houses).
- Socialization document on monitoring and housing conditions for employees which was held on 04 October 2022 and was attended by 22 people in Afdeling 5.
- Socialization document on monitoring and employee housing conditions held on 11 October 2022 and attended by 21 people in Afdeling 9.
- Repairing and providing bathroom facilities in the Afdeling 5 housing complex with 1 house and 2 houses in Afdeling 9.
- The Manager's Policy Document related to the Employee Home Repair Mechanism, which states that the house must be well cared for by the occupants, the company must carry out routine monitoring regarding the condition of the house and if there is damage, the company will repair it.

Based on the objective evidence, the non-conformity has been fulfilled.

**Verified by** : **Rindu Galih Rezza Rachmansyah**

NCR No.	:	2022.04	Issued by	:	Rindu Galih Rezza Rachmansyah
Date Issued	:	04 August 2022	Time Limit	:	ASA-4
NC Grade	:	Minor	Date of Closing	:	17 June 2023
Standard Ref. & Requirement	:	6.2.7 Permanent fulltime employment is used for all core work performed by the unit of certification. Casual, temporary and day labour is limited to jobs that are temporary or seasonal.			
Evidence observed (filled by auditor)					
<ul style="list-style-type: none"><li>Based on the results of field observations and interviews with harvesters in Block L16 Afdeling 1 and Block R12 Afdeling 4, it was found that there are still 10 harvesters who are still contract worker (PKWT) workers in Afdeling 1 and 14 people in Afdeling 4 who have been working since 2021.</li><li>Based on the results of the review of the labor list document for the period of July 2022, it is known that currently the company still has workers with contract worker (PKWT) status as many as 76 people who work in Afdeling 1-9 and have been working since July 2021 and February 2022.</li><li>The company can also show a work agreement between contract worker (PKWT) workers and the company for 10 contract worker (PKWT) workers in Afdeling 1. For example, work agreement no. ABA/S.Perj/167/VII/2022 and No. ABA/S.Perj/182/VII/2022 dated 01 July 2022 which is valid for 3 months (31 September 2022).</li><li>The company has a Board of Directors Regulation of PT Perkebunan Nusantara III (Parent Company of PT Perkebunan</li></ul>					

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 on the Implementation of Acceptance of PKWT in article 15 it is explained that this contract worker (PKWT) is made for certain jobs according to the type and nature or activity. the work will be completed in a certain time like:

- ❖ 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.

In addition, the document also explains related to the recording of contract worker (PKWT) which must comply with the provisions of the applicable regulations (Article 21).

- 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 addition, related to the registration of contract worker (PKWT), it has been regulated in Article 14 which states that the recording of contract worker (PKWT) to the local manpower sector is carried out no later than 7 days from the signing of the contract worker (PKWT).
- In Government Regulation No. 35 of 2021 in the contract worker (PKWT) section explains that contract worker (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 once completed and temporary work).
- Proof of PKWT registration for as many as 45 contract worker (PKWT) workers on July 25, 2022 to the Manpower Office of Asahan Regency, while for the other 31 contract worker (PKWT) workers no proof of registration has been shown to the relevant agencies.

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

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

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

There is no approval for the appointment of harvesting employees from the Plantation Holding and the PIC has not recorded contract worker as many as 31 people at the Manpower Office

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

- Documents for contract worker registration to the Manpower Office of 31 people.
- Memo of Application for Appointment of Harvest Employees to HR Unit.

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

- Coordinate with the HR Office of the Board of Directors regarding the fulfillment of harvest employees.
- Make Monitoring contract worker Reporting Schedule.

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

**Verify November 02, 2022**

The company has determined the root causes of corrective and corrective actions related to non-conformances that arose when the audit assessment was carried out. In addition, the company shows several supporting documents such as:

- PTPN IV 2022 Employee Acceptance Document dated 29 August 2022 with Letter No. 04.07/SE/30/VIII/2022 where PTPN IV states that since this letter was issued PTPN IV is accepting permanent workers with class IA/0 until September 9, 2022.
- Evidence of registration of 31 contract workers to the Asahan District Manpower Office on August 4, 2022.

From the improvement evidence shown above, there are still a number of things that require additional evidence or additional

information, such as:

- Determining the root of the problem to be considered and reconfirmed, because it still hasn't stated the root of the problem, proof of registration of 31 contract workers cannot be shown.
- Determination of corrective actions that have not been implemented and adapted to the new root causes.
- Determination of corrective actions that have not been implemented and adapted to the new root causes.
- Please for every proof of improvement sent is a document that can be read and clearly seen by the auditor.

Based on this, the discrepancy in this indicator is declared not fulfilled.

#### **Verification date December 13, 2022**

Companies can show additional evidence to resolve discrepancies that arise in the surveillance assessment, namely:

- Letter No. ABA/X/151/XI/2022 dated 07 November 2022 concerning the List of PKWT Names that will be registered as contract worker from the company to the Kisaran District Manpower Office.
- Document proof of registration No. 3867/III-DKT/XI/2022 dated 07 November 2022 from the Asahan Regency Manpower Office which stated that PTPN IV Air Batu Unit had registered 31 workers with their contract worker status.
- Attachment of proof of contract worker registration to the Manpower Office, such as a list of names of workers (31 people) along with the workers' Social Security Agency on Health card numbers.

From the improvement evidence shown above, there are still a number of things that require additional evidence or additional information, such as:

- Additional evidence according to the root of the problem determined.
- Additional evidence in accordance with the prescribed corrective actions.
- Additional evidence in accordance with the prescribed corrective actions.

Based on this, the discrepancy in this indicator is declared not fulfilled.

*Follow up on next audit (filled by auditor):*

#### **NCR Minor repair verification dated 06 April 2023**

The company showed that there were 37 people recording PKWT harvest on December 7, 2022 and recording contract worker harvest on January 5, 2023, as many as 115 people. In addition, there are 4 outsourced personnel with contract worker status who are placed in the mill processing section.

Verification during the next audit assessment:

- Employee list for the period March 2023, it is known that there are 115 harvest workers with contract employee status and 4 processing employees with outsourced status.
- The company shows the work agreement of outsourced workers with PT KNJ, for example personnel with the initials DP and IYP who signed a work agreement on February 1, 2023, but with contract worker status.
- The company shows the calculation of the need for harvesting workers for the period of March 2023, it is known that the need for harvesting workers is 337 people while the actual supply is currently as many as 302 people (Employees themselves: 187 and contract worker: 115) so there is a shortage of 35 people.
- Based on the contract worker agreement between workers and companies, for example workers with the initials A and EV, it is known that the agreement was signed on July 1, 2021. The company also shows the results of the employee assessment for the 2022 period with the contract worker recommendation being extended.
- Government Regulation No 35 of 2021 concerning contract worker, outsourcing, working time and rest time, and termination of employment in article 4 paragraph 2 states that contract worker cannot be held for permanent jobs.
- Decree GAPKI Central Management No. SK/002/PPG/II/2013 concerning the flow of work implementation processes in the oil palm plantation business sector states that harvesting and processing FFB into CPO is the main work.

Based on this, the non-compliance with this indicator has not been fulfilled because until now it has not been able to show enough



evidence that all the main work has been done by permanent workers so that the non-conformity category becomes Minor raised to Major

**Verification date 6 June 2023**

Please convey the root of the problem, corrective action and corrective action in each column. Based on this, the discrepancy in this indicator has not been fulfilled.

**Verification on June 17, 2023**

The company shows evidence in the form of:

- The company shows proof of approval for the appointment of harvest contract worker to permanent worker through a letter from the HR Director of PTPN III on June 12, 2023.
- The company shows a time plan for hiring contract harvest workers to become permanent worker referring to PTPN III's approval.

Based on this, the discrepancy in this indicator is fulfilled.

**Verified by** : Rindu Galih Rezza Rachmansyah/Kiki Fadli

NCR No.	:	2022.05	Issued by	:	Rindu Galih Rezza Rachmansyah
Date Issued	:	04 August 2022	Time Limit	:	ASA-4
NC Grade	:	Minor	Date of Closing	:	13 Desember 2022
Standard Ref. & Requirement	:	6.7.4 All workers are provided medical care and covered by accident insurance. Costs incurred from work related incidents, leading to injury or illness, are covered in accordance with applicable regulations or by the unit of certification if applicable regulations do not provide protection.			
Evidence observed (filled by auditor) <ul style="list-style-type: none"><li>• The company has a CLA for the period 2022-2023 which has been ratified by the relevant agencies and is still valid today. In the CLA in Chapter VI Article 45 explains that the company provides health care to workers with their bodies (wife and children) in the BPJS Health program. For Workers' Social Security, it has also been regulated in Chapter VIII Article 52 which explains that companies are required to register their workers in the BPJS Employment program (JKK, JKM, JHT and JP).</li><li>• Based on a review of the labor list document for the period of July 2022, it is known that the company has 666 workers who are permanent workers and 76 workers with contract worker (PKWT) status.</li><li>• The company can show proof of payment of BPJS Health and Employment for permanent workers (666 people) of the company for the period July 2022, while for workers with contract worker (PKWT) status as many as 76 people cannot be shown.</li></ul>					
Non-Conformance Description (filled by auditor): <p>The company has not been able to prove that all workers (including contract worker) have been provided with health services and are protected by work accident insurance in accordance with the provisions of the CLA and related government regulations.</p>					
Root Cause Analysis (filled by organization audited): <p>The PIC Certification Unit does not coordinate with the Head Office HR Section to send Proof of Payment for Social Security Agency on Labor and Health every month specifically for contract worker.</p>					
Correction (filled by organization audited): <ul style="list-style-type: none"><li>• Send proof of payment for Social Security Agency for contract workers.</li></ul>					

- Sending a letter to the HR Bag asking for Proof of Payment for the November Social Security Agency Update.

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

Monitor requests for Social Security Agency contract workers data to the Head Office HR department.

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

**Verify November 02, 2022**

The company has determined the root causes of corrective and corrective actions related to non-conformances that arose when the audit assessment was carried out. In addition, the company shows several supporting documents such as:

- Contract workers workforce list documents for 76 people along with KPJ Numbers for Social Security Agency on labor which have been sent to the Asahan District Employment Office and have received proof of registration from the agency with Recording Evidence No. 2841/III-DKT/VIII/2022 dated 09 August 2022.
- 10 contract workers workforce registration documents who already have Social Security Agency on Health membership numbers.

From the improvement evidence shown above, there are still a number of things that require additional evidence or additional information, such as:

- Determining the root of the problem to be considered and reconfirmed, because it still hasn't stated the root of the problem, proof of registration of 31 contract workers cannot be shown.
- Determination of corrective actions that have not been implemented and adapted to the new root causes
- Determination of corrective actions that have not been implemented and adapted to the new root causes.
- Please for every proof of improvement sent is a document that can be read and clearly seen by the auditor.
- Please show proof of payment and details of the number of contract workers paid for 76 people for Social Security Agency on Health and Employment.

Based on this, the discrepancy in this indicator is declared not fulfilled.

**Verification date December 13, 2022**

Companies can show additional evidence to resolve discrepancies that arise in the surveillance assessment, namely:

- Proof of Social Security Agency on Health payments for contract workers from August - November 2022, where the last Social Security Agency on Health payments were made on November 16, 2022.
- Proof of payment for Social Security Agency on labor for contract workers from August to November 2022, where the last Social Security Agency on Health payment was made on November 30, 2022.
- The list of contract workers as many as 76 people who have registered their Social Security Agency on Health and Employment membership numbers will be updated in November 2022.
- Memo No. ABA/04.07/eM-422/XII/2022 dated 02 December 2022 from the Air Batu Unit Manager in relation to a request for proof of payment for BPJS Health and Employment which is requested routinely every month from the HR Section at the Medan directors' office.
- Documents for Monitoring Requests for Proof of Payment for Social Security Agency on Health and Employment from the period August to December 2022 and the 2023 period. Where in the 2022 period proof of payment has been routinely requested from August to November 2022.

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

<b>Verified by</b>	<b>:</b>	<b>Rindu Galih Rezza Rachmansyah</b>
--------------------	----------	--------------------------------------

**3.4.2. Identification of Findings, Corrective Actions and Observations at ASA-4**

<i>NCR No.</i>	:	<b>2023.01</b>	<i>Issued by</i>	:	<b>Haikal Ramadhan K</b>
<i>Date Issued</i>	:	<b>06 April 2023</b>	<i>Time Limit</i>	:	<b>05 July 2023</b>
<i>NC Grade</i>	:	<b>Major</b>	<i>Date of Closing</i>	:	<b>01 July 2023</b>
<i>Standard Ref. &amp; Requirement</i>	:	<b>2.1.1</b> <b>The unit of certification complies to relevant regulations.</b>			
<b>Evidence observed (filled by auditor):</b> 1. Decree of the Minister of Public Works and Public Housing Number 285/KPTS/M/2021, regarding the Granting of Water Resources Exploitation Permits to the Limited Liability Company Perkebunan Nusantara IV for Oil Palm Processing in the Hessa River, Asahan Regency, Sumatra Utara Province, March 9, 2021, period valid 2 years. The permit states: a. In part DECIDES letter C, the permit to exploit water resources as referred to in Letter A of the First DIKTUM is granted for a period of 2 (two) years from the enactment of this Ministerial Decree, in Letter D The permit period as referred to in Letter C of the First Dictum may be extended subject to the provisions no later than 3 (three) months before the license expires, the permit holder must apply for a license extension b. Letter B Sixth Dictum In addition to the permit revocation provisions referred to in letter A of the SIXTH DICTUM, a permit is declared invalid if: 1 the validity period of the water resources exploitation permit ends 2. Letter Number: 04.01/X/128/III/2023, dated March 8, 2023, Regarding Application for Extension of Underground Water Permits to the Governor of North Sumatra cq. Head of the One Stop Integrated Investment and Licensing Service Office, for underground water permits for Air Batu Gardens (Emplasmen Afdeling I – IX)					
<b>Non-Conformance Description (filled by auditor):</b> The unit of certification has not been able to provide sufficient evidence: 1. The process of extending the Water Resources Exploitation Permit which ended on March 9, 2021. 2. Submission of an application for an extension of the Underground Water Permit (ABT) for the Air Batu Plantation.					
<b>Root Cause Analysis (filled by organization audited):</b> There is no PIC who has conducted monitoring of the validity period of permits in the plantation unit and Air Batu Mill.					
<b>Correction (filled by organization audited):</b> 1. Make a Letter to the Legal Asset Department regarding the Management of ABT Permits that have Expired. 2. Sending the results of the Recommendations given from the legal Asset sub bag. 3. Create SK PIC which monitors validity period of permits.					
<b>Corrective Action (filled by organization audited):</b> Monitoring the validity period of the permit (Available Document).					
<b>Assessor Evaluation and Conclusion (filled by auditor):</b>  <b>Verification date 6 June 2023</b> The company has shown evidence of improvement in the form of: <ul style="list-style-type: none"> <li>• Memo of application for extension from the unit to the Secretariat Section of the Office of the Board of Directors of PTPN IV on 3 May 2023.</li> <li>• List of monitoring permits with information on the validity period.</li> <li>• Decree stipulation of PIC in monitoring and evaluation related to license validity period.</li> </ul> However, the company has not been able to demonstrate corrective action, namely the results of the recommendations given from					

the legal assets sub bag, so that the discrepancy in this indicator has not been fulfilled.

**Auditor Verification June 14, 2023:**

The company shows evidence of improvement as follows:

- Letter Number: 04.01/X/128/III/2023, dated March 8, 2023, Regarding Application for Extension of Underground Water Permits to the Governor of North Sumatra cq. Head of the One Stop Integrated Investment and Licensing Service Office, for underground water permits for Air Batu Gardens (Emplasmen Afdeling I – IX).

The evidence presented above is evidence that has been verified during the audit, the company has not been able to show:

1. Evidence of submitting the results of the recommendations given from the legal asset sub bag
2. Efforts to extend the surface water utilization permit process which ended on March 9, 2023 (Decree of the Minister of Public Works and Public Housing Number 285/KPTS/M/2021, regarding the Granting of Water Resources Exploitation Permits to Limited Liability Company Perkebunan Nusantara IV for Oil Palm Processing in the Hessa River, Asahan Regency, North Sumatra Province, March 9, 2021, validity period of 2 years).
3. Proof of submission of Letter Number: 04.01/X/128/III/2023, dated March 8, 2023, Regarding Application for Extension of Underground Water Permits to the Governor of North Sumatra cq. Head of the One-Stop Integrated Investment and Licensing Service Office, for underground water permits for Air Batu Estate (Emplasmen Afdeling I – IX) to the One-Stop Integrated Investment and Licensing Service Office of North Sumatra Province.

Based on the verification results above, the evidence is insufficient and the 2023.01 discrepancy cannot be closed yet.

**Auditor Verification July 1, 2023**

The company shows the latest documents, namely:

1. Letter Number 27/KH.DTL/S-PERNY/VI/2023, dated 05 June 2023, regarding the ABT Permit Arrangement Statement, from the Advocate and Legal Consultant Office, Law Firm Dicky Tarigan, stating that the licensing process is handled by the Law Office is currently in the process of submitting application documents to the OSS system, and is waiting for the permit to be issued.
2. Screen Shoot Web OSS, contains information on applications for renewal of new groundwater concession permits. PTPN 4, with status awaiting verification of document completeness, June 5, 2023.

Based on the above, the discrepancy in this indicator has been fulfilled by observation in the next assessment.

*Follow up on next audit (filled by auditor):*

<b>Verified by</b>	<b>:</b>	<b>Haikal Ramadhan Kharismansyah</b>
--------------------	----------	--------------------------------------

<b>NCR No.</b>	<b>:</b>	<b>2023.02</b>	<b>Issued by</b>	<b>:</b>	<b>Haikal Ramadhan Kharismansyah</b>
<b>Date Issued</b>	<b>:</b>	<b>06 April 2023</b>	<b>Time Limit</b>	<b>:</b>	<b>Next Surveillance</b>
<b>NC Grade</b>	<b>:</b>	<b>Minor</b>	<b>Date of Closing</b>	<b>:</b>	
<b>Standard Ref. &amp; Requirement</b>	<b>:</b>	<b>2.1.2</b> A documented system for ensuring legal compliance is in place. This system has means to track changes to the law and also includes listing and evidence on evaluation of legal compliance of all contracted third parties, such as: recruitment agencies, service provider and labour contractor.			
<b>Evidence observed (filled by auditor):</b> -					
<b>Non-Conformance Description (filled by auditor):</b> The unit of certification has not been able to show the Compliance Evaluation Report document on Legislation, Regulations and Other Requirements Related to the Application of RSPO/ISPO as stipulated in the Procedure for Identification and Access to Environmental Regulations and Other Regulations (PL-MR-02).					
<b>Root Cause Analysis (filled by organization audited):</b> There is no PIC yet to evaluate statutory regulations.					
<b>Correction (filled by organization audited):</b> <ul style="list-style-type: none"> <li>• Making Monitoring evaluation of laws and regulations.</li> <li>• Create decree PIC which conducts monitoring of laws and regulations.</li> </ul>					
<b>Corrective Action (filled by organization audited):</b> Conduct training for PICs related to making statutory evaluation reports.					
<b>Assessor Evaluation and Conclusion (filled by auditor):</b>  <b>Verification date 6 June 2023</b> The company shows evidence of improvement in the form of: <ul style="list-style-type: none"> <li>• Decree PIC which conducts Monitoring of laws and regulations with No. ABA/MU/kpts/22/V/2023 on 6 May 2023.</li> <li>• Evaluation of the company's compliance with relevant laws and regulations.</li> </ul> However, the company has not shown evidence, namely: <ul style="list-style-type: none"> <li>• In corrective action, to be able to complete the document update date and to be sure that the relevant regulations have been evaluated, such as government regulations 35 of 2021, government regulations 36 of 2021, etc.</li> <li>• In terms of corrective action, training has not been shown to the PIC regarding making statutory evaluation reports.</li> </ul> Based on this, the discrepancy in this indicator has not been fulfilled.					
<b>Follow up on next audit (filled by auditor):</b>					
<b>Verified by</b>	<b>:</b>				

<i>NCR No.</i>	:	2023.03	<i>Issued by</i>	:	Haikal Ramadhan Kharismansyah
<i>Date Issued</i>	:	06 April 2023	<i>Time Limit</i>	:	Next Surveillance
<i>NC Grade</i>	:	Minor	<i>Date of Closing</i>	:	17 June 2023
<i>Standard Ref. &amp; Requirement</i>	:	2.1.3 Legal or authorized boundaries are clearly demarcated and visibly maintained and there is no planting beyond these legal or authorized boundaries.			
<b>Evidence observed</b> (filled by auditor): The unit of certification has procedures for monitoring and maintaining HGU stakes listed in document No. SPO 12.0 (Rev.02) dated 02 January 2015 which states that monitoring and maintenance of stakes is carried out every semester. Based on the monitoring results of the HGU benchmarks which were last implemented in December 2022, there is information as follows: <ul style="list-style-type: none"><li>• Afdeling I → A total of 72 stakes with details of 51 good conditions; broken 9 pieces; and missing 12 pieces.</li><li>• Afdeling II → A total of 36 stakes with details of 34 good conditions and 2 missing.</li><li>• Afdeling III → A total of 36 stakes with details of 36 good conditions.</li><li>• Afdeling IV → A total of 61 stakes, 60 of which are in good condition and 1 is missing.</li><li>• Afdeling V → A total of 44 stakes with details of 44 in good condition.</li><li>• Afdeling VI → A total of 58 stakes, 4 of which are damaged and 5 are missing.</li><li>• Afdeling VII → A total of 66 stakes with details of 3 in damaged condition and 63 in good condition.</li><li>• Section VIII → A total of 43 stakes, with details of 1 damaged, 20 missing and 22 in good condition.</li><li>• Afdelin IX → A total of 36 stakes with details of 16 missing and 20 in good condition.</li></ul> Based on the results of field visits to stakes No. 162 and 163 Afdeling VII; stakes No. 136 and 137 Afdeling; stake No 79 Afdeling VI; stakes No. 66 and 66A Afdeling V; HGU stake No. 37 Afdeling III and HGU stake No. 31 Afdeling 2 are known to be in good condition according to monitoring results.  Management said that they had made progress on repairing and re-installing missing/damaged stakes and were currently entering the stage of ordering materials for field stake installation. However, up to the time the assessment was completed, documentation related to this matter could not be shown.					
<b>Non-Conformance Description</b> (filled by auditor): The unit of certification has not been able to show sufficient evidence that it has consistently maintained its boundary markers (HGU benchmarks) as stipulated in its own procedures.					
<b>Root Cause Analysis</b> (filled by organization audited): Lack of Unit coordination with the Asset Legal Sub-Section in the Directors' Office, where the maintenance and construction of HGU markers is the responsibility of the Assets Legal Sub-Section in the Directors' office.					
<b>Correction</b> (filled by organization audited): <ul style="list-style-type: none"><li>• Shows the last Boundary monitoring.</li><li>• Demonstrate approval of the budget for the maintenance and development of HGU stakes.</li></ul>					
<b>Corrective Action</b> (filled by organization audited): Monitoring the timeline of boundary marker improvement activities.					
<b>Assessor Evaluation and Conclusion</b> (filled by auditor):					
<b>Verification date 6 June 2023</b>					



The company shows evidence of improvement in the form of:

- Decree PIC in monitoring the inspection of stakes on 6 May 2023.
- Letter of application for the need for new installation or repair of boundary stakes to the Corporate Secretariat Section of the Office of the Directors on May 3, 2023.

However, companies need to evaluate and show evidence, namely:

- On the root of the problem, to re-evaluate the root cause of the non-conformity.
- In corrective action, to re-evaluate the corrective action taken to adjust the root of the problem that has arisen.
- In corrective action, to be able to show monitoring of the timeline for boundary improvement activities.

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

#### **Verification on June 17, 2023**

The company has provided evidence in the form of approval for the budget for maintenance and construction of HGU stakes and planned activities for 2023.

Based on this, the discrepancy on this indicator is fulfilled.

*Follow up on next audit (filled by auditor):*

**Verified by** : **Haikal Ramadhan Kharismansyah**

<i>NCR No.</i>	:	2023.04	<i>Issued by</i>	:	Sentot Adi Subandono
<i>Date Issued</i>	:	06 April 2023	<i>Time Limit</i>	:	05 July 2023
<i>NC Grade</i>	:	Major	<i>Date of Closing</i>	:	05 July 2023
<i>Standard Ref. &amp; Requirement</i>	:	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):					
1. Fire emergency response facilities at the Air Batu Factory and Estate					
<ul style="list-style-type: none"><li>Study of the Decree of the Minister of Manpower number 186 of 1999 concerning Fire Fighting Units in the Workplace – Appendix 1 - it is known that the vegetable oil factory is included in the Moderate fire classification 3, namely a workplace that has a high number and combustibility, and when a fire occurs it releases heat high, so the fire spread quickly. Article 2 regulates the obligation of entrepreneurs to prevent, reduce and extinguish fires by providing fire extinguishers and means of evacuation.</li><li>The results of a review of the lay out document for the Air Batu Factory fire extinguisher found that there was 1 hydrant in the kernel area.</li><li>Based on the review of the APAR List documents, it was found that there were 32 APAR units in the Air Batu Factory, and 61 APARs in Afdeling I to IX, as well as other support areas.</li><li>The results of a review of the HIRADC PKS document for the 2023 period which was ratified on 11 January 2023, it is known that there is no risk identification regarding fire risks, such as (but not limited to) in the engine room area where there is a fuel tank for generators, as well as the Boiler/boiler area where there is a pile of shells as a fuel stock.</li><li>The results of field observations at the Air Batu Factory are known as follows:<ul style="list-style-type: none"><li>There are no evacuation routes, evacuation direction signs, and visitor lines in the office area and the Air Batu Factory area.</li><li>Only has 1 hydrant in the kernel station area, equipped with 1 nozzle and 1 hose with a length of ±25 m. Simulations have been carried out with the result that the nozzle burst does not reach the highest point in the PKS.</li></ul></li></ul>					

- APAR at TPS LB3 does not work (no powder comes out).
- Workers in the empty bunk area work while smoking.
- Drivers transport FFB in the smoking sorting area.
- The results of observations in Afdeling 2,3,5,6,7, and 8 show that land fire management infrastructure owned, such as sand, axes, and keypok, have not fully referred to fire prevention facilities, referring to Permentan 5 of 2018. It is also known that the facilities and infrastructure for fire prevention have not been shown.

## **2. Organization of P2K3 PTPN IV - PKS and Air Batu Estate**

The results of the review of the Minister of Manpower Regulation number 4 of 1987 found that employers who employ 100 people or more are required to form P2K3 which is determined by the appointed Minister/Official.

The results of the document review are known:

1. Decree of the Head of the North Sumatra Province Manpower Office number 566/363-7/DTK/SU/IX/2022 concerning Ratification of PTPN IV P2K3 Structure of the Air Batu Factory number ABA/X/77/VII/2022 dated 11 July 2022 which was ratified on 30 September 2022 with a secretary under the name Christian Doly R Marpaung.
2. PTPN IV estate and factory Air Batu factory electronic memo number ABA/04.07/eM-233/VII/2022 dated 16 July 2022 to the Head of HR regarding employee assistance (Medan Directors Office) on behalf of Christian Doly R Marpaung to the estate/factory Air Batu for the RSPO Internal Audit from 25 July to 05 August 2022. This shows that the employee has been working at the Office of the Board of Directors since July 2022. This is corroborated by the results of an interview with the PIC DSS (Document System and Certification) which explains that Christian workers Doly R Marpaung has been transferred to the Medan Board of Directors Office since July 2022.
3. The P2K3 Report for Quarter 4 of 2022 dated January 4, 2023, states that the Secretary of P2K3 is Nurazman, who has not been shown the approval decree.
4. K3 Expert authority card for PTPN IV with the name Nurazman with register number 1802121222/Q-AK3U/12/XII/2022 as of 12 December 2022 which is valid until 12 December 2025. It was informed that he currently serves as General AK3 of PTPN IV estate and the Air Batu factory, but the approval letter has not been shown.
5. Cover letter for Approval of P2K3 management for the 2023 period with number ABA/X/03/IV/2023 to the UPT Labor Inspection Region IV of North Sumatra Province, which was sent when the audit was carried out on April 5 2023. It is known that the secretary of P2K3 was submitted under the name Nurazman, which until the audit was completed had not received response information from the Terait Office.

### **a. Health Check for all workers**

8. The results of a review of the Regulation of the Minister of Manpower and Transmigration number 02 of 1980 stated, among others in article 3:

- a. The Periodic Medical Examination is intended to maintain the health status of workers after being in work, as well as to assess possible effects from work as early as possible which need to be controlled with preventive measures.
- b. All companies must conduct periodic health checks for workers at least once a year.

9. Results of the review of Health Examination K3 Procedures with code 4.3.15 revision 0 dated 11 March 2022 which regulates, among other things, managers scheduling special Health checks, especially

10. The results of a review of the P2K3 Report document for quarter 4 of 2022 updated on January 4, 2023, it is known that the company has 645 workers and 76 administrators.

11. The results of a review of the document on the results of the GMCU Report of Pabatu Hospital for 2022 in the Air Batu plantation, it is known that health checks have been carried out for 55 employees on 5 – 8 December 2022, with the category of 28 pesticide handlers, 8 chemical handlers, and 19 periodic, with examination of vital signs (physical and eye), ECG, chest photo, and laboratory (including CHE for pesticide handlers). This means that not all workers get periodic health checks according to

regulations.

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

Thus it can be concluded that:

- a. The unit of certification has not been able to show sufficient evidence that it has sufficient fire management infrastructure to deal with emergencies at the PKS including forest and land fire prevention facilities according to Minister of Agriculture Number 5 of 2018.
- b. The unit of certification has not been able to show sufficient evidence that the structure of the P2K3 owned has been approved by the relevant agency.
- c. The company's medical examination procedures do not refer to the Regulation of the Minister of Manpower and Transmigration number 02 of 1980 and not all workers have received periodic health checks according to the Regulation of the Minister of Manpower and Transmigration number 02 of 1980.

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

- PIC Lacks Understanding regarding the implementation of OHS and Management of Emergency Situations according to Minister of Agriculture Regulation No. 5 of 2018.
- The PIC in the certification unit does not understand the Regulation of the Minister of Manpower and Transmigration No. 2 of 1980 which must carry out Periodic Checks on all Employees.

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

1. Documentation of Completeness of Fire Infrastructure in accordance with Minister of Agriculture No. 5 of 2018.
2. Make Hirac work on the engine room area where there is a fuel tank for generators, as well as the Boiler/boiler area where there are piles of shells as fuel stock.
3. Make evacuation routes, evacuation direction signs, and visitor lines in the office area and the Air Batu Factory area.
4. Lay out Mill The need for hydrants in the kernel station area, equipped with 1 nozzle and 1 hose with a length of  $\pm 25$  m. (Distance between Hydrants 50 Meters).
5. Sending a simulation with the result that the nozzle burst does not reach the highest point in the mill.
6. Documentation of APAR replacement at temporary storage of hazardous and toxic waste does not work.
7. Documentation of signs prohibiting smoking in each area Mill.
8. Conduct periodic health checks for all employees.
9. Reporting on the OHS Committee Officer Management Process.

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

- Training for PICs regarding the OSH Program at the Air Batu Unit.
- Implementation of OHS Program monitoring and sending evidence of its implementation to the rensus division.

**Assessor Evaluation and Conclusion (filled by auditor):**
**Auditor Verification 22 May 2023**

Correction plan has been received, please show proof of improvement (for those that have not been shown) and its implementation. The company also shows evidence of improvement, as follows:

- Monitoring of fire infrastructure, but has not shown document updates and proof of the readiness of these tools and resources to anticipate fire prevention.
- Minutes of dissemination of OSH implementation & smoking ban at mill to mill workers at all levels, on April 25 2023, but socialization has not been shown for third parties who are active in PKS. Please indicate.
- Letter of application for approval from P2K3 PTPN IV Plantation/Air Batu Plantation management for the 2023 period, number ABA/X/78/V/2023 dated 03 May 2023, with the chairman initials EJ and secretary initials Nzm.
- Decree of the plantation manager/factory unit of the rock water plantation business unit number ABA/MU/kpts/26/V/2023 dated 06 May 2023 concerning the Special Officer Responsible for monitoring and evaluating fire infrastructure facilities, with the initials ZAS.
- Letter of request for GMCU schedules for all employees from Managers to company doctors, dated 03 May 2023.

**Conclusion May 22, 2023**

Based on this, the discrepancy is declared not fulfilled.

**Auditor Verification 16 June 2023**

The company shows additional evidence of improvement as follows:

- Decree of the Head of the North Sumatra Province Manpower Office number 500.1518/157-7/DISNAKER/V/2023 dated May 22, 2023, concerning Ratification of OHS Committee PTPN IV Air Batu Plantation/Factory, with Chair Erwin Juliawan and Secretary Nurazman.
- Documentation of evacuation routes and gathering points outside the factory, as well as the plantation office.
- Documentation of making visitor lines inside the factory and signs for evacuation directions inside the factory. Please show the lay out plan for making a visitor line.
- Report on the results of periodic inspections of the Air Batu Plantation and Factory for the inspection period 25 April 2023 to 13 June 2023 for 629 workers, with all healthy results. Please show a document informing the medical examiner and the signature of the approval from the doctor and/or the authorized party.
- The documentation for the replacement of the APAR did not work for temporary storage of hazardous and toxic waste, but no information was given on the implementation of the replacement and the signature on the validation of the document (already available on 30 June 23).
- List of shortages of fire equipment for the garden/water stone factory unit (no update date information), accompanied by a request to purchase fire equipment as of January 2, 2023 by the Manager. It also shows the 2023 Budget which does not specifically address the procurement of fire infrastructure. Silk will show management / budget approval for the procurement of fire equipment according to the request of the plantation / factory manager.
- Mill fire hydrant simulation (no date information please add). This will be observed again in the next audit.

There are several notes (bold and yellow), please complete.

**Auditor Verification 30 June 2023**

The company shows evidence of improvement, as follows:

- Results of GMCU examination of all plantation and factory employees on May 22, 2023, a total of 574 workers concluded that all were healthy.
- The layout of the Air Batu Factory is equipped with a visitor line.
- Minutes of the Air Batu Factory Fire Facility and Infrastructure Simulation dated June 6, 2023, and accompanied by evaluations such as machine readiness and hydrant hoses, etc.
- Documentation of the completeness of fire infrastructure such as fire extinguishers complete with fire resistant shoes, fire resistant gloves, masks, and safety helmets with face shields for fire fighting.
- The long-term program (2021 – 2025) regarding the procurement of equipment for fire facilities & infrastructure for the rock water garden unit was approved by the Unit Manager on 10 May 2023 referring to Minister of Agriculture Regulation 5 of 2018.]
- PPE stocks for plantations and PKS factories as of 17 June 2023, with information including the total stock of 7 safety shoes.
- Minutes of replacing 85 hazardous and toxic waste Warehouse fire extinguishers, June 6, 2023.

There are several notes (bold and yellow), please complete.

**Conclusion 16 and 30 June 2023**

There are still notes on evidence of improvement, and there has been no improvement in root cause analysis and corrective action. Based on this, the discrepancy is declared not fulfilled.

**Auditor Verification 05 July 2023**

The company shows additional evidence of acceptable improvements, as follows:

- Minutes of dissemination of legal compliance and vendor contracts dated June 6, 2023, including a ban on smoking while working, which was followed by CV GAS (FFB Transport Contractor and Empty Bunches) and CV Abadi Jaya (FFB Supplier).
- PTPN Air Batu RKAP 2023 non-production Administrative Budget Expenditure Budget which informs, among other things, the addition of 2 units of hydrants.
- Engine room station HIRAC, namely regarding fuel tanks in the engine room with fire risks and activities in the boiler.

Auditor Verification 05 July 2023

Corrective action has been received

The company provides additional evidence, as follows:

- General general OHS expert socialization regarding the OSH program on 19 June 2023.
- Report on the implementation of the OHS Monitoring Program for the Estate Unit and Air Batu Mill for June 2023, which contains updates on the OHS Committee activity program, documentation of mill mutual cooperation activities and mill housing, and OHS Committee meeting minutes.

**Conclusion 05 July 2023**

Based on the improvement of root cause analysis and corrective action, as well as evidence of correction, the nonconformity is declared fulfilled and will be observed again in the next audit.

*Follow up on next audit (filled by auditor):*

<b>Verified by</b>	<b>:</b>	<b>Sentot Adi Subandono</b>
--------------------	----------	-----------------------------

<b>NCR No.</b>	<b>:</b>	<b>2023.05</b>	<b>Issued by</b>	<b>:</b>	<b>Sentot Adi Subandono</b>
<b>Date Issued</b>	<b>:</b>	<b>06 April 2023</b>	<b>Time Limit</b>	<b>:</b>	<b>Next Surveillance</b>
<b>NC Grade</b>	<b>:</b>	<b>Minor</b>	<b>Date of Closing</b>	<b>:</b>	
<b>Standard Ref. &amp; Requirement</b>	<b>:</b>	<b>4.3.1</b> <b>Contributions to community development that are based on the results of consultation with local community are demonstrated.</b>			
<b>Evidence observed (filled by auditor):</b> <p>The results of the document review show that the company has proposed a TJSL (Social and Environmental Responsibility) program, as follows:</p> <ul style="list-style-type: none"> <li>Electronic memo number ABA/04.01/eM-401/XI/2022 dated 22 November 2022, from the Manager of the Plantation and Air Batu Factory to the Head of the Corporate Secretariat regarding the priority TJSL program based on the Corporate Secretariat Memo number 04.01/KOL/eM-574/ V/2022 on May 11 2022, namely the concrete rebate of Dusun III Sei Kampak, but no supporting data for the proposal/proof of participatory program creation and realization has been shown.</li> <li>Electronic memo number ABA/SEVP.Op.II/eM-24/I/2023 dated 26 January 2023, from the Plantation Manager and Air Batu Factory to SEVP (Senior Executive Vice President) Operation II, concerning the results of a review and survey of several proposals and submission of 5 programs, such as the construction of the tahfidz house of the Birrul Walidain Asahan Foundation, the construction of the Al Barokah Mosque, the construction of the Al Falah Mosque, 100,000 carp seeds, and repair of bathrooms and ablution areas. The basis for submitting/proposal activities and the realization of the program has not yet been shown.</li> <li>Results of interviews with HR representatives, it is known that there has been no realization of TJSL 2022.</li> <li>The results of interviews with representatives of Sei Alim Ulu Village, Piasa Ulu Village, and Air Batu III-IX Village found that there was a letter requesting assistance from Sei Alim Ulu Village since January 2023 which received no response at all and was not aware of any CSR from the company, let alone the form community participatory involvement in the preparation of the program.</li> </ul>					
<b>Non-Conformance Description (filled by auditor):</b> <p>The unit of certification has not been able to show enough evidence that the contribution to community development is based on the results of consultations with local communities.</p>					
<b>Root Cause Analysis (filled by organization audited):</b>					
<b>Correction (filled by organization audited):</b>					
<b>Corrective Action (filled by organization audited):</b>					
<b>Assessor Evaluation and Conclusion (filled by auditor):</b>					
<b>Follow up on next audit (filled by auditor):</b>					
<b>Verified by</b>	<b>:</b>				



<i>NCR No.</i>	: 2023.06	<i>Issued by</i>	: Kiki Fadli
<i>Date Issued</i>	: 6 April 2023	<i>Time Limit</i>	: 5 July 2023
<i>NC Grade</i>	: Major	<i>Date of Closing</i>	: 3 July 2023
<i>Standard Ref. &amp; Requirement</i>	<b>6.2.3</b> <b>There is evidence of legal compliance for regular working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, and other legal labour requirements.</b>		

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

- The company shows PTPN IV Directors Regulation No. 04.01/PER/01/III/2022 concerning guidelines for providing harvest premiums, loading premiums and processing premiums, in letter C regulates compensation for employees who work when the factory does not process on weekdays, Sundays and national holidays, for example for room operators machines, namely for weekdays Rp. 30,899, Sundays Rp. 61,797 and national holidays Rp. 82,397.
- Based on interviews with management representatives, it was conveyed that the personnel working at the factory did not process the total working hours of 6 hours.
- The company also shows compensation for machine room operator employees at Mill, for example for the period March 2023, namely:

DATE AND TIME	PERSONIL	
	Sa	Su
Wednesday, 22 March 2023 (National Holiday)	82.397	82.397
Sunday, March 26, 2023	61.797	61.797
<b>TOTAL</b>	<b>144.194</b>	<b>144.194</b>

- If the simulation of giving overtime is in accordance with PKB article 21 and PP 35 of 2021 article 31, they are as follows:

PERSONNEL	MONTHLY WAGE	HOUR WAGES	OVERTIME COMPENSATION (6 HOURS)		TOTAL
			22 March 2023	26 March 2023	
Sa	2.533.598	14.645	175.740	175.740	<b>351.480</b>
Su	2.533.598	14.645	175.740	175.740	<b>351.480</b>

- From the simulation results, it is known that there is a difference in overtime pay for the two personnel, on March 22 and 26 2023 amounting to IDR 207,286.

**Security**

- Company shows Memo No. SDM/Col/M-01/II/2023 regarding the security service hour schedule which explains that the distribution of shifts for security personnel is 2 shifts with working hours from 06.30 – 18.30 (12 hours) for the first shift with 2 hours of rest, so that the number of hours work 10 hours/day.
- The company shows a list of overtime security personnel for the period March 2022, for example for personnel with the initials U and N where on March 9, 2023 the total overtime payments are 2 hours overtime and on March 21 2023 the total overtime payments are 1 hour overtime, so there is the difference in overtime pay is not paid on March 9, 2023 as much as 1 hour of overtime and on March 21, 2023 as much as 2 hours of overtime.

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

The company has not been able to demonstrate that the implementation of payment for overtime is fully in accordance with the provisions issued and regulations in force.

<b>Root Cause Analysis</b> <i>(filled by organization audited):</i> Lack of understanding of clerk 1 in the Engineering office in the implementation of the calculation of workers' overtime payments.	
<b>Correction</b> <i>(filled by organization audited):</i> <ul style="list-style-type: none"> <li>Show proof of payment of difference in employee overtime pay.</li> <li>Shows the results of the Bipartite meeting between Management and SPBUN regarding the maximum overtime limit of 1.5 hours.</li> </ul>	
<b>Corrective Action</b> <i>(filled by organization audited):</i> <ul style="list-style-type: none"> <li>Carry out periodic outreach to technical office clerks 1 and other workers regarding the policy on workers' overtime hours.</li> <li>Air Batu Manager's SE regarding work on holidays so as to maximize working days.</li> </ul>	
<b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i>  <b>Verification date 6 June 2023</b> Please convey the root of the problem, corrective action and corrective action in each column. Based on this, the discrepancy in this indicator has not been fulfilled.  <b>Verification on June 17, 2023</b> The company shows evidence in the form of: <ul style="list-style-type: none"> <li>The company shows proof of payment of the difference in overtime wages for Mill machine room employees.</li> <li>The company showed a bipartite LKS meeting regarding employee overtime on June 2, 2023.</li> <li>The company shows Air Batu Manager's SE regarding work on holidays on January 1, 2023.</li> </ul> However, it has not been demonstrated by such companies <ul style="list-style-type: none"> <li>Proof of difference in payment of security overtime pay.</li> <li>Information dissemination regarding the policy on overtime hours for employees 1 of the technical office.</li> </ul> Based on this, the discrepancy in this indicator has not been fulfilled.  <b>Verification date July 3, 2023</b> The company shows evidence of improvement in the form of: <ul style="list-style-type: none"> <li>Documentation of payment of security overtime pay differences in June 2023.</li> <li>Dissemination regarding the policy regarding the provisions for working overtime hours on June 8, 2023 which was attended by 17 people including the clerk of 1 technical office.</li> </ul> Based on this, the discrepancy on this indicator has been fulfilled.	
<b>Follow up on next audit</b> <i>(filled by auditor):</i>	
<b>Verified by</b>	: <b>Kiki Fadli</b>

<i>NCR No.</i>	:	2023.07	<i>Issued by</i>	:	Sentot Adi Subandono
<i>Date Issued</i>	:	06 April 2023	<i>Time Limit</i>	:	05 July 2023
<i>NC Grade</i>	:	Major	<i>Date of Closing</i>	:	14 June 2023
<i>Standard Ref. &amp; Requirement</i>	:	6.7.3 Workers use appropriate personal protective equipment (PPE) which is provided free of charge to all workers in the workplace, to cover all potentially hazardous operations, such as pesticides application, machine operations, land preparation, and harvesting. Sanitation facilities for those applying pesticides are available, so that workers can change out of PPE, wash and put on their personal clothing.			
<b>Evidence observed (filled by auditor):</b> <ul style="list-style-type: none"><li>Results of the review of the Mechanism for Replacement of Worker PPE and 5% Replacement Mechanism, it is regulated, among other things, to replace PPE that is damaged while working and PPE stock as much as 5% of the total factory employees.</li><li>The results of the review of CLA documents for the period 2022 – 2023 article 49 state that the company provides OHS equipment according to SNI, including safety shoes for factory employees which are given every 1 year.</li><li>Results of field observations:<ul style="list-style-type: none"><li>The foot protectors used are not uniform (some use safety shoes/safety boots but some use regular boots).</li><li>There is no PPE in stock.</li></ul></li><li>Based on observations at the Central Warehouse, it is known that there is no PPE stock. The company has also not been able to show the PPE stock advertisement it has. The results of interviews with representatives of the DSS (Certification Data and System), were informed that the Mill PPE stock was empty.</li><li>Interview result :<ul style="list-style-type: none"><li>There are 2 contract workers at the chain station not using the shoes provided by the company.</li><li>2 Boiler workers did not use the shoes provided by the company.</li><li>2 Kernel station workers using company supplied boots (not HIRAC compliant).</li></ul></li><li>Management explanation :<ul style="list-style-type: none"><li>Contract workers have not been given shoes because they started to work when the PPE application had been submitted so they had not received their rations.</li><li>The PPE stock should be 5% but the current condition is that the number of PPE that arrives is in accordance with the demand so there is no stock available.</li></ul></li></ul>					
<b>Non-Conformance Description (filled by auditor):</b> <p>The company has not been able to show enough evidence that all workers have used the appropriate PPE (especially leg protectors) and it is provided free of charge.</p>					
<b>Root Cause Analysis (filled by organization audited):</b> <p>Procurement of PPE is first budgeted before the appointment of PKWT, related to the available stock is 5% of PPE but if there is a shortage, the PPE budget is available and can be submitted to the RKO (Operational Work Plan) / 3 months so that if the PIC monitors the appointment it can be submitted when submitting the RKO.</p>					
<b>Correction (filled by organization audited):</b> <ul style="list-style-type: none"><li>Provision of PPE for Mill employees</li><li>Proof of Fulfillment of the provision of shortages of PPE Employees 89 PCS contract worker.</li><li>PPE Stock Documents.</li></ul>					
<b>Corrective Action (filled by organization audited):</b> <ul style="list-style-type: none"><li>Monitoring and Discipline of PPE Use.</li><li>Training related to PPE Monitoring.</li></ul>					

- The budget in the RKO is for the procurement of PPE if there are additional employees.

**Assessor Evaluation and Conclusion** *(filled by auditor):*
**Auditor Verification 22 May 2023**

Companies need to make improvements to root cause analysis, corrections, and corrective actions. The company also shows evidence of improvement in the form of:

- Minutes of socialization on the use of PPE at Air Batu Mill on 27 April 2023 attended by 17 workers.
- Monitoring the use of PPE at Mill for the April 2023 period, but no evidence of the distribution of PPE has been shown based on the results of field observations during the audit.
- Minutes of providing PPE stocks to Contract Worker Harvesters workers on February 6, 2023 of 26 pcs which are part of the stock by 5%. Of the amount distributed there is still a shortage of 89 psc out of a total of 115 Contract Worker, and further stock fulfillment has not been demonstrated.
- Budget for non-production administrative expenses in 2023, which includes a budget for PPE shortages of 115 Contract Worker, whose realization has not yet been shown.

**Conclusion May 22, 2023**

Based on the verification of root cause analysis, corrections, and corrective actions, as well as evidence of improvement, it is concluded that non-conformities have not been fulfilled.

**Auditor Verification 14 June 2023**

The company shows evidence of improvement in the form of:

- Socialization on the use of PPE as of May 8, 2023.
- Stock of PPE (no information on stock date and location), including safety helmets, safety boots and safety shoes.

**Conclusion June 14, 2023**

Based on the verification of root cause analysis, corrections, and corrective actions, as well as evidence of improvement, it is concluded that non-conformities have not been fulfilled.

- Minutes of providing PPE stocks to PKWT Harvesters workers on February 6, 2023 of 26 pcs which are part of the stock by 5%. Of the amount distributed there is still a shortage of 89 psc out of a total of 115 PKWT, and further stock fulfillment has not been demonstrated.
- Stock of PPE (no information on stock date and location), including safety helmets, safety boots and safety shoes.

The company shows additional evidence of improvement, as follows:

- Electronic memo dated 05 July 2023 regarding the implementation of monitoring and discipline in the use of PPE according to the PPE matrix, identification of PPE when adding new employees, ensuring PPE handover documents, and conducting outreach to contractor workers and monitoring the use of PPE.
- Budget Documents for Employee Housing Improvements in 2022 and 2023 approved by the Air Batu Unit Manager. The Budget has been included in the 2022 and 2023 RKAP (Company Work Plan and Budget) documents.
- PPE stocks for the June 2023 period, such as safety shoes and safety boots.
- Receipt of PPE safety shoes and helmets for 104 PKS workers on February 6, 2023.
- Minutes of giving PPE to 89 PKWT workers in the form of boots, safety helmets, gloves and goggles.
- Report on the implementation of the OHS Monitoring Program for the Garden Unit and Air Batu PKS for June 2023, which contains, among other things, an update on the P2K3 activity program, documentation of PKS mutual cooperation activities and PKS housing, and P2K3 meeting minutes.

**Conclusion June 14, 2023**

Based on the verification of root cause analysis, corrections, and corrective actions, as well as evidence of improvement, it is concluded that the non-conformities are declared fulfilled and will be verified in the next audit.

**Follow up on next audit** *(filled by auditor):*

Verified by : **Sentot Adi Subandono**

<b>NCR No.</b>	<b>: 2023.08</b>	<b>Issued by</b>	<b>: Sentot Adi Subandono</b>
<b>Date Issued</b>	<b>: 06 April 2023</b>	<b>Time Limit</b>	<b>: 05 July 2023</b>
<b>NC Grade</b>	<b>: Major</b>	<b>Date of Closing</b>	<b>: 01 July 2023</b>
<b>Standard Ref. &amp; Requirement</b>	<b>7.2.2</b> <b>Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per Ha and number of applications) are provided.</b>		
<b>Evidence observed (filled by auditor):</b> Based on the results of the document review, it is known that the company has records, including: <ul style="list-style-type: none"> <li>Recap pesticide use in 2021.</li> <li>Records of active ingredients per hectare capture semester 2 of 2022 which have not been informed of their LD50.</li> </ul> <p>The results of field observations in the activities of spraying discs and pikul market Block 08R Afdeling 3 were found to use cone up and metsulindo pesticides. The results of visits to the nursery area also obtained information on the use of dithane and seven in controlling pests and diseases. All of these pesticides have not shown records of pesticide use (including the active ingredients used) and the LD50 of the active ingredients, the area of treatment, the amount of use of the active ingredient per hectare and the number of applications.</p>			
<b>Non-Conformance Description (filled by auditor):</b> Based on this, it is known that the company has not been able to show records of the use of pesticides (including the active ingredients used) and the LD50 of the active ingredients, the area of treatment, the amount of active ingredients used per hectare and the number of applications.			
<b>Root Cause Analysis (filled by organization audited):</b> There is no PIC who has carried out control documents on compliance with RSPO documents.			
<b>Correction (filled by organization audited):</b> Sending pesticide documents marked with the active ingredient LD50, number of applications and class of pesticides based on WHO regulations.			
<b>Corrective Action (filled by organization audited):</b> Shows a checklist of Control documents on compliance with RSPO documents which are updated every 3 months.			
<b>Assessor Evaluation and Conclusion (filled by auditor):</b>  <b>Conclusion May 22, 2023</b> Based on this, the discrepancy is declared not fulfilled.  <b>Conclusion June 16, 2023</b> There has been no improvement in the root cause analysis and corrective action, the non-conformity has not been met.  <b>Auditor Verification 01 July 2023:</b> The company showed additional evidence of improvement in the form of a Manager's Decree regarding document control officers, dated 02 May 2023, namely ZAS and MHN as well as plans to monitor documents for implementing RSPO and ISPO certification.  <b>Auditor's Conclusion 01 July 2023</b>			

Based on the evidence shown, the discrepancy is declared to have been fulfilled and will be observed again at the next audit.

*Follow up on next audit (filled by auditor):*

*Verified by* : **Sentot Adi Subandono**



<b>NCR No.</b>	<b>: 2023.09</b>	<b>Issued by</b>	<b>: Sentot Adi Subandono</b>
<b>Date Issued</b>	<b>: 06 April 2023</b>	<b>Time Limit</b>	<b>: Next Surveillance</b>
<b>NC Grade</b>	<b>: Minor</b>	<b>Date of Closing</b>	<b>:</b>
<b>Standard Ref. &amp; Requirement</b>	<b>7.2.4</b> <b>There is no prophylactic use of pesticides, unless in exceptional circumstances, as identified in Indonesia best practice guidelines.</b>		
<b>Evidence observed (filled by auditor):</b> <ul style="list-style-type: none"> <li>The results of a review of the Basic Guidelines and Work Instructions for Control of Pests and Diseases of Oil Palm Plants with code 04.04/KS/TAN/P/005 revision 1 dated 24 February 2020, it is known that considerations in chemical control include if there is a heavy attack in an area &lt; 60 ha, is an emergency measure when there is an explosion of UPDKS pest attacks. The results of field observations and interviews in the TBM area Block 20 N Afdeling V, it is known that there is a spray treatment using Anticipatory Capture of horn beetles 3 times a month without prior census. It is also known that the condition of the plants has no traces of old attacks or new attacks from beetles. The results of interviews with DSS representatives, it is known that the capture applications during October to December are as follows: <ul style="list-style-type: none"> <li>- October date 15, 22, 29</li> <li>- November date 9, 18, 9</li> <li>- December date 13, 23, 29</li> </ul> </li> </ul>			
<b>Non-Conformance Description (filled by auditor):</b> Based on this evidence, it is known that the use of pesticides in a preventive way to prevent UPDKS pests is not in accordance with the procedures that are owned.			
<b>Root Cause Analysis (filled by organization audited):</b>			
<b>Correction (filled by organization audited):</b>			
<b>Corrective Action (filled by organization audited):</b>			
<b>Assessor Evaluation and Conclusion (filled by auditor):</b>			
<b>Follow up on next audit (filled by auditor):</b>			
<b>Verified by</b>	<b>:</b>		

<b>NCR No.</b>	<b>: 2023.10</b>	<b>Issued by</b>	<b>: Sentot Adi Subandono</b>
<b>Date Issued</b>	<b>: 06 April 2023</b>	<b>Time Limit</b>	<b>: 05 July 2023</b>
<b>NC Grade</b>	<b>: Major</b>	<b>Date of Closing</b>	<b>: 16 June 2023</b>

<b>Standard Requirement</b>	<b>Ref. &amp; :</b>	<b>7.2.10</b>
<b>Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, is demonstrated.</b>		
<b>Evidence observed (filled by auditor):</b> <ul style="list-style-type: none"> <li>Results of the review of Health Examination OHS Procedures with code 4.3.15 revision 0 dated 11 March 2022 which regulates, among other things, special Health checks for employees who have a lot of contact with hazardous chemicals.</li> <li>The results of a review of the document review of the GMCU Results Report of Pabatu Hospital in 2022 for the Air Batu plantation, it was found that Health checks had been carried out for 55 employees on 5 – 8 December 2022, with the category of 28 pesticide handlers, 8 chemical handlers, and 19 periodic checks vital signs (physical and eye), ECG, chest photo, and Laboratory (including CHE for pesticide handlers).</li> <li>The results of a review of the document on the List of Names of Chemical Officers in Afdeling which was approved by Askep Rayon B, it is known that there are workers who are not included in the GMCU Result Report in December 2022, including: <ul style="list-style-type: none"> <li>Untung (SAP 4015320 - Afdeling 4)</li> <li>Suwandi (SAP 4015108 – Afdeling 4)</li> <li>M Hatta P (SAP 4015413 – Afdeling 8)</li> <li>Sunariyo (SAP 4015187 – Afdeling 9)</li> </ul> </li> <li>The results of field observations at the disc spray and pikul market activities in Block 08R Afdeling 3 revealed that there was a worker with the name Saiful who was not included in the GMCU Results Report in December 2022.</li> </ul>		
<b>Non-Conformance Description (filled by auditor):</b> Based on this evidence, it is known that not all chemical handlers at the Air Batu Estate have received a special health check.		
<b>Root Cause Analysis (filled by organization audited):</b> Pic has not conducted monitoring of employees who handle pesticides thoroughly in the department.		
<b>Correction (filled by organization audited):</b> Sending back insufficient personnel to carry out CHE examinations at the hospital. Pabatu and send documents of re-examination results.		
<b>Corrective Action (filled by organization audited):</b> <ul style="list-style-type: none"> <li>Make Schedule for Implementation of CHE Health Examination, audiometry, and Spirometry.</li> <li>Make outreach to pic bag so that they understand that handlers of pesticides, machine workers and workers who are in rooms with high noise and vibration are required to undergo a special health check.</li> </ul>		
<b>Assessor Evaluation and Conclusion (filled by auditor):</b>		
<b>Verify May 22, 2023</b> The company shows evidence of improvement in the form of: <ul style="list-style-type: none"> <li>Letter of introduction for the health check of plantation employees to PT Prima Medica Nusantara, dated 03 May 2023, namely employees of Untung, Kelvin, M Hatta P, and Sunariyo. However, it has not been shown to employees a.n Saiful.</li> <li>Manager's Decree dated 08 May 2023 concerning special officers who are responsible for monitoring and evaluating pesticide handlers.</li> <li>Minutes of socialization of pesticide handlers, engine room, noise and vibration on 26 April 2023 to 22 PKS workers.</li> </ul>		
<b>Conclusion May 22, 2023</b> Based on the evidence shown, the company needs to show a Health check for Saiful, so that the non-compliance is declared unfulfilled.		
<b>Conclusion June 16, 2023</b> The company showed additional evidence of improvement in the form of the results of an employee's health examination, An. Syaiful from Pabatu Hospital, with a healthy conclusion. Based on this, the discrepancy is declared fulfilled. This will be observed again in the next audit.		

*Follow up on next audit (filled by auditor):*

<i>Verified by</i>	:	<b>Sentot Adi Subandono</b>
--------------------	---	-----------------------------

<i>NCR No.</i>	:	<b>2023.11</b>	<i>Issued by</i>	:	<b>Haikal Ramadhan K</b>
<i>Date Issued</i>	:	<b>06 April 2023</b>	<i>Time Limit</i>	:	<b>Next Surveillance</b>
<i>NC Grade</i>	:	<b>Minor</b>	<i>Date of Closing</i>	:	
<i>Standard Ref. &amp; Requirement</i>	:	<b>7.3.1</b> <b>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.</b>			

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

- SOP for Hazardous and Toxic Waste Management, no. SPO 02, revision 3 published date 2 Jan 2017, explained in the procedure section that:
  - Identify sources of waste including used oil, used batteries, used jerry cans for chemical packaging, rags, sacks of used fertilizers and chemicals and used light bulbs
  - Recording for every hazardous waste sent from the business unit
  - All B3 waste and used hazardous waste packaging that is produced may not be used for other purposes and must be handed over immediately (maximum 1 week) to a licensed temporary storage for hazardous waste
- SPO for household domestic waste management document No. SPO-20 2nd revision, effective January 2 2015, in the procedure explained:
  - Waste management: each employee collects waste in the bins provided, cleaning staff periodically collects waste from the temporary storage and takes it to the landfill
  - It is prohibited to burn waste in any form without the company's permission
  - Making a final landfill with a size of 1.5 x 2 x 9 meters with a minimum distance of 1KM from the housing,
- Results of field visits:
  - Disposal of used food waste in the Air Batu PKS kernel stack area
  - There are traces of burning garbage in the PKS Air Batu housing area
  - In Divisions 6 and 8 domestic waste is not managed properly, with garbage found piled up behind the house and scattered in several locations, waste is not placed in the bins provided and is not disposed of regularly to TPSA (the TPSA is empty), and there are traces of burning waste domestic
  - In afdeling 8, we found traces of chemical packaging that were used for water storage and used oil drums stored in the yard and some were used for storage of land DAMKAR manual equipment (rakes, hoes).
  - e. In the CPO Mill area, it can be seen that there are disposal of used brake oil packaging around the weighing area, used paint cans in the security post area and Engine Room station, as well as used oil packaging in the boiler area
- Results of interviews with POLIBUN Medical Officers, explained that medical waste in polybuns is stored in used medicine boxes and then handed over to PUKESBUN Raja Island every 2 weeks, using closed containers and taken by ambulance

**Referensi :**

- Regulation of the Minister of Environment and Forestry of the Republic of Indonesia Number P.12/MENLHK/SETJEN/PLB.3/5/2020 concerning Storage of Hazardous and Toxic Waste, Article 2 Everyone who produces B3 waste is required to store B3 waste, Article 3 b : the user of B3 waste must have a B3 waste management permit for activities to utilize B3 waste.
- Law of the Republic Number 18 of 2008 concerning Waste Management Chapter X Prohibition Article 29:
  - Letter d. managing waste that causes pollution and/or environmental damage
  - Letter e. dispose of garbage not in the place that has been determined and provided
  - Letter g. burning waste that is not in accordance with the technical requirements of waste management
- PERMENLHK of the Republic of Indonesia Number: P.56/MenLHK-Setjen/2015, concerning Procedures and Technical Requirements for the Management of Hazardous and Toxic Waste from Healthcare Facilities:
  - Article 7 (1) B3 waste storage as referred to in Article 5 letter b must be carried out by the producer of B3 waste.

<p>4. Article 7 (2) Storage of hazardous waste as referred to in paragraph (1) is carried out by means of:</p> <ul style="list-style-type: none"> <li>a. store the hazardous waste in a hazardous waste storage facility;</li> <li>b. store hazardous waste using hazardous waste containers according to the hazardous waste group;</li> <li>c. the use of color on each packaging and/or waste container according to the characteristics of the hazardous waste; And</li> <li>d. giving symbols and labels of hazardous waste on each packaging and/or container of hazardous waste in accordance with the characteristics of the hazardous waste.</li> </ul> <p>5. The color of the B3 waste packaging and/or container as referred to in paragraph (2) letter c shall be in the form of:</p> <ul style="list-style-type: none"> <li>a. red, for radioactive waste;</li> <li>b. yellow, for infectious waste and pathological waste;</li> <li>c. purple, for Cytotoxic waste; And</li> <li>d. chocolate, for expired chemical waste, spills, or leftover packaging, and pharmaceutical waste.</li> </ul> <p>6. Article 14 (1) The transportation of B3 waste as referred to in Article 13 paragraph (2) must obtain approval for the transportation of B3 waste issued by the Head of the Environmental Agency:</p> <ul style="list-style-type: none"> <li>a. province, if the transportation of B3 waste is carried out across regencies/cities within the province; or</li> <li>b. district/city, if the transportation of B3 waste is carried out within the district/city territory</li> </ul> <p><b>Non-Conformance Description</b> <i>(filled by auditor):</i></p> <p>The company has not been able to show proof of household and domestic waste management as well as hazardous waste and hazardous waste in health care facilities that are managed according to company procedures and applicable regulations.</p> <p><b>Root Cause Analysis</b> <i>(filled by organization audited):</i></p> <p><b>Correction</b> <i>(filled by organization audited):</i></p> <p><b>Corrective Action</b> <i>(filled by organization audited):</i></p> <p><b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i></p> <p><b>Follow up on next audit</b> <i>(filled by auditor):</i></p> <p><b>Verified by</b> : _____</p>
---

<i>NCR No.</i>	:	2023.12	<i>Issued by</i>	:	Sentot Adi Subandono
<i>Date Issued</i>	:	06 April 2023	<i>Time Limit</i>	:	Next Surveillance
<i>NC Grade</i>	:	Minor	<i>Date of Closing</i>	:	
<i>Standard Ref. &amp; Requirement</i>	:	7.4.4 Records of fertilizer inputs are maintained.			
Evidence observed (filled by auditor):					

<b>Non-Conformance Description</b> <i>(filled by auditor):</i> The company has yet to show records of fertilizer use in 2022	
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i>	
<b>Correction</b> <i>(filled by organization audited):</i>	
<b>Corrective Action</b> <i>(filled by organization audited):</i>	
<b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i>	
<b>Follow up on next audit</b> <i>(filled by auditor):</i>	
<b>Verified by</b>	:



<i>NCR No.</i>	:	<b>2023.13</b>	<i>Issued by</i>	:	<b>Haikal Ramadhan K</b>
<i>Date Issued</i>	:	<b>06 April 2023</b>	<i>Time Limit</i>	:	<b>05 July 2023</b>
<i>NC Grade</i>	:	<b>Major</b>	<i>Date of Closing</i>	:	<b>01 July 2023</b>
<i>Standard Ref. &amp; Requirement</i>	:	<b>7.8.2</b> <b>(C) Water courses and wetlands are protected, including the maintenance and restoration of riparian zones and other buffer zones during or before replanting, in accordance with the "RSPO Manual on BMPs for the management and rehabilitation of riparian reserves" (April 2017) or Simplified Guide Management and Rehabilitation of Riparian Reserves (2018).</b>			
<b>Evidence observed (filled by auditor):</b> <ul style="list-style-type: none"> <li>SOP for the Mechanism of River Rim Management Document No. SPO 05 (revision 2) dated 02 January 2015, among others, stated that carrying out marking (identification) of river borders and making warnings/prohibition signs.</li> <li>Recommendations for management of HCV 4.1 areas in the 2011 Report on Results of Identification of High Conservation Value Areas at PT PN IV's Air Batu Gardens: Do not clean up cover crops using chemical means.</li> <li>RSPO Manual on BMPs for the management and rehabilitation of riparian reserves' (April 2017) or Simplified Guide Management and Rehabilitation of Riparian Reserves (2018) → For river reserves containing oil palm after the area has been delimited, all use of chemicals and fertilizers must be discontinued.</li> <li>The results of a field visit to the Lala River border area in afdeling IX block 11R found traces of pesticide application and no boundary markings.</li> </ul>					
<b>Non-Conformance Description (filled by auditor):</b> The certification unit has not been able to provide sufficient evidence that river bank management has referred to the RSPO Manual on BMPs for the management and rehabilitation of riparian reserves' (April 2017) or the Simplified Guide Management and Rehabilitation of Riparian Reserves (2018) and its own procedures.					
<b>Root Cause Analysis (filled by organization audited):</b> Management has not yet assigned a PIC who is responsible for identifying HCV areas and monitoring the management of HCV areas in accordance with the program plans that have been prepared/arranged.					
<b>Correction (filled by organization audited):</b> It is known that the marking of a spray ban on the Lala River border area in afdeling IX block 11R is known.					
<b>Corrective Action (filled by organization audited):</b> Monitoring Supervision of the condition of the river bank / Month by the nurse and reported to the manager.					
<b>Assessor Evaluation and Conclusion (filled by auditor):</b>  <b>Auditor Verification June 5, 2023 :</b> The company showed evidence of improvement in the form of outreach to chemical workers in all departments not to apply chemicals in the riparian area, May 11 2023, location in Afdeling 3, attended by 17 participants. Based on this evidence, the evidence submitted is insufficient and cannot be accepted, because: <ol style="list-style-type: none"> <li>The company does not fill in and explain the cause of the non-conformity in the Root Cause Analysis Column.</li> <li>The attachment to evidence of activity in the Corrective Action column is not attached so it cannot be verified.</li> <li>Attachment of evidence in column Corrective Action is not attached.</li> <li>There was no evaluation effort to ensure that the spraying activity on the riverbank was repeated at another time and place.</li> </ol> Based on the explanation above, the 2023.15 discrepancy cannot yet be closed.					
<b>Auditor verification dated 14 June 2023:</b>					

The company shows the following improvements:

1. Documentation of photos marking the boundaries of the spray ban in the area (DAS) of Afdeling IX Block 118.
2. Photo documentation of the installation of a no-spray boundary sign in the HCV area of afdeling II.
3. Documentation of no-spray boundary signs in the HCV area of Afdeling IX.
4. Documentation of the issuance of a no-spray boundary sign in the HCV area Afdeling I.
5. Documentation of the issuance of a no-spray boundary sign in the HCV Afdeling IV area.
6. Documentation of the issuance of a no-spray boundary sign in the HCV Afdeling VI area.
7. Documentation of the issuance of a no-spray boundary sign in the HCV Afdeling III area.

Based on the evidence above, the evidence is insufficient, and the discrepancies cannot be closed yet, the company has not shown:

1. Evaluation regarding the root of the problem 'The management has not assigned a PIC who is responsible for identifying HCV areas and monitoring the management of HCV areas in accordance with the program plans that have been made/arranged.'
2. Corrective action to ensure that spraying activities on the riverbank will not be repeated again at another location and time.
3. Management of riparian reserves in terms of correcting non-compliance refers to the RSPO Manual on BMPs for the management and rehabilitation of riparian reserves' (April 2017) or the Simplified Guide Management and Rehabilitation of Riparian Reserves (2018) and its procedures, in the form of preparing a mitigation plan comprehensive and continuous improvement.
4. Evidence of supervision activities carried out by ASKEP, regarding details of activities, completeness of supervision documents, and records of activity results.

#### **Auditor Verification dated 20 June 2023 :**

The company shows evidence of improvement efforts as follows:

1. Photo documentation of the planting of bamboo species in the river border area, however, there is no information on the location of the planting, the number of trees planted and the area of the border area where the planting was carried out.
2. Program document for implementing HCV management, dated 04 June 2023, with types of activities: outreach to the community and employees, delineation of plantation watershed areas, inventory of types and number of trees planted, installation of hunting prohibition signs, installation of HCV boundaries, maintaining quality water.

Based on the results of the document verification above, the evidence is not sufficient and the discrepancy cannot yet be closed, because:

1. Documentation of bamboo planting activities does not explain the location, the number of trees planted and the size of the area being rehabilitated.
2. Documentation and records of activities have not been shown. The boundary marking for the prohibition of spraying on the Lala River border area in section IX block 11R is known.
3. Documentation has not been shown for marking the prohibition of spraying all HCV 4 plantations and Air Batu PKS.
4. Unable to demonstrate efforts "Management has not assigned a PIC who is responsible for identifying HCV areas and monitoring the management of HCV areas in accordance with the program plan that has been prepared/arranged" as a solution to the root of the problem.

#### **Auditor Verification July 1, 2023:**

The company shows evidence of improvement as follows:

1. Photo documentation of the installation of a board prohibiting chemical activities, in the DAS area of afdeling IX block 118.
2. Photo documentation of the installation of chemical bans in the riparian area of the River DAS Trench Afd I, River A4 Afd II, River Basin Hessa Afd III, River Basin Afd IV, River Basin Langgar Afd VI, River Langgar Afd IX.
3. Identification document on the width of the river/riverbanks based on the width of the body of the river for the period of 2023, May 23, 2023, with the location of the river banks 4 blocks 00A and 00B with a width of 2 meters, the boundaries of Langgar blocks 00M, 00N, with a width equivalent to 6 meters, and walata river border blocks 11R and 11P, 9 meters wide, signed by the Air Batu Manager.
4. Documentation of identification outside of the area being rehabilitated based on the width of the water body in the Air Batu Gardens, dated May 20, 2023, the area being rehabilitated was 14.94 Ha.
5. Documents for Monitoring and Evaluation of the HCV area of PTPN IV Air Batu plantations, dated 05 May 2023, with the implementation of monitoring including monitoring of all protected/high conservation areas, plant and animal habitats, environmental service areas, erosion control areas, traditional cultural identity areas.

6. Decree of the Management of the Estate/Factory of the Air Batu Plantation Business Unit No: ABA/MU/kpts/17/VI/2023, regarding the Special Officer responsible for managing and monitoring HCV related to the RSPO/ISPO of the Air Batu Plantation. Established an MWD for the position of Krani DSS, set for May 15, 2023.
  7. HCV Monitoring Implementation Program Document, dated 05 May 2023, with a monitoring program in the form of monitoring forest area vegetation, monitoring HCV attributes and river riparian conditions, monitoring animal and plant species, monitoring cultural identity, the document explains the target time for implementation.
  8. HCV area rehabilitation program documents, sections I – IV, VI and IX, type HCV 4, year of activity 2023.
- Based on the repair documents above, the evidence is sufficient and the 2023.17 discrepancy can be closed.

<i>Verified by</i>	:	<b>Haikal Ramadhan K</b>
--------------------	---	--------------------------

<i>NCR No.</i>	: 2023.14	<i>Issued by</i>	: Haikal Ramadhan K			
<i>Date Issued</i>	: 06 April 2023	<i>Time Limit</i>	: 05 Juli 2023			
<i>NC Grade</i>	: Major	<i>Date of Closing</i>	: 01 July 2023			
<i>Standard Ref. &amp; Requirement</i>	<b>7.12.4</b> <b>Where HCVs, HCS forests after 15 November 2018, peatland and other conservation areas have been identified, they are protected and/or enhanced. An Integrated management plans to protect and/ or enhance HCV and HCS forests, peatland and other conservation areas are developed, implemented and adapted if necessary, and contains monitoring requirements. The integrated management plan is reviewed at least once every five years. The integrated management plan was developed in consultation with relevant stakeholders and includes the directly managed area and any relevant wider landscape level considerations (where these are identified).</b>					
<b>Evidence observed (filled by auditor):</b> <ol style="list-style-type: none"> <li>Report on the Identification of High Conservation Value Areas of PT PN IV 2011 Air Batu Plantation: HCV 4 is located between river banks with an area of 257.01 Ha, Afd VI limestone cliffs: 0.2 Ha, Afd VIII steep cliffs: 0, 25 Ha, Jurangan Afd VIII : 0.01 Ha,</li> <li>Recommendations for the management of HCV 4.1 and 4.2 (jungan) areas in the 2011 Report on Results of Identification of High Conservation Value Areas at Air Batu Gardens of PT PN IV: <ul style="list-style-type: none"> <li>Selective clearing of land and restoring specific land cover at the required minimum limit and plantation business area</li> <li>Determination of the width of the river bank in rock water gardens, with the size of the river bank being 10-20 meters to the right and left of the river for small rivers and for large rivers 100 meters to the right and left of the river and 5-10 meters for embankment rivers</li> <li>Rehabilitation of river banks using bamboo plants, vertifer/reeds and tree species with stratified crowns</li> <li>It is recommended that the Piasa River be developed by applying civil engineering conservation by building embankments and vegetatively by planting reeds, mahang, waru, banyan, Ketapang and meranti</li> <li>Do not clean the cover crop by chemical means</li> <li>Installation of boundary signs</li> <li>Rehabilitation of land cover in areas with high erosion potential and prone to landslides as well as installing warning boards</li> <li>Additional planting with perennials on exposed slopes or cliffs</li> <li>Rehabilitation or restoration with various perennials with plant species that have strong roots and are multicultural.</li> </ul> </li> <li>Results of the field visit: <ul style="list-style-type: none"> <li>In afdeling VI of the Langar River: no evidence of rehabilitation activities for the open riverbank area was found.</li> <li>In the block 004 riverbank area, and the Sukirman intersection, it was found that the condition of the riverbanks had not been allocated for a minimum width of 10 meters, and rehabilitation activities had not been carried out where the condition of the riverbanks was mostly in an open condition without vegetation.</li> <li>At the Piasa riverbank there was no rehabilitation of the riverbank using bamboo plants, vertifer/reed types and tree species with stratified crowns.</li> </ul> </li> </ol>						
<b>Non-Conformance Description (filled by auditor):</b> The unit of certification has not been able to show sufficient evidence that the implementation of HCV area management is in accordance with the stipulated plan.						
<b>Root Cause Analysis (filled by organization audited):</b> Management has not yet assigned a PIC who is responsible for identifying HCV areas and monitoring the management of HCV areas in accordance with the program plans that have been prepared/arranged.						
<b>Correction (filled by organization audited):</b>						

Documentation of Perennials Planting in all HCV 4.	
<i>Corrective Action (filled by organization audited):</i>	
<ul style="list-style-type: none"> <li>Perennials planting program in nkt 4.</li> <li>Monitoring Supervision of the condition of the river bank / Month by the nurse and reported to the manager.</li> </ul>	
<i>Assessor Evaluation and Conclusion (filled by auditor):</i>	
<p><b>Auditor Verification June 5, 2023 :</b> The company does not attach proof of improvement, and does not fill in the Root Cause Analysis column, thus the 2023.16 Non-conformity cannot be closed.</p> <p><b>Auditor Verification dated 20 June 2023 :</b> The company shows evidence of improvement efforts as follows:</p> <ol style="list-style-type: none"> <li>Photo documentation of the planting of bamboo species in the river border area, however, there is no information on the location of the planting, the number of trees planted and the area of the border area where the planting was carried out.</li> <li>Program document for implementing HCV management, dated 04 June 2023, with types of activities: outreach to the community and employees, delineation of plantation watershed areas, inventory of types and number of trees planted, installation of hunting prohibition signs, installation of HCV boundaries, maintaining quality water.</li> </ol> <p>Based on the results of the document verification above, the evidence is not sufficient and the discrepancy cannot yet be closed, because:</p> <ol style="list-style-type: none"> <li>1. Documentation of bamboo planting activities does not explain the location, the number of trees planted and the size of the area being rehabilitated.</li> <li>2. Unable to demonstrate efforts "Management has not assigned a PIC who is responsible for identifying HCV areas and monitoring the management of HCV areas in accordance with the program plan that has been prepared/arranged" as a solution to the root of the problem.</li> </ol> <p><b>Auditor Verification July 1, 2023:</b> The company shows evidence of improvement:</p> <ol style="list-style-type: none"> <li>1. Decree of the Air Batu Estate/PKS Manager, Number: ABA/MU/KPTS/06/2023, concerning field officers in implementing monitoring and management of the HCV Areas of the Air Batu Estate/PKS unit, dated 12 June 2023, a PIC is set for each work unit/afdeling. With the three tasks of identifying, monitoring, implementing HCV area programs and plant and animal species.</li> <li>2. Documentation of tree planting in the watershed area of Afdeling II Simpang Sukiran, with the bamboo species, tree planting in the Afdeling IV watershed area of Langgar River, with the mahogany type, planting trees in the area of the Afdeling IX watershed of the Piasa River with the Serengat tree species.</li> <li>3. HCV management implementation program document, stipulated on April 17, 2023, with the types of activities to socialize the importance of HCV, assign HCV boundaries, inventory plants in HCV areas, install signs prohibiting hunting, coordination with village officials, monitoring water quality and patrolling HCV areas and security HCV attributes, the program is equipped with an implementation time plan.</li> </ol> <p>Based on the evidence presented above, the evidence is sufficient and the 2023.18 discrepancy can be closed.</p> <p><i>Follow up on next audit (filled by auditor):</i></p>	
Verified by	: Haikal Ramadhan

**3.4.3. Opportunity for Improvement**

No	Ref. Std.	Description Deskripsi
1	7.12.6	Opportunity to determine the protection status of flora and fauna as a result of identification based on applicable national regulations

**3.4.4. Noteworthy Positive Components**

No	Description
1	Commitment to continue to apply the principles of sustainable palm oil management
2	Has got ISPO certificate



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



Public Issues (Institution/ NGO/Community)	Auditor Verification
<b>Perkebunan Air Batu III/IX Village</b>  So far, the relationship and coordination between the company and the village have been good. 90% of Villagers are company employees and live in the company area. CSR is not really needed because most residents are employees with good income levels so they are more amenable to being allocated to other villages in need.  There were no issues regarding land disputes, environmental pollution, or land fires.	There are no negative issues that require further verification.
<b>Sei Alim Ulu Village</b>  Corporate coordination and communication need to be improved. Some of the complaints from the village include: <ul style="list-style-type: none"> <li>• Huge ditches that cut off village access.</li> <li>• Letter requesting assistance since January 2023 which received no response at all.</li> <li>• Not yet aware of the existence of CSR from the company let alone the form of community participatory involvement in the preparation of the program.</li> <li>• Handling the issue of loose fruit.</li> </ul> There were no issues regarding land disputes, environmental pollution or land fires.	CSR has become a nonconformity with indicator 4.3.1 because there is no evidence of consulting the parties in preparing the CSR program.
<b>Piasa Ulu Village</b>  So far, the coordination and communication between the company and the village has been quite good. Some of the things that need to be improved include: <ul style="list-style-type: none"> <li>• Community empowerment program.</li> <li>• Labor recruitment so that it is prioritized by local residents, especially from piasa ulu.</li> </ul> So far, there have been no issues regarding land conflicts, environmental pollution, or land fires. The village side also hopes for an integrated community empowerment program so that it can improve the standard of living together.	CSR has become a nonconformity with indicator 4.3.1 because there is no evidence of consulting the parties in preparing the CSR program.
<b>Labor union (SPBUN)</b> <ul style="list-style-type: none"> <li>• The company has provided PPE and wages in accordance with applicable regulations.</li> <li>• The company routinely conducts high-risk health checks as well as periodic health checks.</li> <li>• The company has provided socialization related to CLA, company policies, work procedures and others.</li> </ul>	There are no issues that need further clarification.

Public Issues (Institution/ NGO/Community)	Auditor Verification
<b>PT Wahana Adidaya Pertiwi (Transporter CPO)</b> <ul style="list-style-type: none"> <li>There are no complaints to the company.</li> <li>The company regularly delivers socialization related to OHS, policies and procedures that apply in the company.</li> <li>Payment has been made according to the agreement of both parties.</li> <li>The wages of contractor workers are in accordance with the applicable minimum wage.</li> <li>Contractor workers have been registered with Social Security Agency.</li> </ul>	<p>There are no issues that need further clarification.</p>
<b>THE ALLEGATIONS</b>	
<p>The Respondent committed a fraudulent act related to the wages of 7 casual workers;</p>	<p>Regarding the complaint at the Air Batu unit, based on the 2022-2023 list of workers and interviews with unions, it is known that the status of workers in the Air Batu unit are permanent workers, PKWT and outsourcing, so there are no workers with BHL status.</p> <p>Based on field visits, for example to the harvesting and maintenance activities of Sections VIII-IX and Mill, no workers with <i>BHL</i> status were found.</p>
<p>the Respondent failed to register their workers with the Social Security Administration for Employment and Health ("BPJS" Indonesia);</p>	<p>Based on the worker list for March 2023, there were 635 permanent workers, 115 PKWT workers and 5 outsourced workers. Of the total workers, it is also known that the company has registered workers in the BPJS for Employment as a whole and for BPJS Health as many as 683 workers and as many as 72 workers have registered in village insurance assistance (Jamkesda).</p> <p>Based on interviews with workers, for example workers in the harvesting and maintenance activities of Afdeling VIII-IX and Mill, it was conveyed that the personnel had been registered with the BPJS for Employment and Health and had paid contributions every month through salary deductions, part of which was subsidized by the company.</p>
<p>The Respondent does not provide adequate Personal Protective Equipment ("PPE") to the casual worker.</p>	<p>Based on the 2022-2023 list of workers and interviews with unions, it is known that the status of workers in the Air Batu unit are permanent workers, PKWT and outsourcing, so there are no workers with BHL status.</p> <p>PPE has become nonconformity in this assessment due the contractor worker and UoC worker didn't use appropriate PPE.</p>
<p>The Respondent did not provide holiday or religious allowances ("Holiday Allowances");</p>	<p>Based on interviews with union representatives, it was conveyed that holiday allowances have been given every year. In the 2022 period, the company has paid THR to all workers in the amount of one time salary, while for the 2023 period it is planned that the payment will be 1 week before the 2023 religious/Eid holiday.</p> <p>Based on interviews with workers, for example workers in the harvesting and maintenance activities of Afdeling VIII-IX and Mill, it was stated that the personnel had received THR in 2022.</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
Freelancers are paid below the minimum wage.	<p>Based on the worker list for March 2023, there were 635 permanent workers, 115 PKWT workers and 5 outsourced workers, so there were no daily employees. Based on the payroll document, it is known that permanent workers' wages have been paid in accordance with the wage scale structure with the lowest class being IDR 2,522,610 and PKWT wages being IDR 3,024,301.</p> <p>Based on interviews with workers, for example workers in the harvesting and maintenance activities of Sections VIII-IX and Mill, it was conveyed that the personnel were paid according to the provisions.</p>
BHL is denied their normative rights stemming from the Collective Labor Agreement (PKB).	<p>Based on the worker list for March 2023, there were 635 permanent workers, 115 PKWT workers and 5 outsourced workers, so there were no daily employees.</p> <p>Based on interviews with workers, for example workers in the harvesting and maintenance activities of Sections VIII-IX and Mill, it was stated that the company has provided workers' rights such as wages, leave, rest time, overtime pay, etc.</p>
Daily workers are not registered to receive BPJS Employment and Health (compulsory health insurance).	<p>Based on the worker list for March 2023, there were 635 permanent workers, 115 PKWT workers and 5 outsourced workers, so there were no daily employees.</p> <p>The company has shown proof of Social Security Agency payments for permanent employees and Fixed Period Working Agreement, including:</p> <p><b>Employment</b></p> <ul style="list-style-type: none"> <li>• Proof of payment for February 2023 paid on March 1, 2023.</li> <li>• Proof of March 2023 payment paid on March 31, 2022.</li> </ul> <p><b>Health</b></p> <ul style="list-style-type: none"> <li>• Proof of payment for February 2023 paid on February 14, 2023.</li> <li>• Proof of March 2023 payment paid on March 17, 2023.</li> </ul>
Daily workers are not entitled to receive Religious Holiday Allowances ("Religious Allowances").	<p>Based on the worker list for March 2023, there were 635 permanent workers, 115 PKWT workers and 5 outsourced workers, so there were no daily employees.</p>
Daily workers never receive any bonuses.	<p>Based on the worker list for March 2023, there were 635 permanent workers, 115 PKWT workers and 5 outsourced workers, so there were no daily employees.</p>
Daily workers are paid below the minimum wage, are not paid for overtime and work on weekends.	<p>Based on the worker list for March 2023, there were 635 permanent workers, 115 PKWT workers and 5 outsourced workers, so there were no daily employees.</p> <p>Based on the worker list for March 2023, there were 635 permanent workers, 115 PKWT workers and 5 outsourced workers, so there were no daily employees. Based on the payroll document, it is known that permanent workers' wages have been paid in accordance with the wage scale structure with the lowest</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
	class being IDR 2,522,610 and PKWT wages being IDR 3,024,301.
<b>Asahan District Land Office</b> <ul style="list-style-type: none"> <li>• Reports on the utilization of HGU have been routinely reported by the company.</li> <li>• PTPN IV Air Batu HGU will expire in a few years.</li> <li>• There are no issues or reports of land disputes with residents or with other companies.</li> </ul> <p>The company's communication with the Department is quite good.</p>	This has been verified in the report.
<b>Asahan District Environmental Services</b> <ul style="list-style-type: none"> <li>• Licensing related to environmental aspects has been regulated.</li> <li>• Reporting on environmental aspects is quite orderly.</li> <li>• PTPN IV Air Batu received blue proper during the 2021 assessment.</li> <li>• There are no complaints from stakeholders about the environmental impacts generated by PTPN IV in the last 1 year.</li> <li>• The company's communication with the Department is quite good.</li> </ul>	This has been verified in the report.
<b>Department of Agriculture - Plantation Sector Asahan District</b> <ul style="list-style-type: none"> <li>• The last plantation business assessment is in 2021, which is valid for 3 years, with class 2 plantation class.</li> <li>• In February 2023, monitoring has been carried out at PTPN IV Air Batu.</li> <li>• Attention needs to be given to the infrastructure for forest and land fire prevention in reference to the Regulation of the Minister of Agriculture number 5 of 2018.</li> <li>• There are no issues from stakeholders regarding PTPN IV Air Batu.</li> <li>• The company's communication with the Department is quite good.</li> </ul>	This has been verified in the report.
<b>CV Putra Mandiri</b> <ul style="list-style-type: none"> <li>• Cooperate with companies in Cooperation contracts for the transportation of FFB and empty fruit bunches.</li> <li>• Having 12-unit trucks with 12 drivers, and 24 FFB loading power.</li> <li>• There are workers who have been registered with health and employment insurance.</li> </ul>	This has been verified in the report.

Public Issues (Institution/ NGO/Community)	Auditor Verification
<ul style="list-style-type: none"> <li>• Understand the anti-bribery policy and not take actions that lead to bribery.</li> <li>• Payments made by the company are good.</li> <li>• There are no complaints when working with the company.</li> </ul>	

4.0	CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY
4.1	<p><b>Formal Sign-off of Assessment Findings</b></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-between; align-items: flex-end; margin-top: 100px;"> <div style="text-align: center;"> <p>PT Perkebunan Nusantara IV Management Representative</p>  <p><b><u>Pirgok Panggabean</u></b> Wednesday, 05 July 2023</p> </div> <div style="text-align: center;"> <p>Mutuagung Lestari Lead Auditor</p>  <p><b><u>Haikal Ramadhan Kharismansyah</u></b> Wednesday, 05 July 2023</p> </div> </div>



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

No	Institution/ NGO/ Community	Address	Phone/ Email	Form of Communication	Date of Contact	Response	
						Yes	No
1	Plantation Agency	Asahan Regency	-	Direct	03 April 2023	√	
2	Environmental Agency	Asahan Regency	-	Direct	03 April 2023	√	
3	National Land Agency	Asahan Regency	-	Direct	03 April 2023	√	
4	Labor Agency	Asahan Regency	-	Direct	03 April 2023	√	
5	Air Batu III/IX Plantation Village	Asahan Regency	-	Direct	04 April 2023	√	
6	Piasa Ulu Village	Asahan Regency	-	Direct	04 April 2023	√	
7	Sei Alim Ulu Village	Asahan Regency	-	Direct	04 April 2023		
8	Labor Union of Air Batu Unit (SPBUN)	Asahan Regency	-	Direct	04 April 2023	√	
9	Gender Committee	Asahan Regency	-	Direct	04 April 2023	√	
10	PT Wahana Adidaya Pertiwi (Trasnpoter CPO)	Asahan Regency	-	Interview by phone	04 April 2023	√	
11	CV Putra Mandiri (local Contractor)	Asahan Regency	-	Interview by phone	06 April 2023	√	
12	World Wide Fund	Indonesia	<a href="mailto:wwf-indonesia@wwf.or.id">wwf-indonesia@wwf.or.id</a>	Questionnaire by email	27 March 2022		√
13	Wahana Lingkungan Hidup Indonesia	Indonesia	<a href="mailto:informasi@walhi.or.id">informasi@walhi.or.id</a>	Questionnaire by email	27 March 2022		√
14	Sawit Watch	Indonesia	<a href="mailto:info@sawitwatch.or.id">info@sawitwatch.or.id</a>	Questionnaire by email	27 March 2022		√
15	AMAN	Indonesia	<a href="mailto:rumahaman@aman.or.id">rumahaman@aman.or.id</a>	Questionnaire by email	27 March 2022		√
16	Air Batu Estate: <ul style="list-style-type: none"> <li>1 Asisten, 1 Foreman, 1 Adminitration (Warehouse sentral)</li> <li>1 Aisten, 1 Foreman at Afdeling 2,3,5,6</li> <li>1 Foreman at hazardous and toxic storage</li> <li>4 firefighting personnel</li> <li>1 spraying foreman</li> <li>2 sprayers</li> <li>1 clerk</li> <li>1 foreman</li> <li>2 harvesting Foreman</li> <li>4 harvesters</li> <li>1 FFB Clerk</li> <li>2 FFB loaders</li> </ul>	PTPN IV – Unit of Air Batu.	-	Direct Interview	5 April 2022	√	

No	Institution/ NGO/ Community	Address	Phone/ Email	Form of Communication	Date of Contact	Response	
						Yes	No
17	Air Batu POM <ul style="list-style-type: none"> <li>• 3 chain workers</li> <li>• 1 Press Operator</li> <li>• 2 Boiler Operators</li> <li>• 2 Kernel Operators</li> <li>• 1 engine room operators</li> <li>• 1 sortation Foreman</li> <li>• 1 sortation worker</li> </ul>	PTPN IV – Unit of Air Batu	-	Direct Interview	4 April 2022	√	

**Appendix 2. Assessment Program**

DATE	3-7 April 2023	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
<b>Monday, 3 April 2023</b>		
07.05 – 09.30	• Jakarta (CGK) → Kualanamu (KNO)	HAI/SAS/KID/FPS
10.00 – 14.00	• Kualanamu (KNO) → Site	HAI/KID
10.00 – 17.00	• KNO → Public Consultation with Asahan District Government Office → Site	SAS/FPS
14.00 – 15.00	<b>Opening meeting</b> <ul style="list-style-type: none"> <li>Auditee Speech (Introduction of PIC, Profile of Certified Management Unit)</li> <li>Auditor Team Speech (Introduction, Audit Objective, Audit Scope, Audit Plan Discussion, Determine of Audit Sample, Transparency and Confidentiality Clarification)</li> </ul>	HAI/KID
15.00 – 16.00	<ul style="list-style-type: none"> <li>Document review</li> <li>Verification of Basic Information Mill and Estate</li> </ul>	HAI/KID
<b>Tuesday, 4 April 2023</b>		
08.00 – 12.00	<b>Public Consultation :</b> <ul style="list-style-type: none"> <li>Public consultation with affected communities around the plantation and previous land owners. (direct interview)</li> <li>Interviews with Gender Committees, Trade Unions, Local contractors, Employee cooperatives, third party suppliers (direct interview or by phone)</li> </ul>	HAI SAS/FPS/KID
08.00 – 12.00	<ul style="list-style-type: none"> <li>Document review <ul style="list-style-type: none"> <li>OHS and BMP aspect</li> <li>Environment aspect, GHG, HCV and smallholder</li> <li>Worker welfare and transparency aspect</li> </ul> </li> </ul>	SAS FPS KID
12.00 – 13.30	<b>Break</b>	HAI/KID/SAS/FPS
13.30 – 15.00	<b>Field observation to Air Batu POM</b> <ul style="list-style-type: none"> <li>Supply Chain Flow (Receiving FFB, Weighing FFB), CPO tanks and PK bulking</li> <li>Observation of the processing and mechanism of employment aspects</li> <li>Observation of Chemical Storage, PPE Storage, Hazardous Waste Storage, Fire Control Simulation</li> <li>Mill Waste Management / WWTP, WTP, monitoring wells, mill housing</li> </ul>	HAI KID SAS FPS
15.00 – 15.30	Presentation of Daily Progress	All Auditor
<b>Wednesday, 5 April 2023</b>		
08.00 – 12.00	<b>Field Observation Air Batu Estate</b> Aspect to be verified : <ul style="list-style-type: none"> <li>Implementation of Legal Aspect (Land Ownership, Legal Boundaries) and HCV</li> <li>Implementation of Agronomy Aspect (Harvesting &amp; Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application)</li> <li>Implementation of Environmental Aspects, Conservation, Waste Management, Waste, LA and HCV</li> <li>Observation of warehouses for chemicals, fertilizers, hazardous waste warehouses, workshops, fire control facilities and worker facilities (housing, schools, religious facilities)</li> </ul>	HAI KID FPS SAS

DATE	3-7 April 2023	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
12.00 – 13.30	<b>Break</b>	HAI/SAS/KID/FPS
13.30 – 15.00	<ul style="list-style-type: none"> <li>Document review and completing audit checklist.</li> <li>Verification of stakeholder consultation result and field visit.</li> </ul>	HAI/SAS/KID/FPS
15.00 – 15.30	<ul style="list-style-type: none"> <li>Presentation of Daily Progress</li> </ul>	HAI/SAS/KID/FPS
<b>Thursday, 6 April 2023</b>		
08.00 – 12.00	Document review and completing audit checklist.	HAI/SAS/KID/FPS
12.00 – 13.30	<b>Break</b>	HAI/SAS/KID/FPS
13.30 - 15.00	Internal discussion by auditor team preparing for Closing Meeting	HAI/SAS/KID/FPS
15.00 – 15.30	<b>Closing Meeting</b> <ul style="list-style-type: none"> <li>Presentation of audit findings (Noteworthy Positive Component, Non-Conformities, OFI, Timeline of CAR's, Conclusion) //</li> <li>Comments, Responses and Questions.</li> </ul>	HAI/SAS/KID/FPS
<b>Friday, 7 April 2023</b>		
04.00 – 09.00	Site → Bandara	HAI/SAS/KID/FPS
12.40 – 15.05	Kualanamu (KNO) → Jakarta (CGK)	HAI/SAS/KID/FPS