

Roundtable on Sustainable Palm Oil Certification R S P O

[✓] Surveillance

Name of Management Organisation : **Pabatu Palm Oil Mill subsidiary of PT Perkebunan Nusantara IV subsidiary of PT Perkebunan Nusantara III**
 Plantation Name : **Pabatu Estate and Bah Birong Ulu Estate**
 Location : **Village of Pabatu/Naga, Sub District of Tebing Tinggi, District of Serdang Bedagai, Province of Sumatera Utara, Indonesia.**
 Certificate Code : **MUTU-RSPO/072**
 Date of Initial Registration : **16 September 2015**
 Date of Certificate Issue : **21 October 2021** Date of License Issue : **21 January 2024**
 Date of Certificate Expiry : **20 October 2026** Date of License Expiry : **20 October 2024**

Assessment	Assessment Date	PT. Mutuagung Lestari Tbk Auditor	Reviewed by	Approved by
ASA-1.2	11 to 16 August 2023	Satria Adi Putra (Lead Auditor Witnessing), Rindu Galih Rezza Rachmansyah (Lead Auditor Witnessed), Kiki Fadli, I Wayan Sudi Antara and Ibnu Satria Prabudi	Moh Arif Yusni	Leonada

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-1.2	27 November 2023

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

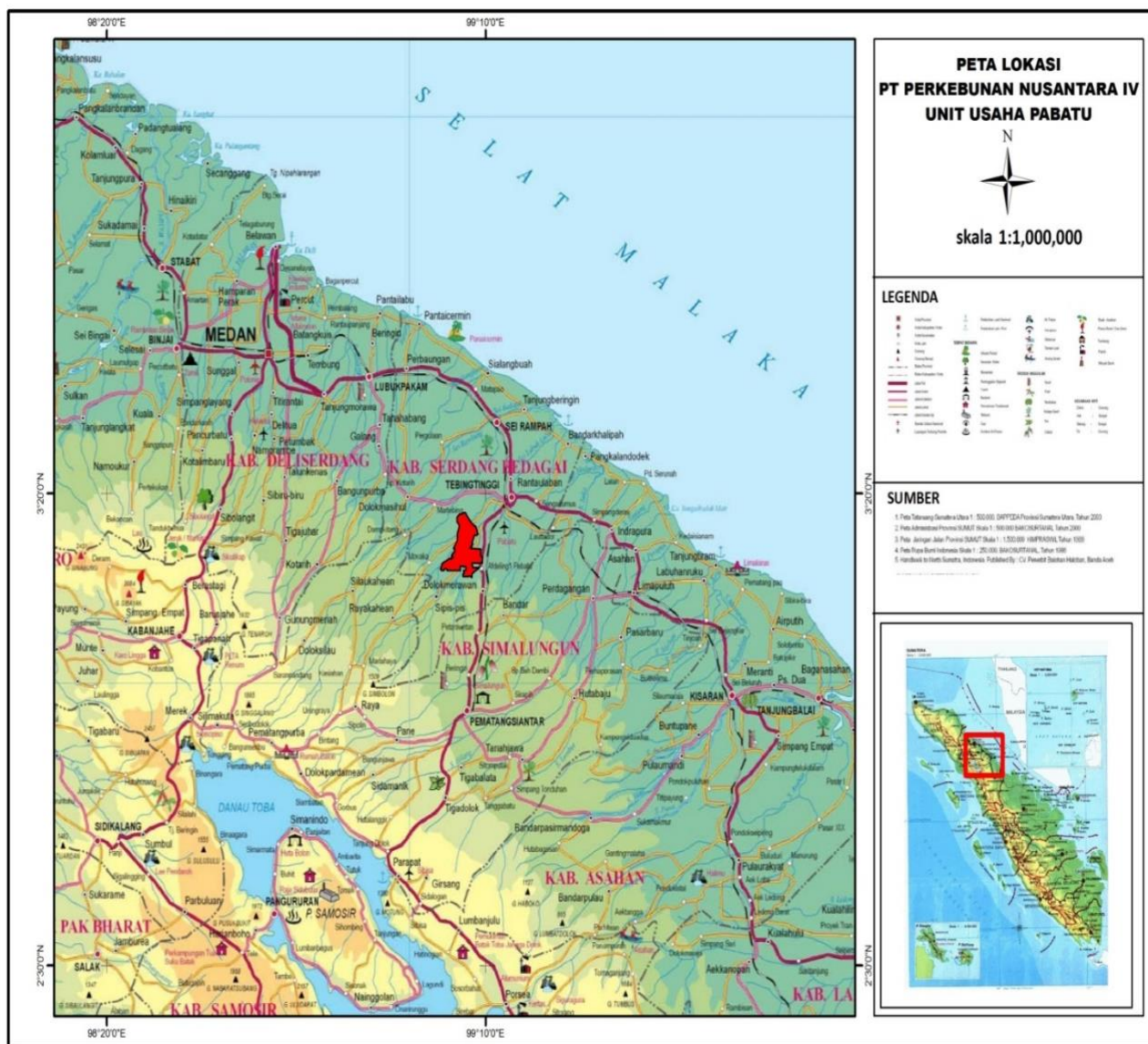


Figure 2. Operational Map of PT Perkebunan Nusantara IV - Pabatu Business Unit

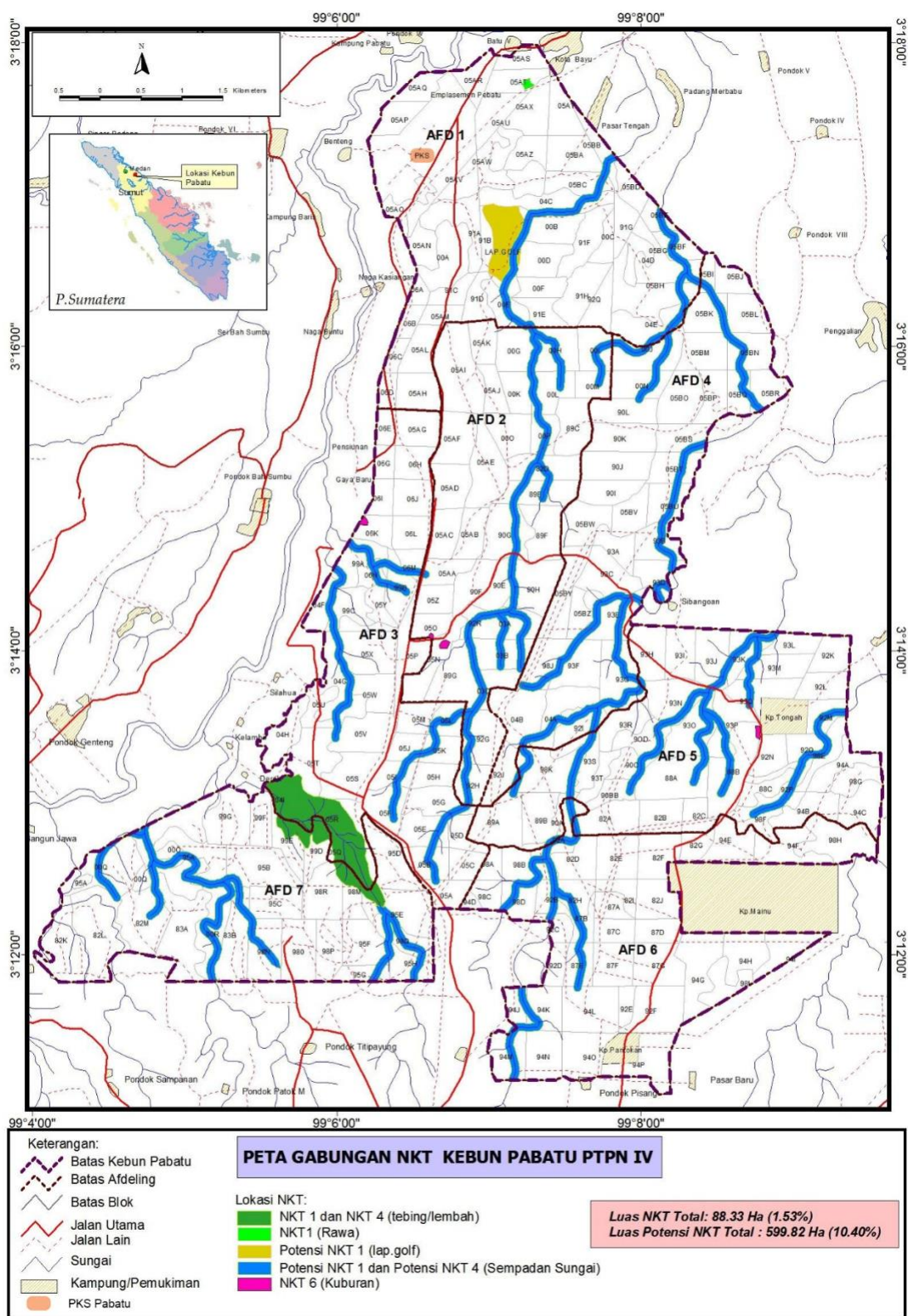
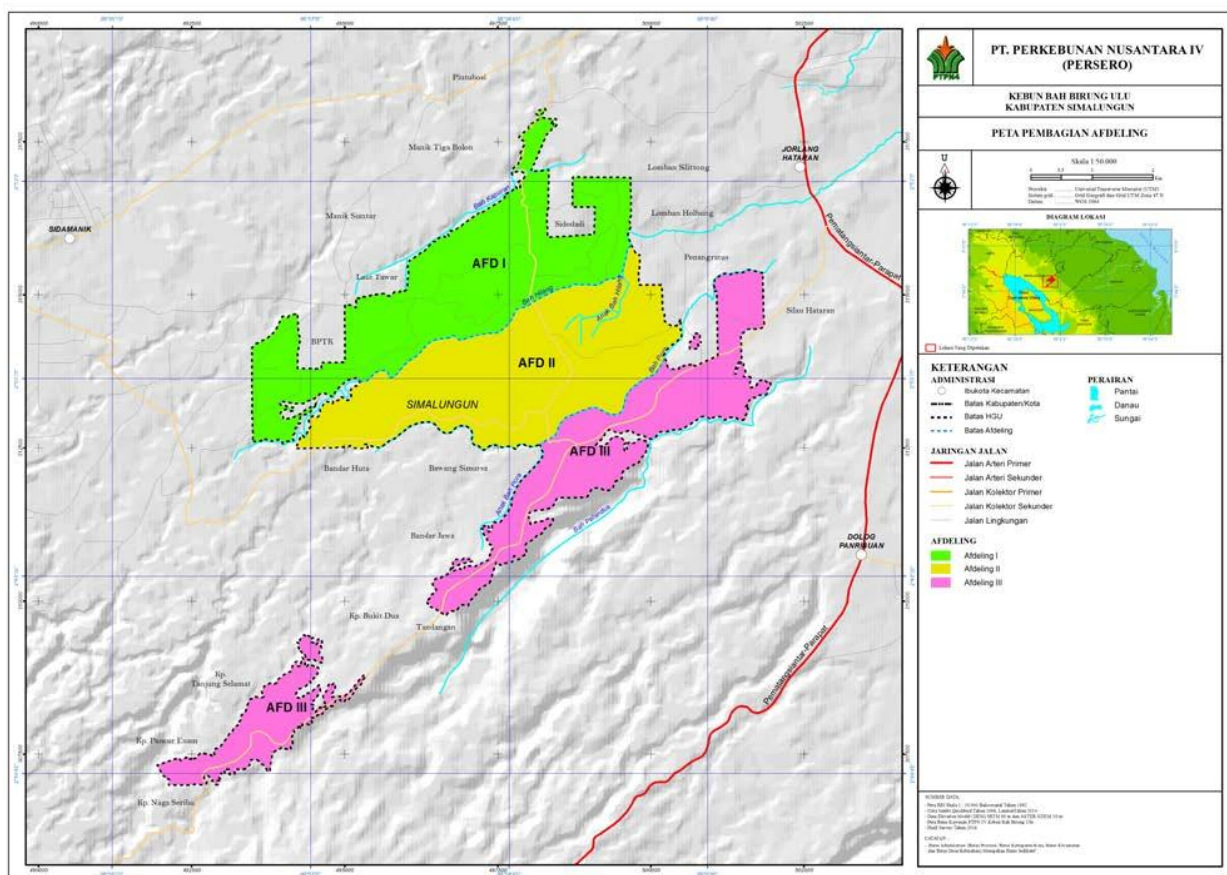


Figure 3. Operational Map of PT Perkebunan Nusantara IV – Bah Birong Business Unit



Abbreviations Used

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

QMS	:	Quality Management System
RC	:	Re-Certification
RKAP	:	<i>Rencana Kerja Anggaran Perusahaan</i> (Corporate Budget Work Plan)
RKL-RPL	:	<i>Rencana Kelola Lingkungan/Rencana Pantau Lingkungan</i> (Environment Management and Monitoring Plan)
RSPO	:	Roundtable on Sustainable Palm Oil
RTE	:	Rare, Endangered, Threatened
SCCS	:	Supply Chain Certification System
SIA	:	Social Impact Assessment
SMK3	:	<i>Sistem Manajemen Keselamatan dan Kesehatan Kerja</i>
SOP	:	Standard Operating Procedure
SPBUN	:	<i>Serikat Pekerja Perkebunan</i> (Worker Union)
SPI	:	<i>Satuan Pengawas Internal</i> / Internal Supervisory Unit
SPO	:	Standard Procedure Operational
SR	:	Severity Rate
SSU	:	Soil Sampling Unit
TBM	:	<i>Tanaman Belum Menghasilkan</i>
TBP	:	Time Bound Plan
TBS	:	<i>Tandan Buah Segar</i> / Fresh Fruit Bunch
TM	:	<i>Tanaman Menghasilkan</i> (Mature Plant)
UP3	:	<i>Whistleblowing Management Unit</i>
WTP	:	Water Treatment Plant
WWTP	:	Waste Water Treatment Plant

1.0	SCOPE OF THE CERTIFICATION ASSESSMENT		
1.1	Assessment Standard Used		
		<ul style="list-style-type: none">RSPO Certification Systems for Principles & Criteria and RSPO Independent Smallholder Standard, Endorsed by the RSPO Board of Governor on 12th November 2020.Indonesia National Interpretation of Principles and Criteria for Sustainable Palm Oil Production 2018, endorsed on 20th April 2020.	
1.2	Organisation Information		
1.2.1	Organization name listed in the certificate	Pabatu Palm oil Mill - PT Perkebunan Nusantara IV	
1.2.2	Contact person	Pirgok Pangabean	
1.2.3	Organization address and site address	Head Office: Jl Sei Batang Hari No.2, Medan – Sumatera Utara, Indonesia	
1.2.4	Telephone	+62 61-8452244	
1.2.5	Fax	+62 61-8455177	
1.2.6	E-mail	ptb@ptpn3.co.id	
1.2.7	Web page address	http://www.ptpn3.co.id/	
1.2.8	Management Representative who completed the application for certification	Pirgok 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	One (1) unit of Palm Oil Mill (Pabatu Mill), supplied by two (2) estates, i.e: Pabatu Estate and Bah Birung Ulu Estate	
1.3.2	Type of certificate	Single	
1.4	Locations of Mill and Plantation		
1.4.1	Location of Mill		
	Name of Mill	Location	Coordinate
			Latitude (S)Longitude (E)
	Pabatu POM	Village of Pabatu/Naga, Sub District of Tebing Tinggi, District of Serdang Bedagai, Province of Sumatera Utara, Indonesia	N 03° 17’ 10”E 99° 06’ 33”
1.4.2	Location of Certification Scope of Supply Base		
	Name of Supply Base	Location	Coordinate
			Latitude (S)Longitude (E)
	Pabatu Estate	Village of Pabatu/Naga, Sub District of Tebing Tinggi, District of Serdang Bedagai, Province of Sumatera Utara, Indonesia	N 03° 17’ 11”E 99° 06’ 38”
	Bah Birong Ulu Estate	Village of Bah Birong Ulu Manriah, Sub District of Sidamanik, District of Simalungun, Province of Sumatera Utara, Indonesia	N 02° 50’ 55.26”E 98° 58” 49.65”
1.5	Description of Area Statement		
1.5.1	Tenure		
	<ul style="list-style-type: none">State HGU (Pabatu) HGU (Bah Birung Ulu)Community	5.754,04 Ha * 2.602,95 Ha - Ha	

Total		8,356.99 Ha					
*The certification scope of Bah Birong Ulu Estate is 2,464.90 Ha based on IUP							
1.5.2	Area Statement						
	Description	Pabatu Estate (Ha)	Bah Birong Ulu Estate (Ha)	Total (Ha)			
	Total area	5,754.04	2,464.90	8,218.94			
	Mature area	4,531.00	2,370.70	6,901.70			
	Immature area	372.00	-	372.00			
	Roads	462.00	5.73	467.73			
	Drains	40.00	11.84	51.84			
	Buildings + Palm Oil Mill	171.04	24.38	195.42			
	Others (Bamboo, Gliricidia, Hyaten Area)	178.00	-	178.00			
	HCV	-	52.25	52.25			
	* HCV area in Pabatu Estate is 88.30 Ha including planted area						
1.6	Planting Year and Cycles						
1.6.1	Age profile of planting year						
	Planting Year	Pabatu Estate (Ha)	Bah Birong Ulu (Ha)	TOTAL (Ha)			
	2000	63.00	-	63.00			
	2003	68.00	-	68.00			
	2004	145.00	91.00	236.00			
	2005	1,299.00	1,636.00	2,935.00			
	2006	157.00	24.00	181.00			
	2008	-	170.70	170.70			
	2009	418.00	-	418.00			
	2011	-	14.00	14.00			
	2012	235.00	-	235.00			
	2013	12.00	-	12.00			
	2014	165.00	-	165.00			
	2015	205.00	-	205.00			
	2016	779.00	221.00	1,000.00			
	2017	780.00	214.00	994.00			
	2018	205.00	-	205.00			
	Mature Area	4,531.00	2,370.70	6,901.70			
	Rehabilitation	161.00	-	161.00			
	2019	79.00	-	79.00			
	2020	12.00	-	12.00			
	2021	120.00	-	120.00			
	Immature Area	372.00	-	372.00			
	TOTAL	4,903.00	2,370.70	7,273.70			
1.6.2	New Planting area after January 2010		- Ha				
1.6.3	Planting Cycle		2 nd Cycle				
1.7	Description of Mill and Supply Base						
1.7.1	Description of Mill						
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel	
				Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)
	Pabatu POM	30	180.907.21	39.351.07	21.75	8.962.61	4.95

*Production data source from August 2022 to July 2023							
1.7.2	Description of Certification Scope of Supply Base						
	Name of Estate	Total Area (Ha)	Production Area (Ha)	FFB (ton/year)	Yield (ton/ha/ year)	Supplied to Mill	
						FFB (ton/year)	%
	Pabatu Estate	5,754.04	4,531.00	106,590.13	23.52	106.046,08	99.49
	Bah Birung Ulu Estate	2,464.90	2,370.70	43,440.02	18.32	8.039,06	18.51
	TOTAL	8,218.94	6,901.70	150,030.15	22.83	114,085.14	76.04
*Production data source from August 2022 to July 2023							
1.7.3	FFB description from other source						
	Name of Sources/Organization (RSPO certified / non- certified)	Type of Organization	number of smallholder	Production Area (Ha)	Supplied to Mill FFB (tones/year)		
	RSPO Certified			16,613.10	21,605.70		
	Marjandi	PTPN IV	-	1,786.70	19,487.11		
	Marihat	PTPN IV	-	3,404.50	283.67		
	Dolok Ilir	PTPN IV	-	5,671.00	596.13		
	Adolina	PTPN IV	-	5,750.90	1,238.79		
	Not RSPO Certified			-	45,493.21		
	CV. Duta Paliwi	Thirdparty	-	-	9,780.82		
	CV. Panca Marga Abadi	Thirdparty	-	-	19,929.60		
	CV. Gintar	Thirdparty	-	-	11,508.44		
	PT. Rejeki Abadi Sambosar	Thirdparty	-	-	4,274.35		
	TOTAL				67,098.91		
	*Production data source from August 2022 to July 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 (MT)		Last Year of Actual Certified Production (21 January – 31 July 2023) (MT)		
	FFB Processed		139,400		75,993.06		
	CPO Production		29,300		18,297.31		
	Palm Kernel (PK) Production		6,300		3,848.83		
1.8.2	Product selling						
	Type of selling product		Actual selling product for last year (MT)				
	CSPO sold under RSPO Scheme		4,543.25				
	CSPK sold under RSPO Scheme		3,691.00				
	CSPO sold under other scheme		-				
	CSPK sold under other scheme		-				
	CSPO sold as conventional		13,695.13				
	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)		
	Pabatu Estate	5,754.04	4,605.00	97,000.00	21.41		

	Bah Birong Ulu Estate	2,464.90	2,370.70	38,000.00	16.03			
	TOTAL	8,218.94	6,975.70	135,000.00	19.56			
	<i>*Projected FFB production for 12 months of certificate</i>							
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
	Pabatu POM	30	135,000	31,700	23.48	6,500	4.81	MB
	<i>*Projected CSPO and CSPK production for 12 months of certificate</i>							
1.9	Other Certifications							
	ISO 9001:2008				-			
	ISO 14001: 2004				-			
	OHSAS 18001:2007				-			
	ISCC				EU-ISCC-Cert-ID215-23220869, Valid Until 5 August 2023			
	Others				-			
1.10	Time Bound Plan							
1.10.1	Time Bound Plan for Other Management Units							
	Management Unit		Estate (Supply Base)	Time Bound Plan	Location	Status		
	MILL	Time Bound Plan						
	Pulau Tiga (PTPN I)	2022	Pulau Tiga Estate	2022	Aceh Tamiang District, Aceh Province	Audited on 2022		
	Tanjung Seumantoh (PTPN I)	2022	Lama Estate	2022	Aceh Timur District, Aceh Province			
			Baru Estate	2022	Aceh Timur District, Aceh Province			
			Tualang Sawit Estate	2022	Aceh Timur Distrcit, Aceh Province			
			Julok Rayeuk Selatan Estate	2022	Aceh Timur District, Aceh Province			
	Cot Girek (PTPN I)	2022	Julok Rayeuk Utara Estate	2022	Aceh Utara District, Aceh Province			
			Cot Girek Es-tate	2022	Aceh Utara District, Aceh Province			
	Sawit Hulu (PTPN II)	2022	Sawit Hulu Estate	2022	Langkat District, Sumatera Utara Province			
	Kwala Sawit (PTPN II)	2022	Kwala Sawit Estate	2022	Langkat District, Sumatera Utara Province			
			Air Tenang Estate	2022	Langkat District, Sumatera Utara Province			
	Sawit Seberang (PTPN II)	2022	Batang Serangan Estate	2022	Langkat District, Sumatera Utara Province			
			Sawit Seberang Estate	2022	Langkat District, Sumatera Utara Province			
			Tanjung Jati (Rayon) Estate	2022	Langkat District, Sumatera Utara Province			

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

				Utara Province	(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	2015	Dolok Ilir	2015	Simalungun, Sumatera	Certified on

(PTPN IV)				Utara	September 2015
		Laras	2018	Simalungun, Sumatera Utara	Certified on December 2018
Pulu Raja (PTPN IV)	2015	Pulu Raja	2015	Asahan, Sumatera Utara	Certified on August 2015
Adolina (PTPN IV)	2018	Adolina	2018	Serdang Bedagai dan Deli Serdang, Sumatera Utara	Certified on April 2018
Bah Jambi (PTPN IV)	2018	Bah Jambi	2018	Simalungun, Sumatera Utara	Certified February 2018
		Marihat	2018	Simalungun, Sumatera Utara	Certified February 2018
		Bah Birung Ulu	2022	Simalungun, Sumatera Utara	Stage-1 Audit
		Marjandi	2019	Simalungun, Sumatera Utara	Certified on 20 may 2019 (1,802.0 Ha)
			2022	Simalungun, Sumatera Utara	Out of scope Certification 2nd 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 2nd 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
Tinjawan (PTPN IV)	2019	Tinjawan	2019	Simalungun, Sumatera Utara	Certified on March 2019
		Aek Nauli	2019	Simalungun, Sumatera Utara	Certified on March 2019
		Padang Matinggi	2019	Simalungun, Sumatera	Certified on

				Utara	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 2nd 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 2nd 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 2nd Stage Audit (301.50 Ha)
Pasir Mandoge (PTPN IV)	2020	Pasir Mandoge	2020	Asahan, Sumatera Utara	Certified on October 2018
		Sei Kopas	2020	Asahan, Sumatera Utara	Certified on October 2018
		Tonduhan	2020	Simalungun, Sumatera Utara	Certified on October 2018
		Sei Kopas (HPK)	2022	Asahan, Sumatera Utara	
Timur (PTPN IV)	2022	Timur	2022	Mandailing Natal, Sumatera Utara	
		Balap	2022	Mandailing Natal, Sumatera Utara	
Ajamu (PT PN IV)	2021	Ajamu	2019	Labuhan Batu Utara, Sumatera Utara	Certified on September 2019
		Meranti Paham	2019	Labuhan Batu Utara, Sumatera Utara	Certified on September 2019
		Panai Jaya	2022	Labuhan Batu Utara, Sumatera Utara	Preparation
Sosa (PTPN IV)	2022	Sosa	2022	Padang Lawas, Sumatera Utara	Preparation
PT Agro Sinergi Nusantara (PTPN IV)	2022	PT Agro Sinergi Nusantara	2022	Aceh Barat, Aceh	Preparation
PT Sinergi	2022	PT Sinergi Perkebunan	2022	Morowali Utara, Sulawesi	Preparation

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

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

			Cisalak Baru	2022	Lebak District, Banten Province	
			Bojongdatar	2022	Lebak District, Banten Province	
	Cikasungka (PTPN VIII)	2022	Cikasungka	2022	Bogor District, Jawa barat Province	
			Sukamaju	2022	Sukabumi District, Jawa barat Province	
	Gunung Meliau (PTPN XIII)	2022	Gunung Meliau	2022	Sanggau District, Kalimantan Barat Province	
	Rimba Belian (PTPN XIII)	2023	Rimba Belian	2023	Sanggau District, Kalimantan Barat Province	
			Gunung Mas	2023	Sanggau District, Kalimantan Barat Province	
			Sungai Dekan	2023	Sanggau District, Kalimantan Barat Province	
	Parindu (PTPN XIII)	2023	Parindu	2023	Sanggau District, Kalimantan Barat Province	
	Luwu (PTPN XIV)	2022	Luwu	2022	Luwu Timur, District, Sulawesi Tengah	
			Keera-Maroon	2022	Luwu Timur, District, Sulawesi Tengah	
			Malili	2023	Luwu Timur, District, Sulawesi Tengah	
			Asera	2023	Luwu Timur, District, Sulawesi Tengah	
	*Date Approval TBP on November 2021.					
1.10.2	Progress of Associated Smallholders and Outgrowers for Certifiable Standard					
	The company has no agreement with any associated smallholder					

2.0	ASSESSMENT PROCESS
2.1	Assessment Team
ASA-1.2	<p>1. Satria Adi Putra (Lead Auditor Witnessing). Indonesian citizen, Diploma III majoring in Palm Oil Plantation. Have experience of work more than six years since 2009 as the operational staff of private oil palm plantations in Indonesia. Training have been followed including Occupational Health and Safety Expert, Orang Utan and Wildlife Management, ISPO Auditor Training, ISCC Auditor, IHT Potential Mapping and Conflict Resolution in Production Forests, OHSAS 18001, SA 8000, RSPO Lead Training, Lead Auditor Training for ISO 9001, ISO 14001, ISO 17021, ISO 17065, ISO 19011, ISO 22000.</p> <p>2. Rindu Galih Rezza Rachmansyah (Lead Auditor Witnessed). Bachelor of Agriculture, Department of Plant Pests and Diseases (Agrotechnology), Padjadjaran University. Has one year experience as a Field Expert in a private pesticide company and three years' experience in the field of Industrial Plantation Forest (HTI), Forest Rehabilitation and Reclamation in an Indonesian BUMN Company as an Assistant. Trainings attended include: Lead Auditor ISO 9001, ISO 14001, ISO 19011, ISO 17021 & 17065, SA 8000, ISO 45001, ISPO, RSPO, RaCP and NPP awareness for RSPO and OHSAS 18001. Has conducted ISPO and RSPO Audit activities since 2017 in the aspects of Legality, Environment, Labor, K3, Best Management Practices (BMP) and Social. In this audit activity, verification was carried out for Legality, social and supply chain aspects.</p> <p>3. Kiki Fadli (Auditor). Indonesian citizen, Bachelor of Agricultural Engineering, Agricultural Engineering Study Program. Has experience working in the Department of Sustainability in private and state-owned oil palm plantations. Has attended ISPO New Refreshment Lead Auditor training, RSPO Lead Auditor, General AK3, ISO 9001:2008, ISO 14001:2015, ISO 17021, ISO 17065, HCV, OHS management system, RSPO SCC and ISH Lead</p>

auditor training organized by RSPO. In this audit activity, an assessment of the employment aspect was carried out.

4. **I Wayan Sudi Antara (Auditor).** Bachelor of Agricultural Engineering at the IPB University Bogor. Experienced in preparing Environment Impact Assessment since 1990 (has a competency certificate for Team Leader for EIA Preparation), involved as an auditor assessing the performance of Sustainable Production Forest Managers for both the Indonesian Ecolabel Institute/LEI scheme since 1997 and the Ministry of Forestry scheme since 2002 (has Auditor and LEI certificates). Previously worked at a Forestry Consultant, experienced in ISPO & RSPO assessment as an auditor (has passed ISPO & RSPO training). The training he has followed namely: Awareness ISO 17021, Awareness ISO 17065, Awareness ISO 9001, Awareness ISO 14001, Awareness ISO 45001, and Awareness ISO 19011. During this assessment, he verified the aspects of environment and HCV.
5. **Ibnu Satria Prabudi (Auditor Trainee).** Bachelor of Agriculture, Faculty of Agriculture, INSTIPER, Yogyakarta. He have several trainings regarding system: RSPO Lead Auditor by the Indonesian Palm Oil Commission (2010) and has attended twice refreshment trainings (2017 and 2021), ISPO Auditor Training by the National Standardization Agency (2011) and has attended refreshment trainings (2021), ISO 9001: 2015 IRCA by PT TUV Rheinland Indonesia (2018), ISO 14001: 2004 by PT Bumi Hijau Cemerlang (2010), Green House Gass In House Training by the ISPO Commission, Involved in ISPO standard field testing (2011), OHS Expert Training by PT Safindo Raya (2016), RSPO Supply Chain Certification Training by CheckMark (2019) and has attended refreshment trainings (2022), Cleanliness Health Safety and Environment Sustainability (CHSE) Certification Auditor Training by Sucofindo (2020), ISO 45001 OH & SMS Lead Auditor IRCA by PT TUV Rheinland Indonesia (2021), SNI ISO/IEC 17065:2012 by the National Standardization Agency (2022) and has participated in several activities audit related to the sustainable oil palm plantation certification system as an auditor and or Lead Auditor since 2010. He has have several professional experience as Auditor in PT Mutu Agung Lestari, Internal Auditor in PT Tasik Raja – Anglo Eastern Plantation Group, Auditor in PT TUV Rheinland Indonesia and Auditor in PT PCU Indonesia. During this assessment, he verified the aspects of BMP and OHS.

Curriculum vitae (CV) of the members and the assessment team is available at the PT Mutuagung Lestari office.

2.2	Assessment Methodology, Assessment Process and Locations of Assessment
2.2.1	Figure of person days to implement assessment
ASA-1.2	<p>Number of auditors: 3 auditors & 1 auditor trainee</p> <p>Number of days for ASA-1.2 at site: 5 days</p> <p>Number of working days for ASA-1.2: 15 Working days</p>
2.2.2	Assessment Process
ASA-1.2	<p>The assessment was conducted by measuring the implementation of certification system and standard conducted by PTPN IV, Pabatu POM based on:</p> <ul style="list-style-type: none"> • RSPO Principles and Criteria for Sustainable Palm Oil Production 2018, The Indonesian National Interpretation, Endorsed by the RSPO Board of Governors on 20th April 2020 • RSPO Certification Systems for Principles & Criteria and RSPO Independent Smallholder Standard, Endorsed by the RSPO Board of Governors on 12 November 2020 <p>The scope of certification of Pabatu POM consist of one mill (Pabatu POM) and two estates (Pabatu Estate and Bah Birung Ulu Estate).</p> <p>The audit program is included as Appendix II. 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. Some opportunities for improvement of the results ASA-1.2 by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (ASA-1.3). Improvement of findings from ASA-1.1 were</p>

observed by auditors at this ASA-1.2 assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of ASA-1.2.

Number of units in this certification activity is 1 (one) Mill and 2 (two) estates. The auditor team used the $(0.8\sqrt{y}) \times (z)$ formula to determine the units sampling to be focused on and also considered the issues raised by stakeholder, (y) is the number of estate and (z) multiplier defined by the risk assessment. The risk for this assessment is low due to the area is geographic locations, distance of estate, complexity of labor, landscape setting, presence of HCV, number of communities/ conflicts and legality. Based on this formula, the auditor team determined that the sampling locations are one palm oil mill (Pabatu POM) and two estates (Pabatu Estate and Bah Birung Ulu Estate).

The opening meeting was held on 11 August 2023. As for the participants who attended the opening meeting included the Estate and Mill Managers, Support Team from Medan and other staff. Closing meeting was held on 16 August 2023 attended by the same participants as the opening meeting. Management Pabatu POM – PTPN IV accept all the ASA-1.2 audit results.

Stakeholder consultation involved internal and external stakeholders. Discussion was 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 discussion, 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 through teleconference. Fieldworkers were interviewed informally in small groups in the field. Company officials were not present at any of the internal or external stakeholder interviews. A list of Stakeholders contacted is included as Appendix III.

Commonly, the audit activities went smoothly with good cooperation from the unit management. The presentation of documents is presented quite well by involving related personnel.

All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU).

The assessment program please find Appendix 2.

2.2.3	Locations of Assessment
ASA-1.2	<p>The sampling location consider the issue arose from the review documents and stakeholder's consultation that are fundamental and crucial. At the sample locations for this assessment, direct visits and interviews with respondents by the auditor team were carried out:</p> <p><u>Pabatu Palm Oil Mill</u></p> <ul style="list-style-type: none"> • Security post. Interview with security about worker welfare, OHS implementation, emergency situation, worker training, FFB supplier, and complaint mechanism. • Weighbridge. Observation and interview related supply chain, FFB Source, OHS aspect and worker welfare. • Housing Complex. Observations and interviews with residents related to the welfare facilities provided, the actual condition of the facilities and the complaint mechanism. • FFB Grading Station. Observations regarding to environment, worker welfare and OHS aspect. • Loading Ramp Station. Observation and interviews to PPE used by operators, OSH symbols, noise level, visitor line or evacuation path, hand rail, condition of first aid box. • Sterilizer Station. Observation and interviews to PPE used by operators, OSH symbols, noise level, visitor line or evacuation path, hand rail, condition of first aid box operator license. • Tippler/Threshing Station. Observation and interviews to PPE used by operators, OSH symbols, noise level, visitor line or evacuation path, hand rail, condition of first aid box operator license. • Press Station. Observation and interviews to PPE used by operators, OSH symbols, noise level, visitor line or

evacuation path, hand rail, condition of first aid box, operator license.

- **Clarification Station.** Observation and interviews to PPE used by operators, OSH symbols, noise level, visitor line or evacuation path, hand rail, condition of first aid box.
- **Nut and Kernel Station.** Observation and interviews to PPE used by operators, OSH symbols, noise level, visitor line or evacuation path, condition of first aid box operator license.
- **Engine Room.** Observation and interviews to PPE used by operators, OSH symbols, noise level, visitor line or evacuation path, hand rail, condition of first aid box operator license, that operated in 2 shifts.
- **Boiler Station.** Observation and interviews to PPE used by operators, OSH symbols, noise level, visitor line or evacuation path, hand rail, condition of first aid box operator license. Sighted 2 set Boiler with capacity 2 x 30 ton/hour that runs simultaneously in 2 shifts.
- **Processing Station Environment.** Observation and interviews to PPE used by operators, OSH symbols, noise level, visitor line or evacuation path, hand rail, condition of first aid box, fire extinguisher, mill drainage and cleanliness.
- **WTP.** Observation and interview with worker related to implementation of water management, OHS, environmental and worker welfare aspects.
- **WWTP.** Observation related to implementation of waste water management, safety, and environmental aspects.
- **Empty Bunch Area.** Observation related to implementation of waste management.
- **Chemical Storage.** Observation related to implementation of chemical management, safety, and environmental aspects.
- **Oil Storage.** Observation related to implementation of chemical management, safety, and environmental aspects
- **Fuel Tank.** Observation related to implementation of chemical management, OHS, and environmental aspects.
- **Hazardous Waste Storage.** Observation and interview with worker related to implementation of hazardous waste management, OHS, environmental and worker welfare aspects
- **Central Storage.** Observation related to implementation of material management, safety, environmental, and worker welfare aspects.
- **WTP (Water Treatment Plant).** Observations and interviews related to work procedures, employment systems, OSH, environmental aspects and grievance mechanisms.
- **Workshop.** Observations and interviews related to work procedures, employment systems, OSH, environmental aspects and grievance mechanisms.
- **Empty Bunch Area (EBA).** Observations related to mill waste management.
- **Hydrant No. 01 Simulation.** Observations and interviews with officers related to emergency response procedures and the availability of infrastructure.
- **Laboratory.** Observations and interviews related to work procedures, employment systems, OSH, environmental aspects and grievance mechanisms.
- **Housing Complex.** Observation and interview related to feasibility of welfare facilities for workers and their families.

Pabatu Estate

- **FFB Harvesting and loose fruit picker activity, Block 2009 V, Afdeling 7.** Observation and interviews and interviews with foreman and harvester related FFB quality, harvesting round, OHS, and employment
- **Quoting cocoons, Block 2006 G, Afdeling 3.** Observation and interviews and interviews with foreman and harvester related quoting cocoons, OHS, PPE and employment
- **Load transport FFB. Block 2005 AY, Afdeling 3.** Observation and interviews of load transport FFB employee, OHS, PPE, labor aspect and environment.
- **Beneficial plant (*turnera subulata*) Block 2021 D Afdeling 7.** Observation and interviews of the management and utilization of beneficial plants.
- **Nursery, Afdeling 4.** Observation and interviews and interviews with foreman and harvester related Nursery quality, OHS, PPE, and employment
- **Contour felt land, Block 2021 E, Afdeling 7.** Observation and interviews of the management and utilization of Contour felt land.

- **Immature Area in Block 2021 D Afdeling 7.** Observation related to replanting activity and immature plant management.
- **Housing Complex of Division I & VII.** Observation and interview with residents related to housing facilities, domestic waste management, and complaint mechanism
- **Day Care of Division I & VII.** Observations and interview with worker regarding to educational facilities in the form of childcare for workers.
- **Landfill Division I & VII.** Observation related to implementation of waste management procedure, OHS, and environmental aspects.
- **PPE Warehouse for Spray Team of Division I & VII.** Observation and interviews related to washing of working tools and PPE of spray team.
- **Central Fertilizer Storage.** Observation related to implementation of material handling, safety, and environmental aspects.
- **Fertilizer Storage in Division I.** Observation related to implementation of material handling, safety, and environmental aspects.
- **Workshop.** Observation and interview with worker related to implementation of workshop activity, OHS, environmental and worker welfare aspects.
- **CD (Civil) Storage.** Observation related to implementation of material handling, safety, and environmental aspects.
- **Pole HGU No. 143, 132, 27, 63.** Field observation related to company operational boundaries area.
- **Riparian Block 04 F and 17 K.** Field Observation Related to environment management.
- **HGU Pole No. 18 at Block 04 H Division 3.** Observations related to the legality boundaries of the company's operational land.
- **HGU Polo No. 14 at Block 04 I Division 3.** Observations related to the legality boundaries of the company's operational land.
- **HGU Polo No. 10 at Block 04 I Division 3.** Observations related to the legality boundaries of the company's operational land.
- **Housing Complex Division 2.** Observation and interview related to feasibility of welfare facilities for workers and their families.
- **Housing Complex Division 3.** Observation and interview related to feasibility of welfare facilities for workers and their families.
- **Rinse House at Division 2.** Observations and interviews related to work procedures, employment systems, OSH, environmental aspects and grievance mechanisms.
- **Rinse House at Division 3.** Observations and interviews related to work procedures, employment systems, OSH, environmental aspects and grievance mechanisms.
- **Landfill at Block 15 B Division 2.** Observations related to domestic waste management.
- **Landfill at Block 05 A Division 3.** Observations related to domestic waste management.
- **HCV Area (Cemetery Area for Muslim) at Block 05 N Division 2.** Observations related to conservation area management.
- **HCV Area (Cemetery Area for Christian) at Block 05 O Division 2.** Observations related to conservation area management.
- **HCV Area (Cemetery Area) at Block 05 F Division 3.** Observations related to conservation area management.
- **Potential HCV Area (Riparian of Sibangoan River) at Block 15 B Division 2.** Observations related to conservation area management.

Bah Birong Ulu Estate

- **Housing Complex of Afdeling I.** Observation and interview with residents related to housing facilities, domestic waste management, and complaint mechanism.
- **Landfill Afdeling I.** Observation related to implementation of waste management procedure, OHS, and environmental aspects.
- **Load transport FFB Afdeling 1.** Observation and interviews of load transport FFB employee, OHS, PPE, labor aspect and environment.
- **FFB Harvesting and loose fruit picker activity, Block 2005 Z, Afdeling 1.** Observation and interviews and interviews with foreman and harvester related FFB quality, harvesting round, OHS, and employment

- **FFB Harvesting and loose fruit picker activity, Block 2008 CD Afdeling 3.** Observation and interviews and interviews with foreman and harvester related FFB quality, harvesting round, OHS, PPE, and employment
- **Load transport FFB. Block 2008 CD, Afdeling 3.** Observation and interviews of load transport FFB employee, OHS, PPE, labor aspect and environment.
- **Manual Upkeep, Block 2005 AK, Afdeling 2** Observation and interviews and interviews with foreman and harvester related manual upkeep quality, OHS, PPE, and employment.
- **PPE Warehouse for Spray Team of Division III.** Observation and interviews related to washing of working tools and PPE of spray team.
- **Central Fertilizer Storage.** Observation related to implementation of material handling, safety, and environmental aspects.
- **Fertilizer Storage in Division I.** Observation related to implementation of material handling, safety, and environmental aspects.
- **Workshop.** Observation and interview with worker related to implementation of workshop activity, OHS, environmental and worker welfare aspects.
- **Oil Storage.** Observation related to implementation of chemical management, safety, and environmental aspects
- **Fuel Tank.** Observation related to implementation of chemical management, OHS, and environmental aspects.
- **Hazardous Waste Storage.** Observation and interview with worker related to implementation of hazardous waste management, OHS, environmental and worker welfare aspects
- **Pole HGU No. 111, 110, 109.** Field observation related to company operational boundaries area.
- **Riparian Block 05 R.** Field Observation Related to environment management.
- **HGU Pole No. 64, 65 & 66 at Block 05 BZ Division 2.** Observations related to the legality boundaries of the company's operational land.
- **HGU Pole No. 69 & 71 at Block 05 CG Division 2.** Observations related to the legality boundaries of the company's operational land.
- **HCV Area (Cemetery Area) at Block 05 AL Division 1.** Observations related to conservation area management.
- **HCV Area (Riparian of Bah Hilang River) at Block 05 AH Division 1.** Observations related to conservation area management.
- **HCV Area (Riparian of Bah Hilang River) at Block 05 BL Division 2.** Observations related to conservation area management.
- **FFB Transportation at Block 05 CD & 05 CE Division 2.** Observations and interviews related to work procedures, employment systems, OSH, environmental aspects and grievance mechanisms.
- **Landfill at Block 05 BX Division 2.** Observations related to domestic waste management.
- **Housing Complex Division 2.** Observation and interview related to feasibility of welfare facilities for workers and their families.

2.3	Stakeholder Consultation and Stakeholders Contacted
2.3.1	Summary of stakeholder consultation process.
ASA-1.2	<p>Summary of stakeholder consultation process for Pabatu POM – PTPN IV</p> <ul style="list-style-type: none"> • Public consultation via the Mutu website on 31 August 2023. • Public consultation with government agencies of Serdang Berdagai District (Agriculture Agency, Labor Agency, and Environmental Agency) on 14 August 2023 and Simalungun District (Agriculture Agency, Labor Agency, and Environmental Agency) on 15 August 2023. • Public consultation by interview with locals of the nearby village (Bah Birung Ulu Village, Pabatu I Village and Penonggol Village) and local contractor on 14 August 2023. • Consultation meeting and interview with Internal Stakeholder (labor union and gender committee) on 14 August 2023. • Consultation with NGO (WWF, Sawit Watch, Wahana Lingkungan Hidup Indonesia, dan AMAN) via email on 2 August 2023.

	Numbers of input from stakeholders were clarified by Pabatu POM – PTPN IV
2.3.2	Stakeholder contacted
	Please find appendix 1
2.4	Determining Next Assessment
	ASA-1.3 will conduct 8 – 12 months after this assessment

3.0 ASSESSMENT FINDINGS

3.1 Summary of Assessment Report of the RSPO Certification

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

During the assessment, there is two (2) Nonconformities were assigned against Major Compliance Indicator, two (2) Nonconformities were assigned against Minor Raised to Major Compliance Indicator, one (1) Nonconformity were assigned against Minor Compliance Indicator and four (4) 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. 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 four (4) Major non-conformities had been closed out shall be verified during next assessment.

MUTUAGUNG LESTARI found that Pabatu 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
PRINCIPLE #1 BEHAVE ETHICALLY AND TRANSPARENTLY	
1.1	The unit of certification provides adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.
1.1.1	<p>Company can show Director Decree No. 04.03/Kpts/02/II/2018 regarding the publication of PTPN IV company documents which regulates the types of company documents and the authority over the publication of company documents. PTPN IV document data is divided into Open Document Data, Closed Document Data, and Confidential Document Data. All public documents and operational related documents are placed in each unit, both estate and mill. For example, company also provides information to relevant stakeholder routinely, for example employment report of RKL-RPL in First Semester of 2022 which is reported to Environmental Agency of Serdang Bedagai Regency and Simalungun Regency on 18 August 2022 and 8 September 2022 respectively. The mechanism for requesting information and responses is listed in the SOP for the Storage Period of Requests for Information and Responses No. SPO 06 No. Revision 03 Effective Date 1 August 2017 with maximum time of responded to information requests is 30 days since mail received</p> <p>Based on interviews with community representatives (Bah Birung Ulu Village, Pabatu I Village and Penonggol Village) and the Sedang Bedagai and Simalungun District offices, it was stated that stakeholders know about documents that can be accessed publicly as well as information request mechanisms, if there are documents/information available. required by stakeholders who need approval from company management.</p>
1.1.2	<p>The company has submitted information in Indonesian to stakeholders, for example:</p> <ul style="list-style-type: none"> Compulsory Manpower Reporting (Bah Birung Ulu Estate) with reporting number 21171.20220820.0001 reporting date 20 August 2022. Compulsory Labor Reporting (Pabatu) with reporting number 20623.20221213.0001 reporting date December 13, 2022.

- Proof of registration of Fixed Period Working Agreement Pabatu Estate to the Office of Manpower, Cooperative Small and Medium Enterprise Serdang Bedagai Regency with No. PAB/X/Disnaker/61/VII/2023 on 27 July 2023.
- Proof of registration of Fixed Period Working Agreement Bah Birung Ulu Estate to the Simalungun Regency Manpower Office with No. ULU/X/74/VII/2023 on 7 July 2023.
- PTPN IV – Pabatu HGU Utilization Report for 2022 on 16 Januari 2023 to the National Land Agency of the Serdang Bedagai Regency.
- PTPN IV – Bah Birung Ulu HGU Utilization Report for 2023 on 20 January 2023 to the National Land Agency of the Pematang Siantar City.
- PTPN IV – Pabatu Plantation Business Activity Report for 1st Semester in 2023 on 14 July 2023 to Agriculture Agency of Serdang Bedagai Regency.
- PTPN IV – Bah Birung Ulu Plantation Business Activity Report for 1st Semester in 2023 on 03 July 2023 to Agriculture Agency of Simalungun Regency.
- PTPN IV – Bah Birung Ulu (Plantation) Investment Progress Report for 2nd Quarter in 2023 on 10 July 2023 to Capital Investment Coordinating Agency by online.
- PTPN IV – Pabatu (Plantation) Investment Progress Report for 2nd Quarter in 2023 on 10 July 2023 to Capital Investment Coordinating Agency by online.
- PTPN IV – Pabatu (Palm Oil Mill) Investment Progress Report for 2nd Quarter in 2023 on 10 July 2023 to Capital Investment Coordinating Agency by online.

1.1.3

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

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

1.1.4

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

1.1.5

The company has detailed stakeholder information listed in the Company's Stakeholder for 2022 period. This document has contained detail information such as name, position, contact number, and address of stakeholders. Stakeholders consist of Government Agencies, Village Communities, Police, etc. Auditor verified by conducting a public consultation using the telephone number registered in the stakeholder list, and it was known that the number could be contacted by the auditor, such as village representatives, labor union representatives etc.

Status: Comply

1.2

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

1.2.1

The company has an ethical behavior policy that is contained in the PTPN IV Code of Ethics document in accordance with the Decree of the Board of Commissioners and Directors of PTPN IV No. DK-08/KPTS/VII/2020 which was established on 21 July 2020. The Code of Conduct document also explains the commitment and attitude of business actors, obligations and rights of business actors, prohibitions for business actors, ethics with stakeholders, and compliance with violations.

The company has also socialized regarding policies to act ethically to workers, local communities and contractors, for example:

- Pabatu POM which was socialized on March 10, 2023 which was attended by 15 people.
- Community representatives (such as the Head of Orika Village, Head of Manis Village, etc) and contractors who had been socialized on 7 February 2023 which was attended by 28 people.

Based on interviews with workers at the Estate and Mill, contractors and union representatives it is known that they understand the code of ethics in the company. For example, avoiding fraud or violations in the work environment, working according to procedures, and obligations as a contractor.

1.2.2

The company has an employee recruitment mechanism listed in the PDIK Recruitment and Appointment of IA-IID Group Employees with No 04.15.01A issued in June 2013 which describes the stages of employee recruitment starting from job vacancy information, employee candidate tests to employee acceptance and costs in the process Recruitment is borne entirely by the company.

Based on interviews with management representatives, the method of monitoring code of ethics compliance is carried out through an internal audit conducted by the SPI Office of the Board of Directors. The company also shows the results of an internal audit by the SPI Office of the Board of Directors, for example, which was carried out at the Pabatu Unit on 24-28 January 2023 with no results found to violate ethical business practices. In addition, the Company also monitors through complaints submitted through the whistleblowing system and it is known that there have been no complaints in the violation reporting system during 2022-2023.

Based on interviews with labor unions and contractors, it was conveyed that a code of ethics policy has been implemented by the company in all business operations and transactions including recruitment and work contracts. The code of ethics (anti-corruption, anti-bribery and anti-fraud) is stated in every work agreement of third parties (contractors) and workers.

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

Companies can show some evidence of compliance with relevant regulations when the Surveillance-1.2 audit activities are carried out, including demonstrating compliance with relevant regulations in legal, environmental, worker welfare and other aspects. The following are some of the evidences that have been shown:

Legality Aspect

- The origin of PTPN IV - Pabatu land ownership came from the BOCM (Bandar Oliepalmen Cultuur Maatschappij) company which was previously a Tobacco Plantation and in 1938 the BOCM (Bandar Oliepalmen Cultuur Maatschappij) carried out a Commodity Conversion from Tobacco to Palm Oil. In 1940 the BOCM (Bandar Oliepalmen Cultuur Maatschappij) began to establish and operate the Palm Oil Mill. In 1998 the Government carried out the Nationalization of the Company in accordance with Law no. 86 of 1958.
- The origin of for PTPN IV – Bah Birung Ulu land ownership came from the Dutch Colonial ((N.V. Nationale Industrie & Landbouw Mij) which had been engaged in Tea Plantations since 1916 in Simalungun. In 1998 the government nationalized the company in accordance with Law no. 86 in 1958.
- PTPN IV – Pabatu (Mill & Estate) has had a Plantation Business Permit (IUP) since 2013 in accordance with the Decree of Integrated Licensing Service Agency of Sumatera Utara Province No. 522.2/15/BPPTSU/2/1.3/II/2013 dated 21 February 2013 for Palm Oil Plantation & Industry with the capacity of 30 tons of FFB/hour in mill and an operational area of 5,754.04 Ha.
- PTPN IV – Bah Birung has had a Plantation Business Permit (IUP) since 2021 in accordance with the Decree of One-Stop Integrated Investment and Licensing Service Agency of Simalungun Regency No. 503/16/17.4/2021 dated 06 April 2021 for Palm Oil Plantation with the operational area of 2,464.90 Ha.
- PTPN IV – Pabatu has had a Land Title (HGU) for the operational area in accordance with HGU Certificate No. 164 of 2005 dated 16 September 2005 for an area of 5,500.43 Ha that has been valid until 31 December 2026.
- PTPN IV – Pabatu has had a Land Title (HGU) for the operational area in accordance with HGU Certificate No. 01 of 2007 dated 17 July 2007 for an area of 145.46 Ha that has been valid until 16 July 2032.
- PTPN IV – Pabatu has had a Land Title (HGU) for the operational area in accordance with HGU Certificate No. 02 of 2007 dated 17 July 2007 for an area of 108.15 Ha that has been valid until 16 July 2032.
- PTPN IV – Bah Birung ulu has had a Land Title (HGU) for the operational area in accordance with HGU Certificate No. 98 of 2019 dated 13 Mei 2019 for an area of 1,651.92 Ha that has been valid until 30 December 2048.

- PTPN IV – Bah Birung ulu has had a Land Title (HGU) for the operational area in accordance with HGU Certificate No. 99 of 2019 dated 13 Mei 2019 for an area of 82.24 Ha that has been valid until 30 December 2048.
- PTPN IV – Bah Birung ulu has had a Land Title (HGU) for the operational area in accordance with HGU Certificate No. 100 of 2019 dated 13 Mei 2019 for an area of 292.49 Ha that has been valid until 30 December 2048.
- PTPN IV – Bah Birung ulu has had a Land Title (HGU) for the operational area in accordance with HGU Certificate No. 101 of 2019 dated 13 Mei 2019 for an area of 2.08 Ha that has been valid until 30 December 2048.
- PTPN IV – Bah Birung ulu has had a Land Title (HGU) for the operational area in accordance with HGU Certificate No. 102 of 2019 dated 13 Mei 2019 for an area of 139.18 Ha that has been valid until 30 December 2048.
- PT Perkebunan Nusantara IV already has a Business Identity as one of the requirements in carrying out business activities in Indonesia (according to Government Regulation No. 24 of 2018). This identity is proven by the existence of a Business Identification Number (NIB) issued by the Government of the Republic of Indonesia with No. 9120400152539 dated 23 January 2019 with 8 types of business that are permitted (including plantation activities and the palm oil industry).
- Assessment of Plantation Business Certificate No. 188.45/14632/Tahun 2021 date 28 July 2021 for PTPN IV – Bah Birung Ulu from the Regent of Simalungun Regency with "*Kelas III (Moderate)*" results. This result is based on Decree from Simalungun Regent No. 188.45/14633/17/2021 on 28 July 2021.
- Letter of Assessment of Plantation Business No. 525/496/V/2021 date 06 May 2021 for PTPN IV – Pabatu from the Head of the Agriculture Agency of Sumatera Utara Province with "*Kelas II (Good)*" results.

Worker Welfare Aspect

- Proof of Recording of Pabatu Estate Work Agreement for a Specific Time by the Manpower Office, Serdang Bedagai Regency Small and Medium Enterprise Cooperative through a reporting letter with No. PAB/X/Disnaker/61/VII/2023 on 27 July 2023 for 114 people who are in accordance with government regulations No. 35 of 2021.
- Proof of Recording of Work Agreement for a Specific Time for Bah Birung Ulu Estate by the Simalungun Regency Manpower Office through a reporting letter with No. ULU/X/74/VII/2023 on July 7 2023 for 58 people who are in accordance with government regulations No 35 of 2021.
- Compulsory Manpower Reporting (Pabatu) with reporting number 20623.20221213.0001 reporting date December 13, 2022 which is in accordance with minister of labor regulations No 18 of 2017.
- The company has set a minimum wage with components of a basic salary and fixed benefits so that a total of IDR 2,710,493 is obtained which is in accordance with the Decree of the Governor of Sumatra Utara No 188.44/949/KPTS/2022 dated 28 November 2022.

Best Management Practices Aspect

- The company has demonstrated all use of chemicals for the implementation of plantation operations during 2022 to 2023 (July), all pesticides used by the company are pesticides with active ingredients that have been registered with valid permits. The company no longer uses pesticides with banned active ingredients (WHO categories 1A and 1B and paraquats). This is evidenced by the realization of the use of pesticides for diving in 2022 to 2023 (July).
- The management unit already owns and uses pesticides registered with the Pesticide Commission.
- IPM activities according to the best IPM guidelines.

OHS Aspect

- Provision of PPE for free to all workers and arrange the use of PPE according to the type of work based on the free predetermined HIRAC.
- Have permits for all factory operating machines such as boiler and sterilizer machines that have been tested for eligibility according to applicable regulations.
- Has a license / competency for some special jobs that require more expertise such as OHS experts, hiperkes, boiler operators, diesel engine operators, welder, wheel loader operators and others in accordance with the requirements contained in the regulations.
- Has carried out a general health check (Medical Check Up) every year until 2022 (August) for all workers and special checks (cholinesterase, spirometry and audiometry) according to the level of risk / danger for certain jobs.

Based on the explanation and description above, it can be concluded that in general the company has complied with all relevant regulations in Indonesia.

2.1.2

Procedure of legal requirement which presented in document No. 04.01/KOL/P/034, dated 01 August 2018 mentioned that the guidelines include informing the person in charge of identifying and updating regulations as part of corporate legal and investor relations with a period of once a year. The procedure mentioned that in order to monitor and update of laws and/or regulations, the Legal Officer required to actively check and make coordination with Government Agencies or Institutions.

As proof that the company has complied with the laws in force in Indonesia, the company has a list of regulations/laws made according to its type, such as Laws, Government Regulations, Presidential Decrees, Presidential Instructions, Ministerial Regulations, Ministerial Decrees and so on. Companies can show documents updating regulations from 2021-2022 which were carried out in 01 June 2023, where there are several new regulations included, namely:

- Government Regulations No. 35 of 2021 concerning Specific Time Work Agreements, outsourcing, working hours, rest periods, and layoffs.
- Government Regulations No. 36 of 2021 concerning Wages.
- Government Regulations No. 37 of 2021 concerning Job Loss Guarantee.
- Minister of Environment regulations No. P.12 of 2020 concerning Storage of Hazardous and Toxic Waste.
- Regulation of the Minister of Manpower No. 4 of 2022 concerning payment procedures and terms for "Jaminan Hari Tua".

As proof that the implementation of legal compliance has been fulfilled, the company has conducted routine Internal Audits every year and usually these activities are combined with RSPO Internal Audits. The last Internal Audit was conducted on 23-27 July 2023 for the PTPN IV – Pabatu (POM & Estate) and PTPN IV – Bah Birung Ulu. As for the contractor/vendor (Third Party) internal audit activity conducted on 31 March 2023, where the contractor/vendor is monitored for compliance with relevant regulations. For more details related to compliance with regulations related to contractors/vendors, it has been explained in Indicator 2.2.2.

Based on the explanation above, it can be concluded that the company has a documented system to ensure compliance with relevant regulations for the company and third parties working with the company (contractors/vendors) and this has been well documented.

2.1.3

Non-conformity No. 2023.01 with the Minor Category

Based on the results of field observations and a review of the plantation land right monitoring documents belonging to PTPN IV – Bah Birung Ulu for the 1st semester of 2023 which was carried out in July 2023, several things were found as follows:

- Field observation of PTPN IV – Bah Birung Ulu (Afdeling 2) with HGU No. 64-67 in Block 05 BZ and plantation land right No. 69 & 71 in Block 05 CG were found to be in good condition. However, the coordinate points recorded based on monitoring results in semester 1 of 2023 do not match the actual position of the plantation land right stakes visited in the field.
- The monitoring results for PTPN IV – Bah Birung Ulu plantation land right stakes for Semester 1 of 2023 cannot be demonstrated (other than Afdeling 2, with a total of Afdelings being 3) during the audit activity. Therefore the auditor does not know the actual status or condition of each HGU stake owned by the Company.
- Based on SOP No. 12 concerning Maintenance and Monitoring of HGU Stakeholders (Revision 02) which was passed on January 2, 2015, explains that maintenance and monitoring of the condition of plantation land right Stakeholders is carried out every 6 months by the Company.

The company has not been able to prove that the legal boundaries of the operational area that have been determined by the National Land Office/Government are in accordance (Stake Number, Coordinate, Position, Amount and others) and are in good condition (Good, Damaged or Missing).

2.1.3	Status: Non-conformity No. 2023.01 with the Minor category	
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2.2

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

2.2.1 and 2.2.3

The company shows a list of contractors for the 2023 period which also includes company name, work object, contract number, contact party and contact number, including 2 CPO transporters, 1 PK transporter, 1 security service, 1 outsourcing service, 1 hazardous and toxic waste transporter, 2 maintenance services and 4 FFB transporters and it can be shown that the cooperation

contract has its own clause regarding the fulfillment of relevant legal obligations, for example in the work agreement with CV Senang Jaya for nursery maintenance services with No. 04.04/S.Perj/BBT/1661/II/2023 dated 20 February 2023.

In addition, the Employment Agreement has also included 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 minors according to labor regulations, not carrying out forced labor practices, not employing workers who are the result of human trafficking and so on.

2.2.2

The company shows a list of contractors for the 2023 period which also includes company name, work object, contract number, contact party and contact number, including 2 CPO transporters, 1 PK transporter, 1 security service, 1 outsourcing service, 1 LB3 transporter, 2 maintenance services and 4 FFB transporters.

The company also shows an agreement with a contractor that contains a clause regarding legal compliance obligations, for example a work agreement with CV Senang Jaya for nursery maintenance services with No. 04.04/S.Perj/BBT/1661/II/2023 dated 20 February 2023. The agreements have explained the following:

- Obligation to use PPE
- Guarantee that there is no child labor, forced labor or the consequences of human trafficking and protection
- Third parties must comply with the provisions made by the company regarding the implementation of RSPO and ISPO.

The company shows a contractor evaluation document containing the company's evaluation of third parties for compliance with regulations, for example as follows:

- CV Senang Jaya (maintenance services) which states that it has been fulfilled regarding the use of PPE, payment of BPJS, payment of the minimum wage, not employing minors, etc.
- PT Syahrul Akbar Sejahtera (CPO transporter) stating that it has been fulfilled regarding the use of PPE, payment of BPJS, payment of the minimum wage, not employing minors, etc.

The company has shown documentation of legal compliance by the contractor, for example for PT Tiga Putra Siman (FFB transportation), namely:

- Work agreement letter between PT Tiga Putra Siman and 10 workers with No. 074/TPS-PT/VII/2023 which is valid until February 2, 2023 which regulates workers' rights and obligations such as wages, meal allowances, etc.
- Data for wages for June 2023 workers already meet the district minimum wage, for example for names with the initial W with a basic wage of IDR 3,370,650.
- Proof of Social Security Agency on Employment and Health payments that were last paid for the June 2023 period.
- Minutes of PPE handover to workers with PPE types, namely safety shoes and helmets.

Based on interviews with contractors, for example PT Tiga Putra Siman (FFB transportation) and PT Karya Nusantara Jaya (Outsourcing), it was stated that the company regularly socializes company policies and rules in the RSPO certification scheme for subsequent evaluation of compliance with these. From the results of this evaluation, it was stated that the contractor had fulfilled the requirements such as payment of wages above the minimum wage, payment of health insurance, etc.

Status: Comply

2.3

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

2.3.1 & 2.3.2

Based on the results of a review of documents related to basic information, weigh tickets and a list of FFB suppliers for PTPN IV – Pabatu, information was obtained that currently there are two (2) types of suppliers that send their FFB to Pabatu POM, namely Direct Supplier & Indirect Supplier. For now, the list of the two suppliers is presented as follows:

Direct Supplier

- Pabatu Estate
- Bah Birung Ulu Estate
- Marjandi Estate
- Marihat Estate
- Dolok Ilir Estate

- Adolina Estate
- Indirect Supplier**
- CV Duta Paliwi
- UD Gintar
- PT RAS (Rejeki Abadi Sambosar)
- PT Panca Marga Abadi

From the list above, the Direct Supplier is the Main Estate of PTPN IV which is in North Sumatra Province and for each Geolocation it has been shown, evidence of land ownership status is HGU (Land Title) and has other permits (Plantation Business Permit, Business Identification Number and others). As for Indirect Suppliers, the same thing has also been shown such as ownership of farmer land (SHM/SKT/others certificate), geolocation and other permits such as business permits. Based on this explanation, it can be concluded the company has completed this indicator request to all FFB suppliers if it has been fully completed by the Company.

Status: Comply

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

3.1
There is an implemented management plan for the unit of certification that aims to achieve long-term economic and financial viability.

3.1.1
PTPN IV Unit Pulu Raja POM, Pulu Raja Estate, Pabatu Estate and Bah Birong Ulu Estate have five-year production projections contained in the 5-Year Long-Term Plan for the 2019-2024 period. The document contains estimates, namely statements, production projections (FFB), oil (CPO), core (Kernel), plantation costs, factory costs, oil prices, core prices, revenues from oil sales and core sales, expenses (production costs) and acquisitions, profit/loss (revenue vs cost). Among them are the following Long Term Plan Projections:

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

Description	2019	2020	2021	2022	2023	2024
Core Production (ton)	65,538	74,196	91,825	95,359	102,887	109,140
Palm Oil (ton)	16,549	17,945	21,913	22,886	24,693	26,193
Palm Kernel (ton)	3,230	3,585	4,415	4,291	4,630	4,911
FFB selling Price (Rp/kg)	1,396	1,585	1,605	1,653	1,745	1,745

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

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

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

3.1.2
The unit of certification has been able to show a document of the long-term plan for the area of oil palm for replanting which is projected for the next 6 years. Pabatu Estate has a Replanting Planting Program, but Bah Birong Ulu Estate has not carried out replanting for the next 5 years. The following table shows the Pabatu replanting plan for the 2019-2024 period:

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

Year	Replanting Area (Ha)
2019	94.00

2020	-
2021	138.00
2022	-
2023	156.00
2024	67.00

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

Based on the plan above, replanting activities have been realized, namely in 2019 covering an area of 79 Ha, in 2020 covering an area of 12 Ha and in 2021 covering an area of 120 Ha.

3.1.3

The company can show the document for the 2023 plantation management system Management Review Meeting which will be held on February 7, 2023 and is accompanied by a list of attendance that follows 15 participants in the Manager's Meeting Room.

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

- In 2023 Pabatu plantation units have been audited by certification bodies
- In 2022, production achievement performance has been achieved
- Status of preventive actions and corrective actions so that they are sustainable if they are not achieved in accordance with the targets that have been made in each division/apartment.
- Management follow-up in 2022 has shown quite good performance, hopefully in 2023 we need to pay attention and guide it together so that the targets in the Pabatu plantation unit can be achieved according to what has been planned. / expected by the company.
- In connection with the training that will be carried out in 2022, both organizers from the Central HR department and local units will be the organizers. As well as outreach to workers and stakeholders has also been carried out.
- Procurement of goods and services for all departments
- Road maintenance has also been carried out well, both manually and mechanically
- To partners in the Pabatu plantation unit, such as FFB transportation service providers, to always improve the quality of trucks and FFB loading officers.
- The relationship between the company and its stakeholders.
- Related to internal and external problems and expectations.
- Improve the performance of all departments/apartments so that the company's targets can be achieved well by following existing procedures/IK so that the expected performance can be achieved

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

- Integration of ISO 9001:2008 into ISO 9001:2015
- Discussion on the results of internal and external audits of ISO 9001:2015
- Feedback and concern among relevant stakeholders
- Achievement of quality goals and objectives 2022
- Concern about the implementation of quality objectives
- Follow up on previous management studies
- Goals for improvement
- Compliance with the criteria and quality of FFB harvest in the field
- Participation in increasing production
- Issues related to External and Internal.

Based on information from the results of the document review, the company has conducted regular evaluations to see the realization/achievement of the budget or activity plans that have been made. Evaluation is carried out regularly every month or every

year. Monthly evaluation is contained in the Manager's Report every month. The annual evaluation is carried out through a management review meeting.

Status: Comply

3.2
The unit of certification regularly monitors and reviews their economic, social and environmental performance and develops and implements action plans that allow demonstrable continuous improvement in key operations.

3.2.1.
Pabatu estate
Aspects of Best Management Practices
The Company has implemented a commitment to continuous improvement, including:

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

Bah Birong Ulu estate
Aspects of Best Management Practices
The Company has implemented a commitment to continuous improvement, including:

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

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

3.2.2
Certification Unit already has an annual report document using the RSPO metric template format that has been provided to the auditor team at the time of the assessment. The summary in the report, for example, is as follows:

Name of RSPO Member	: Pabatu Palm Oil Mill PT Perkebunan Nusantara IV
RSPO Membership Number	: 1-0030-06-000-00
Name of Certified Unit	: Pabatu Palm Oil Mill
Name of Certification Body	: PT Mutuagung Lestari
RSPO PalmTrace ID Number	: RSPO_PO1000002520
Supply Chain Model	: Mass Balance (MB)
Number of Mills	: 1

Number of Estates	: 2
Production Area (ha) - Estate	: 6,902
Certified Area (ha) - Estate	: 8,219
High Conservation Value (HCV) Area (ha)	: 141 (88.30 Ha including planted area)
Peatlands - Planted (ha)	: 0
Peatlands - Unplanted (ha)	: 0
Additional side aside river buffer (ha) that are not part of the above HCV areas	: 0
Freshwater Usage per PO produced tonne	: 6,35
Average LTIFR	: 0.00

Based on the results of verification and comparison of the matrix template with several other documents, it shows that the area data is in accordance with the basic information and results of the HCV study. Other data related to employment, production, supply chain is also in accordance with related documents.

Status: Comply

3.3

Operating procedures are appropriately documented, consistently implemented and monitored.

3.3.1

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

The SPO is written in Indonesian and stored in the Pabatu POM and Pabatu Estate and Bah Birong Ulu Estate business units. The document is in the form of Standard Operating Procedures (SPO) for Plants and company policies regarding:

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

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

- SOP for Oil Palm Plants (SPO 02 on New Plants)
Regarding : regulates Replanting, Under Replanting, Peatland Management, Ground Cover Crops and Planting with effective date on August 1, 2007
- SOP for Oil Palm Plants (SPO 03 on Nurseries)
Regarding: regulates the management of nurseries, pests in seedlings, and diseases in seedlings effective from August 1, 2007
- SPO for Oil Palm Plants (SPO 04 on Immature Plants)
Regarding: management of TBM maintenance, fertilization of TBM, weeding of TBM, pests and diseases in TBM, castration and sanitation in TBM as well as aid pollination effective from 1 August 2007
- SOP for Oil Palm Plants (SPO 05 on Mature Crops)
Regarding : regarding management of mature plants, maintenance of roads and bridges, fertilization of mature plants, organization of fertilization, analysis of leaf and soil samples as well as instrument calibration effective from August 1, 2007
- SOP for Oil Palm Plants (SPO 06 on Harvest)
Regarding : regulates harvest management which regulates harvest management, harvest supervision and fines, FFB

transportation, harvest premiums, and cultivation technique factors that affect yields effective from August 1, 2007

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

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

3.3.2

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

- The Pabatu POM, Pulu Raja Estate and Bah Birong Ulu Estate certification units have an RSPO Internal Supervisory Unit that conducts audits covering all plantation and mill operations.
- Pabatu Estate has shown a record of corrective actions for non-compliance with the RSPO Internal Audit Report on 6-10 September 2022.
- Pabatu POM has shown a record of corrective actions for non-conformance to the RSPO Internal Audit Report on 12-15 September 2022.
- Bah Birong Ulu Estate has shown a record of corrective actions for non-compliance with the RSPO Internal Audit Report on 16-17 September 2022.
- The company also has an internal audit mechanism in order to apply the principles and criteria contained in the Internal Audit of the Internal Audit Unit. This is done to the company's internal and external companies (stakeholders and contractors). Internal audit of SPI is carried out by the certification unit for the period of 2022, including:
 - Pabatu POM which was conducted on 7-11 February 2022, as a form of commitment to implementing ISO 37001 (Anti-Bribery Management System) to clients/auditees was asked not to provide anything that could affect the objectivity and independence of the audit.
 - Pabatu Estate which was carried out on February 14-18 2022, as a form of commitment to implementing ISO 37001 (Anti-Bribery Management System) to clients/auditees was asked not to provide anything that could affect the objectivity and independence of the audit.
 - Bah Birong Ulu Estate which was carried out on August 26, 2022, as a form of commitment to implementing ISO 37001 (Anti-Bribery Management System) to clients/auditees was asked not to provide anything that could affect the objectivity and

independence of the audit.

- Pabatu Pom and Pabatu Estate showed the document for the 2021 Management Review Meeting of the plantation management system which was held on June 4, 2022 and was accompanied by a list of attendees who participated in 10 participants in the Manager's Meeting Room.
- Bah Birong Ulu Estate showed the document for the 2021 Management Review Meeting of the plantation management system which was held on March 5, 2022 and was accompanied by a list of attendees who participated in 9 participants in the Manager's Meeting Room.
- EWS detection checks and IPM census are carried out by Pabatu Estate and Bah Birong Ulu Estates every month.
- Pabatu POM, Pabatu Estate and Bah Birong Ulu certification units have documented plantation operational reports such as daily reports, supervisor workbooks, etc. Field visits to plantations showed that the unit had documented daily production report activities which were documented using a computerized reporting system.

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

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

3.3.3

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

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

Activities at Pabatu Estate:

- Non-conformance 6.7.3 :
The rinse house available at the VII Afdeling office has not shown its suitability and completeness for use by sprayer officers.
- location :
Pabatu Estate afdeling VII
- Findings:
The results of the auditor's review in the field found:
 - Piles of used jerry cans and burlap
 - The storage area outside the rinse house has no cover
 - The door to enter the rinse house is broken
- Corrective/Preventive Actions *) to be taken:
Pabatu Estate on afd VII has returned B3 waste to the central warehouse, the shelter has been closed and the entrance has been repaired
- Fulfillment date :
Closed : It has been fulfilled on September 16, 2022

Activities at Pabatu POM

- Non-conformance 3.6.1 :
All operations are risk assessed to identify Health & Safety issues. Mitigation plans and procedures are documented and implemented.
- location :
Pabatu POM
- Findings:
The results of the auditor's review in the field found: There is no safety chain for gas cylinders.
- Corrective/Preventive Actions *) to be taken:

The installation of safety for gas cylinders has been carried out and socialized about chain safety for gas cylinders

- Fulfillment date :
Closed : It has been fulfilled on September 16, 2022

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

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

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

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

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

Status: Comply

3.4
A comprehensive Social and Environmental Impact Assessment (SEIA) is undertaken prior to new plantings or operations, and a social and environmental management and monitoring plan is implemented and regularly updated in ongoing operations.

3.4.1
Pabatu Unit
Certificate holder has Environmental Impact Assessment (EIA) document which has covered 5,754.76 Ha areas, mill capacity 30 mt FFB/hour, kernel crushing plant, and 3 MW power plant on 2009 approved by Head of Serdang Bedagai Environmental Agency based on letter No: 660/158-B/LH/2009. EIA documents explained activities for estate and palm oil mill.

Besides, social impact assessment was conducted in 2009 in collaboration with PT Yayasan Sawit Berkelanjutan Indonesia involving local communities. Social assessments include impacts on the socio-economic aspects, social aspects (education, health), socio-cultural aspects, customs and traditions. The assessment was conducted by interview involving stakeholders, such as resident from Padang Merbau, previous head of Naga Kesiangan Village, Head of Bah Damar Village, and so on. After conducting interviews with affected parties, the company conducted public consultations with stakeholders and employees. The public consultation delivered the results of the interviews and was given a question-and-answer session for stakeholders. Company showed photo documentation of interview and minute of meeting of public consultation.

Bah Birong Ulu Unit

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

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

3.4.2

Pabatu Unit

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

Environmental Impact Assessment (EIA)

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

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

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

Social Impact Assessment (SIA)

The 2009 SIA study results document is used as a guide in the preparation of social impact management programs which are updated annually, for example, the 2022 Social Impact Management and Monitoring Plan document with affected parties. In this document there are several social programs, including public facility and social facility, job opportunity, business opportunity, and disputes with farmers. Program planning is carried out based on the results of questionnaire which is distributed and filled in October 2021 which has been participated worker's representatives as well as village community around the company. The program is a general plan that will be implemented by the company based on the analysis of stakeholder needs and stakeholder mapping related to the company, either directly or indirectly. Thus, the planned program is directed as far as possible to strengthen the company's relationship, communication, and cooperation with all stakeholders.

The company also evaluates the Management Plan every year to monitor the progress of program management, for example, there are programs that need to be stopped, continued, or added. The evaluation of the management plan refers to the 2021 Social Impact Management result document, the evaluation activity is also a reference in the preparation of the 2022 program. Based on the results of the 2021 Social Impact Management document verification, it can be concluded that all activities listed in the 2021 Social Impact Management Plan have been implemented and carried out. The document also includes social programs to avoid/mitigate negative

social impacts, public facility and social facility, job opportunity, business opportunity, and disputes with farmers. No new impacts have been identified by the company, so for the period of 2022, all programs that have been determined in the previous year are continuing. Based on the result of consultation with local village representatives, it was also stated that company was not trying to seize occupied area and tended to give the area to the community.

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

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

Bah Birong Ulu Unit

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

Environmental Impact Assessment (EIA)

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

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

Company has also made an RKL-RPL report every semester which refers to the environmental management and monitoring matrix. Environmental management reports are carried out every 6 months and submitted to the relevant agencies, for example the RKL-RPL Report for first semester of 2022 which is sent to the Environmental Agency of Simalungun Regency on 8 September 2022.

Social Impact Assessment (SIA)

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

to strengthen the company's relationship, communication, and cooperation with all stakeholders.

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

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

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

3.4.3

Pabatu Unit

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

Environmental Impact Assessment (EIA)

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

Social Impact Assessment (SIA)

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

latest needs according to conditions in the field.

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

Bah Birong Ulu Unit

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

Environmental Impact Assessment (EIA)

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

Social Impact Assessment (SIA)

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

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

Status: Comply

3.5

A system for managing human resources is in place.

3.5.1-3.5.2

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 regarding 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.

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 what is stated in letter no. 04.07/Kpts/R/52/VI/2023 regarding performance appraisal on July 20, 2023 with the following assessment:

- Employee with the initials AS, POM press operator position, promoted from class ID/3 to ID/5 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.
- Employee with the initials AS, POM boiler operator position, promoted from group ID/7 to IIA/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 documents of pension provisions, for example those shown in the PTPN IV directors' decision letter regarding pension provisions in the name with the initials JMS with No. 04.07/Kpts/0554-ULU/VI/2023 dated 26 June 2023 and an application for applying for retirement benefits has been made to the Head of the HR Section with No. ULU/DAPENBUN/24/VI/2022.

Training

The company has an HR development mechanism listed in PDIK Education and Training No. 04.11/KOL/KOL/P/009 revision 1 dated 12 August 2019 which describes the stages of identifying human resource development needs and the realization of the plan. In addition, each new employee will undergo a probationary and training period before becoming a permanent employee.

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

Status: Comply

3.6

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

3.6.1

- Pabatu POM already has a Risk Management document for the Factory prepared by Ahmad F. Lubis. The document describes the activities at each station, the risks, dangers, and control measures, starting from the stew station, seed mill station, clarification station, hoisting crane station, sewage pond, chain station, press station, engine room, steam boiler station and so on other. The document was revised and reviewed again on January 7, 2022.
- Pabatu Estate already has a Risk Management document for the plantation prepared by Aprizal lubis and Junaidi. The document explains starting from FFB harvesting activities, harvesting FFB under electricity poles, afdeling fertilizer warehouses, loading and unloading FFB, shoots, maintenance of waterways, etc. The document was revised and reviewed again on March 31, 2022.
- Bah Birong Ulu Estate has a Risk Management document for the plantation prepared by Zulfan Amri. The document explains starting from FFB harvesting activities, harvesting FFB under electricity poles, afdeling fertilizer warehouses, loading and unloading FFB, shoots, maintenance of waterways, etc. The document was revised and reviewed again on May 10, 2022.
- The company has also established Standard Operating Procedures on mitigating OHS problems in all aspects of workers both in the field and factory, including SOPs for Accident First Aid and SOPs for Personal Protective Equipment. In addition, the company has also prepared OHS Committee programs, such as routine OHS Committee meetings, HIRAC evaluations, employee periodical MCU, FR/SR work accident data, OHS Committee quarterly reporting and others.

3.6.2

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

- The Pabatu Estate P2K3 Meeting which was held on July 10, 2022 was attended by 12 participants with the following discussion agenda:
- Agenda for OHS Signs with the problem of not having OHS Signs installed in the Afdeling office. Follow up July 30, 2022 with a closed status.
- The fire extinguisher organizer with the fire extinguisher problem is not installed properly. Follow up January 31, 2022 with a closed status.

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

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

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

The company also shows OHS license monitoring, such as:

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

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

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

Have a First Aid Officer License, for example:

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

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

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

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

Status: Comply

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 2022-2023 where the training also includes parties who need training such as staff, workers, smallholders and contractors. The training programs include the following:

- Basic OSH and environment
- First aid training
- Training on hazardous and toxic materials and hazardous and toxic waste management
- Agronomy training
- Operator training
- RSPO-ISPO & SCCS training
- Emergency response training

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

- Socialization on hazardous and toxic waste management which was carried out on 9 May 2023 which was attended by 13 workers.
- Dissemination of the principles of implementing the plantation management system to contractors and community representatives which was carried out on 7 February 2023 which was attended by 28 people.
- Socialization of OHS basics which was carried out on January 31, 2023 which was attended by 17 people.

Based on interviews with contractors, trade unions and workers such as warehouse workers, harvesters, grading officers and boiler officers, it was conveyed that the company had provided training or outreach regarding work procedures to each worker orally and was understood by workers. In addition, competency/special training has also been given to each worker who operates certain equipment so that each worker can obtain an operating permit. The training program also involves contractors such as socialization of SOPs and policies and training related to OHS.

3.7.3

PTPN IV – Pulu Raja provided an understanding of SCCS to weighbridge operators, sorting, sustainability, security, and laboratory on 20 May 2023. The materials discussed included the definition of RSPO SCCS, new standards for RSPO SCCS, principles for compliance with RSPO SCCS. Based on interviews with weighbridge operators and security, it is known that they understand the supply chain process.

Status: Comply

3.8

Supply Chain Requirements for Mills

3.8.1 & 3.8.2

The Mill (Pabatu POM) implements the MB Module, which is received both FFB from certified and uncertified sources. Verification of Mass Balance record, the Mill has been recorded well the FFB and products (CPO and PK) from certified and uncertified sources. The Mill only claims certified products from certified sources.

3.8.3.

Estimated certified product recorded in the last assessment report and certificate, as well as in the RSPO IT Platform. Actual certified produced has been verified during this assessment, and not exceed the estimate. The estimates of certified production for the next license period also have been set, in reasonable amount considering the last year's production. The data are shown in the following table:

Products	Last Year Projected	Actual (21 January – 31 July 2023)	Next Period Projected
FFB Certified Estates (MT)	139,400	75,993.06	135,000.00
CSPO (MT)	29,300	18,297.31	31,700.00
CSPK (MT)	6,300	3,573.43	6,500.00

Based on the table above, the company has shown the previous license projections and the actual realization of FFB, CSPO and CSPK production in that period. The table has also been projected regarding the need for license quotas for the next 12 months.

3.8.4.

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

- Member Name: Pabatu Palm Oil Mill PT Perkebunan Nusantara IV
- License ID: CB143563
- Commodity: Palm Oil
- Member ID: RSPO_PO1000002520
- RSPO Membership Number: 1-0030-06-000-00 (PT Perkebunan Nusantara III)
- Type of Business: Oil Mill

All transaction has been announced to RSPO IT Platform and confirmed shipped. During license it was known there is product sold as RSPO certified and non-certified/conventional as described in indicator 3.8.8 and 3.8.16. The company has been removed of certified stock for products sold as another scheme.

3.8.5.

The unit of certification can present procedure of SCCS are describe in Basic Guidelines and Work Instructions for Handling Certified Palm Oil Products Document Number: 04.03/P/003 dated 2018 Revision 01 Dated 01 November 2021 and approved by the Director. In the procedure described all aspect that required in SSCS model are FFB Received, Documentation of CSPO and CSPK Product, responsible persons / PIC, training, production and storage, selling and dispatch, the handling of non-conformity product and reporting. In the procedure also informing the changing of SCCS Model.

In the SOP has been describes and explaining regarding to the SCCS procedure, such as:

- Handling of Certified Fresh Fruit Bunches (FFB): Delivery of FFB from the Estate, Receiving certified FFB at the POM, Recording
- Handling of CSPO and CSPK: Monitoring of CSPO and CSPK stock, CSPO delivery, PK delivery, Recording, Reporting → If the realization of CSPO and CSPK production reaches 80%, it must be reported to the Sustainability planning department. POM records and balances all receipts of RSPO certified FFB and shipments of CSPO/CSPK every month (real time)
- CSPO Control, CSPK (Certified Products) Not RSPO IT Platform / Palm Trace compliant
- RSPO IT Platform/Palm Trace → Head engineer/appointed officer coordinates with PT Kharisma Pemasaran Bersama Nusantara (KPNB) through the planning & Sustainability, marketing and then PT Kharisma Pemasaran Bersama Nusantara (KPNB) will remove it in case of cancellation of shipments because the volume of CSPO/CSPK/CSPKO/CSPKE is sold under conventional schemes or in case of underproduction due to non-balance within 3 (three) months or loss or damage
- Announcement → Done a maximum of 3 months from delivery
- Traceability
- Market Communication and Claims
- Occupational Health and Safety

Based on interviews in Pulu Raja POM note that the weighbridge operators understand the supply chain management system. It also known that training and refreshment (awareness) of supply chain management system were carried out, for instance on 20 May 2023. Based on field observation, obtained information that key persons for SSCS implementation (such as weighbridge operators, manager, and assistant) understood the supply chain implementation. FFB from certified and uncertified sources were received and verified by the software program to classified and separate RSPO certified and uncertified source.

3.8.6.

The Procedure to conduct annual internal audit including supply chain refers to Procedure No. 21 dated 2 January 2018. In the SOP mentioned that internal audit is done annually. Internal audit of SCCS describe the requirements in the RSPO SCCS and the RSPO market communications and claims documents and effectively implements and maintains the standard requirements. Unit of certification has conducted internal audit for RSPO standard, including supply chain conducted by Strategic Planning and Sustainability Division from Head Office Medan.

Internal audit of SCCS carried out simultaneously with the activity Audit Internal RSPO P&C conducted on 23-27 July 2023. All of SCCS indicators has been assessed and complied. Management Review of RSPO P&C implementation conducted on 31 July 2023. The management review discussion has covered the input from internal audit result, correction and corrective action, customer feedback, process Performa and product compliance, follow up of previous management review, and recommendation for

improvement.

3.8.7.

The mill has verified and documented the volumes of certified and non-certified FFBs received. Certified and non-certified FFB received period of 12 months before audit which is August 2022 – July 2023:

Month	FFB (ton)		Total
	Certified	Non-Certified	
Aug-22	11,355.67	4,969.33	16,325.00
Sep-22	11,439.17	4,735.83	16,175.00
Oct-22	10,081.87	5,418.13	15,500.00
Nov-22	10,263.01	4,261.99	14,525.00
Dec-22	14,839.23	2,466.23	17,305.46
Jan-23	7,745.48	3,104.52	10,850.00
Feb-23	10,410.09	4,164.91	14,575.00
Mar-23	10,789.64	4,910.36	15,700.00
Apr-23	10,127.15	3,074.60	13,201.75
May-23	10,898.18	4,026.82	14,925.00
Jun-23	12,723.22	2,776.78	15,500.00
Jul-23	13,299.30	3,025.70	16,325.00
Total	133,972.01	46,935.20	180,907.21

Estimated certified product recorded in the last assessment report. Actual certified produced has been verified during this assessment. The data are shown in the following table:

Products	Last Year Projected	Actual (21 January – 31 July 2023)	Next Period Projected
FFB Certified Estates (MT)	139,400	75,993.06	135,000.00
CSPO (MT)	29,300	18,297.31	31,700.00
CSPK (MT)	6,300	3,573.43	6,500.00

Based on the table above, the company has shown the previous license projections and the actual realization of FFB, CSPO and CSPK production in that period. The table has also been projected regarding the need for license quotas for the next 12 months.

3.8.8.

Documentation for the Sustainable Certified Product (CSPO and CSPK), consist of daily record of the FFB acceptance, daily record of certified production, which classified as the CSPO and CSPK, certified sales record, stock record that has been reconciled with the FFB acceptance, monthly production and sale and annual recapitulation.

The mill has product information provided in such as document of contract agreement, delivery order, delivery ticket, report of loading, weighbridge ticket and other invoices for CSPO/CSPK. Documents verification and interview during an audit it was known the claimed RSPO product of (CSPO & CSPK), the supplying mill has been ensuring that the following minimum information for RSPO certified products is made available and traced, its evidenced with several supporting documents as follows delivery ticket, report of loading, weighing minutes, weighing card, and delivery note. Those documents cover information's of delivery date, description of product and supply chain model, product quantity, unique identification number, certificate number, sender's name, and address of the seller, for example:

- Shipping announcement with transaction id TR-4861404e-0270 volume of CSPO 1,500 MT, the module of SCCS MB, dated 14 July 2023, the mill can present evidence of delivery of CSPO from Pabatu POM to PT Musim Mas - Belawan (Contract No. 0076/HOLDING/CPO-L/NIV/III/2023) which was carried out on 02-26 June 2023 with CPO Transporter is PT Wahana Adidaya

Pertiwi.

- Shipping announcement with transaction id TR-285a151e-c5de volume of CSPK 362.84 MT, the module of SCCS MB, dated 25 July 2023, the mill can present evidence of delivery of CSPK from Pabatu POM to PT Perkebunan Nusantara IV – Pabrik Pengolahan inti Sawit Pabatu (Contract No. 0026/HOLDING/PKO-L/N-IV/IX/2022) which was carried out on 02-12 July 2023 with PK Transporter is CV Karya Mandiri.

3.8.9. 3.8.10 & 3.8.11.

The unit of certification has legal ownership of CPO and PK and did not outsource its milling activities. Only transportation of certified products (CPO and PK) is outsourced to the third parties and the company has its listed very well, as shows through several Work Agreement as follows:

- Agreement with CPO Transporter of PT Wahana Adidaya Pertiwi No. 04.05/S.Perj/Pem/02/III/2023 dated 15 March 2023, valid thru 31 December 2023.
- Agreement with PK Transporter of CV Karya Mandiri No. 04.05-Peng/S.Perj/02/III/2023 dated 10 March 2023, valid thru 31 December 2024.
- Agreement with CPO Transporter of PT Kereta Api Indonesia No. 04.05/S.Perj/Pem/03/III/2023 dated 13 March 2023, valid thru 31 December 2023.

To ensure the contractors complies with the RSPO Supply Chain, in the agreement, there were clauses that set obligations of the contractor to comply with the supply chain rules. For instance, the responsibility to deliver products only from Pabatu POM, as well as the willingness to observe by Certification Body and the company internal audit in order to verify the compliance. Based on the results of interviews with the CPO/PK transporters (PT Wahana Adidaya Pertiwi, PT Kereta Api Indonesia & CV Karya Mandiri) stated that the provisions related to granting access to accredited CBs to obtain the information and systems they have are in accordance with those stated in the Cooperation Agreement.

In the period from 2022 to July 2023, there were no additional new CPO/PK transporters in collaboration with the company. So that at the time of the audit there were only 2 transporters, namely PT Wahana Adidaya Pertiwi, PT Kereta Api Indonesia & CV Karya Mandiri.

3.8.12.

The company has had the up-to-date record and report that are kept in mill office, complete, accurate and up-to date. All the record can be accessed by the auditor, such as record of certified product shipping, sales contract, delivery order/invoice, production report and product sales. To the auditors the company can show all the required documents covering all aspects of this RSPO Supply Chain Certification Standard requirements such as record of certified product shipping, sales contract, delivery order/invoice, production report and product sales. Based on document review known that the mill still kept document according to the procedure.

For instance, record of all certified palm oil/palm kernel oil volumes purchased (input) and claimed (output) for period of 12 months before audit (August 2022 – July 2023):

CSPO

Month	CPO (ton)		Total
	Certified	Non-Certified	
Opening stock	734.26	-	734.26
August 2022 – July 2023	18,297.31	4,358.48	22,655.79
Total	19,031.57	4,358.48	23,390.05

Month	CSPO Despatch (ton)			Total
	RSPO	Other Scheme (ISCC)	Non-Certified	

August 2022 – July 2023	4,543.25	-	13,695.13	18,238.38
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CSPK

Month	PK (ton)		Total
	Certified	Non-Certified	
Opening stock	275	-	44.55
August 2022 – July 2023	3,573.43	1,367.26	4,940.68
Total	3,848.83	1,367.26	5215.69

Month	CSPK Despatch (ton)			Total
	RSPO	Other Scheme	Non-Certified	
August 2022 – July 2023	3,691.00	-	-	3,691.00

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

3.8.13 & 3.8.14.

The conversion rate of production of CPO (OER) and PK (KER) were based on actual daily, monthly and yearly production. The extraction rate follows the actual data for a 12-month period for August 2022 until July 2023 i.e OER 21.75% and KER 4.95%. Periodically update of extraction is actual extraction.

3.8.15.

The procedure of supply chain MB module has been set the mechanism to ensure the separation uncertified FFB and certified FFB. The Mill only has one line of processing, and since previous assessment until the audit only implement MB module. In the transporter agreements has been set the obligation to keep the MB certified products. One of the mechanisms, in the vehicle is mounted on a seal that can only be opened at the buyer's location.

3.8.16.

Documentation for the Sustainable Certified Product (CSPO and CSPK), consist of daily record of the FFB acceptance, daily record of certified production, which classified as the CSPO and CSPK, certified sales record, stock record that has been reconciled with the FFB acceptance, monthly production and sale and annual recapitulation.

Based on delivery and transaction document review, it was known that announcement is carried out less than three months after delivery date. The status of announcements has been 'confirmed' by the buyer. The supply chain PIC has known that for P&C 2018 (included supply chain standard) the announcement should be conducted within three months after the delivery date. For example:

- Shipping announcement with transaction id TR-4861404e-0270 volume of CSPO 1,500 MT, the module of SCCS MB, dated 14 July 2023, the mill can present evidence of delivery of CSPO from Pabatu POM to PT Musim Mas - Belawan (Contract No. 0076/HOLDING/CPO-L/NIV/III/2023) which was carried out on 02-26 June 2023 with CPO Transporter is PT Wahana Adidaya Pertiwi.
- Shipping announcement with transaction id TR-285a151e-c5de volume of CSPK 362.84 MT, the module of SCCS MB, dated 25 July 2023, the mill can present evidence of delivery of CSPK from Pabatu POM to PT Perkebunan Nusantara IV – Pabrik Pengolahan inti Sawit Pabatu (Contract No. 0026/HOLDING/PKO-L/N-IV/IX/2022) which was carried out on 02-12 July 2023 with PK Transporter is CV Karya Mandiri.

Furthermore for the product that sold conventional the unit of certified has been allocated to credit and removed from palmtrace as described below:

Stock Transaction ID	Date	Product	Supply Chain Model	Transaction Type	Volume
ST-TR-08e1cf64-b309	16-08-2023	CSPO	Mass Balance	Remove From Certified Stock	500
ST-TR-03a8e31d-5c13	14-08-2023	CSPO	Mass Balance	Credit Allocation	13,695
ST-TR-766438a6-c1d5	06-04-2023	CSPO	Mass Balance	Credit Allocation	5,000

*Volume in MT

3.8.17

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

Status: Comply

PRINCIPLE #4 RESPECT COMMUNITY AND HUMAN RIGHTS AND DELIVER BENEFITS

4.1

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

4.1.1 & 4.1.2

A human rights policy document that defines basic human rights, including reproductive rights, privacy rights, women's rights and children's rights. Issued on 02 January 2015. The policy describes respecting human rights and respecting race, nation, culture, religion and without forced labor, ensuring that all employees receive fair remuneration, fair management and opportunities to develop careers. The company has socialized this policy to all workers and contractor on each unit.

The commitment of the certification unit in respecting human rights has been quite well implemented in the absence of issues and incidents of human rights violations that occurred in the operational area of plantations and mill. This is evidenced by document study on complaints and grievance document (internal and external) that so far there have been no incidents or issues of human rights violations occurring in the operational area of the certification unit. This policy has been socialized to surrounding community in 15 November 2022, for examples socialization of all company policies, code of ethics, communication procedures and complaint handling.

Based on the results of interviews with community representatives, it is known that so far from 2022 until now (August 2023) there has never been any intimidation/act of violence committed by the certification unit against workers, communities, contractors, or other parties who cooperate with the company. If there is a problem, usually the unit of certification will negotiate in a good manner and without resorting to violence. This is in line with the results of interviews with representatives of the workers union and gender committee who stated that there had never been any incidents or issues related to human rights violations that occurred in the certification unit operational areas.

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

Status: Comply

4.2

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

4.2.1

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 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 settlement routes.

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 village community representatives (Bah Birung Ulu Village and Pabatu 1 Village), it can be concluded that personnel already know the company's grievance and complaint mechanisms. In addition, for affected parties who cannot read or write, the company provides explanations orally or through visual methods in the form of pictures/flow of complaints and grievance mechanisms.

4.2.3

Based on interviews with village community representatives (Bah Birung Ulu Village and Pabatu 1 Village), it was conveyed that if there are complaints, the company will inform the parties on the progress of complaint handling, including the agreed time frame, and the results are available and communicated to relevant stakeholders. From the recapitulation of Incoming Letters & Outgoing Letters for Units, for example the Pabatu and Bah Birung Ulu Units, it is known that during the 2022-2023 period there were no incoming letters in the form of complaints from stakeholders.

4.2.4

The company shows SOP for internal communication and handling employee complaints with No. 19 revision 3 dated 6 November 2018 which explains that complainants (employees) can submit complaints in writing or verbally through the workers' union (SP-BUN) as a third party bridging conflict resolution. If an agreement is not reached with the company, legal action will be taken in accordance with applicable law.

Based on interviews with village community representatives (Bah Birung Ulu Village and Pabatu 1 Village), it can be concluded that personnel already know the company's grievance and complaint mechanisms. In addition, based on the complaint documents and interviews, there have been no complaints in the last 2 years.

Status: Comply

4.3

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

4.3.1

In compiling TJSL (Social and Environmental Responsibility) or what is usually called by the surrounding community is CSR (Corporate Social Responsibility), the Company always consults with the surrounding village community every year. This is proven by conducting an annual survey for the preparation of the TJSL program every year and one example is the survey on 28 February 2023 in Kedai Damar Village (for other villages it is carried out separately). The results of the survey were that the village needed assistance to continue road repairs on the Causeway in front of the Pabatu POM Office.

After that, the Company submitted the request to the Head Office for approval on March 2, 2023. On March 18, 2023, the Company succeeded in realizing these TJSL activities in Kedai Damar Village. In addition, there are also several other activities that have been realized, namely:

- Providing assistance with firefighting support facilities at the Civil Service Police Unit, Serdang Bedagai Regency on 08 June

2023.

- Providing road repair assistance at the main entrance around the village at PTPN IV – Bah Birong Ulu on 01 July 2023.

The results of interviews with the surrounding village community, it is known that PTPN IV has carried out consultations and surveys of the needs of the surrounding community which will later create an assistance program (TJSL/CSR) every year. The realization of this assistance has been felt sufficiently from 2022 to 2023, one of which is road repair, assistance of sacrificial animals and so on.

Based on the explanation and description above, it can be concluded that the Company has contributed to the development of the surrounding community by considering their needs from the results of consultations and surveys with the surrounding community.

Status: Comply

4.4

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

4.4.1.

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

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

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

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

Bah Birong Ulu

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

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

- HGU Certificate Document No. 98 (NIB 02.09.00.00.00133) on 13 May 2019 with an area of 1,651.92 ha with an expiration date of 30 December 2048.
- HGU Certificate Document No. 99 (NIB 02.09.00.00.00134) on 13 May 2019 with an area of 82.24 ha with an expiration date of 30 December 2048.
- HGU Certificate Document No. 100 (NIB 02.09.00.00.00135) on 13 May 2019 with an area of 292.49 ha with an expiration date of 30 December 2048.
- HGU Certificate Document No. 101 (NIB 02.09.00.00.00136) on 13 May 2019 with an area of 2.08 ha with an expiration date of 30 December 2048.
- HGU Certificate Document No. 102 (NIB 02.09.00.00.00137) on 13 May 2019 with an area of 139.18 ha with an expiration date of 30 December 2048.

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

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

4.4.2 & 4.4.4

The history of Pabatu Estate and Bah Birong Ulu Estate areas comes from concession rights owned by NV. *Bandar Oli Culture Masscthapij* which managed plantation that was taken over and nationalized by the Indonesian Government in 1959. This matter is mentioned in Government Regulation No. 19 in 1959. From the past year until now there is no land acquisition.

4.4.3

Unit of certification shows Operational map with scale 1:25,000. The map has clearly informed coordinate line, legal boundary, as well as location of conservation area, occupation area, rivers distribution, mill, building and infrastructures, etc.

4.4.5 & 4.4.6.

There is no land acquisition process due the operational areas of PTPN IV Dolok Ilir were comes from concession rights owned by NV. *Bandar Oli Culture Masscthapij* which managed plantation that was taken over and nationalized by the Indonesian Government in 1959. This matter is mentioned in Government Regulation No. 19 in 1959.

Status: Comply

4.5

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

4.5.1-4.5.8.

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

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

Furthermore, based on information from representative Village of Pabatu I, Penonggol, & Bah Birong Ulu Village, it was known that there is no new compensation and planting on local people's land. Furthermore, there is no customary right within estate operational areas.

Status: Comply

4.6

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

4.6.1 – 4.6.4.

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

May 1959.

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

Furthermore, based on information from surrounding communities of Pabatu I, Penonggol, & Bah Birong Ulu Village, it was known that there is no new compensation and planting on local people's land.

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

Status: Comply

4.7

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

4.7.1 – 4.7.3.

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

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

Furthermore, based on information from surrounding communities of Pabatu I, Penonggol, & Bah Birong Ulu Village, it was known that there is no new compensation and planting on local people's land. Furthermore, there is no customary right within estate operational areas.

Status: Comply

4.8

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

4.8.1 – 4.8.4.

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

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

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

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

Status: Comply

PRINCIPLE #5 SUPPORT SMALLHOLDER INCLUSION

5.1

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

5.1.1

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

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

In the agreement there is an explanation related to the price and payment of FFB, where the purchase price of FFB is determined and announced regularly to the seller every Tuesday, Wednesday, and Friday. FFB prices follow fluctuations in the prices of palm oil and palm kernel in the market. For the payment process, the certificate holder pays via money transfer to the FFB seller's account. Based on interviews with representatives of PT Panca Marga Abadi, the seller had no difficulty in obtaining FFB price information and there were no negative issues related to payment. The company has also shown proof of FFB payment to the seller for the period 14 – 15 September 2022, which is accompanied by proof of transfer and details of the FFB quantity along with the selling price which has been signed by both parties.

5.1.2

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

5.1.3

In the agreement between company and FFB supplier, there is an explanation related to the price and payment of FFB, where the purchase price of FFB is determined and announced regularly to the seller every Tuesday, Wednesday and Friday. FFB prices follow fluctuations in the prices of palm oil and palm kernel in the market.

5.1.4

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

5.1.5

The company has cooperation with local contractors, such as transporting FFB and upkeep activities. All contracts have been agreed between management and the contractor concerned. From the results of the review of the agreement document (PT Syahrul Akbar Sejahtera) the document contains the rights and obligations of each party from the implementation procedure, payment process, price, scope of work, conditions for termination of employment, to the term of the agreement agreed upon and signed by both parties.

5.1.6

For the payment process, the certificate holder pays via money transfer to the FFB seller's account. Based on interviews with representatives of PT Panca Marga Abadi, the seller had no difficulty in obtaining FFB price information and there were no negative issues related to payment. The company has also shown proof of FFB payment to the seller for the period 14 – 15 September 2022, which is accompanied by proof of transfer and details of the FFB quantity along with the selling price which has been signed by both parties. There are no issues related to late payments, the supplier's why the price has been known transparently and there is no indication of harm to the supplier.

5.1.7

During onsite assessment there is only one weighbridge at the factory site, the certificate holder has shown evidence of the calibration results of the weighing equipment in Pabatu POM in the Test Result Information Record (No.: 123/SKHP/M/P2P/XII/2021) in the Legal Metrological Sector of the Serdang Bedagai Regency Government Industry and Trade Office on 28 December 2021. The third party stated the test results, "Validated by affixing a valid calibration mark "21 and JP8" in accordance with Law of the Republic of Indonesia

No. 2 of 1981".

5.1.8.

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

5.1.9.

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

Status: Comply

5.2

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

5.2.1, 5.2.2, 5.2.3, 5.2.4 & 5.2.5

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

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

Status: Comply

PRINCIPLE #6 RESPECT WORKERS' RIGHTS AND CONDITIONS

6.1

Any form of discrimination is prohibited.

6.1.1-6.1.2

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 which is to provide 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, as shown in the documentation of company management system policy socialization which was held on 7 February 2023 which was attended by 28 people from workers, contractors and community representatives.

Based on the verification of labor documents and interviews with workers' representatives, it is known that the workers come from various ethnic groups, such as Javanese, Batak and others. It was also conveyed that there was no indication of discrimination against workers and no recruitment fees were imposed on workers. The company has also provided equal opportunities for local people to get jobs.

Based on interviews with community representatives (Head of Bah Birung Ulu Village and Head of Pabatu 1), the trade unions and the gender committee stated that there is no discrimination and all workers have equal opportunities, for example in terms of promotion and there are also no migrant workers.

6.1.3

The company shows employee ratings for the 2022 period, for example what is stated in letter no. 04.07/Kpts/R/52/VII/2023 regarding performance appraisal on July 20, 2023 with the following assessment:

- Employee with the initials AS, POM press operator position, promoted from class ID/3 to ID/5 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.
 - Employee with the initials AS, POM boiler operator position, promoted from group ID/7 to IIA/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.

Based on this, the company has carried out promotions on the basis of skills, abilities and quality of workers.

6.1.4
Based on the results of the document review, interviews with workers and interviews with the management of the gender committee in each unit, it is known that there is no treatment for pregnancy testing which is a discriminatory measure in employee recruitment.

6.1.5
The company shows a plantation management system policy that was ratified on January 25, 2023 which explains, namely:

- Point 11 regarding prevention of sexual harassment and various forms of violence against women workers and protecting the reproductive rights of women workers.
- Point 13 regarding giving equal opportunities to all people to get jobs and positions regardless of ethnicity, religion, race and gender.

The company also shows the formation of an organization tasked with overseeing gender issues in each unit. 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. From the results of interviews with workers' representatives, 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:

- Inspection of housing cleanliness
- Increasing the faith and piety of employees
- Socialization of gender committees and grievance mechanisms
- Improved employee health

The company also shows the realization of the program, for example monitoring and dissemination of acts of sexual harassment which took place on 23 June 2023 which was attended by 11 people. The company also shows documents of women employees who are pregnant, giving birth and breastfeeding for the 2023 period. Based on these documents, it is known that until July 2023 there were no women workers who were pregnant, giving birth and breastfeeding.

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

6.1.6
The company shows proof of payment for workers with the same coverage, for example employees with NIK 4012252 (Assistant Operator of the Press with group ID/01) and employees of NIK 4012370 (Assistant Operator of the Press with group ID/01), both of which are employees in the press section those who get the same wage value, for example for the July 2023 period, namely:

- Basic salary of IDR 2,183,670
- Fixed allowance of IDR 545,918

Status: Comply

6.2
Pay and conditions for staff and workers and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages (DLW).

6.2.1
The company has a collective work agreement for the period 2022 – 2023 which has been ratified through the Decree of the Head of the Sumatra Utara Province Manpower and Transmigration Office No. 568/20-6/DTK/I/2022 concerning registration of collective labor

agreements dated 19 January 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.

The company also shows a list of the number of workers for June 2023, namely 158 workers at Pabatu POM, 223 workers at Bah Birung Ulu Estate and 420 workers at Pabatu Estate as well as outsourcing workers at POM as many as 41 workers, Fixed Period Working Agreement workers at Pabatu Estate as many as 114 workers and Fixed Period Working Agreement workers at Bah Birung Ulu as many as 58 workers. In addition, referring to the complaint addressed to PTPN IV on the RSPO complaint portal (<https://askrspo.force.com/Complaint/s/case/5000o00002PZMO7AAP/detail>) it was stated that there was a violation of wages, holiday allowances and bonuses for casual daily workers, but based on document verification and interviews with workers, it is known that the Pabatu and Bah Birung Ulu units do not have workers with casual daily worker status and for daily allowances and bonuses have been given to employees for the 2023 period.

In addition, the company also shows a work agreement for a certain time, for example agreement no. PAB/PKWT/S.Perj/495/VII/2023 dated 12 July 2023 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 has a collective work agreement for the period 2022 – 2023 which has been ratified through the Decree of the Head of the Sumatra Utara Province Manpower and Transmigration Office No. 568/20-6/DTK/I/2022 concerning registration of collective labor agreements dated 19 January 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. Explanation regarding the contents of the collective labor agreement, among others:

- Article 19 regarding official working days which explains that working days in 1 week are 5 days or 6 days.
- Article 25 regarding annual leave which explains that employees are entitled to 12 days of leave after working continuously for 12 months.

The company also shows a work agreement for a certain time, for example agreement No. PAB/PKWT/S.Perj/495/VII/2023 dated 12 July 2023 for harvest work with the initials MZFS. 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.

From the auditor's verification referring to the complaint addressed to PTPN IV on the RSPO complaint portal (<https://askrspo.force.com/Complaint/s/case/5000o00002PYscZAAT/detail>) it was stated that there was a violation of the work agreement, wages and overtime for Fixed Period Working Agreement workers, but based on verification documents and interviews with workers, it is known that the company has made a work agreement for Fixed Period Working Agreement and has paid wages and overtime/premiums in accordance with regulations. For example, shown to personnel with the initials MZFS who received a basic salary in the June 2023 period of IDR 3,070,171 and a harvest premium of IDR 1,119,535.

Based on interviews with workers, for example harvest, maintenance and sorting workers, it was conveyed that workers had received a work agreement letter and could explain the contents of the work agreement letter.

The company shows the Decree of the Board of Directors No. 04.07/Kpts/37/VIII/2023 on July 20, 2023 concerning the stipulation of wage adjustments to the 2023 minimum wage which took effect from January 1, 2023, such as:

- In Group IA/0, the basic salary is IDR 2,168,394 and fixed allowances are IDR 542,099 so that a total of IDR 2,710,493 is obtained.
- For Group IB/0, the basic salary is IDR 2,168,523 and fixed allowances are IDR 542,131 so that a total of IDR 2,710,654 is obtained.

For the shortfall/difference in the old salary to the new salary from January - June 2023, it has been added to the salary for July 2023.

The company also shows the implementation of paid leave, for example as shown by the provision of 1 day annual leave for personnel with the initials AL as personnel admin. The leave letter was submitted on May 25, 2023 and was approved by the manager.

6.2.3

The company shows the CLA for the 2023-2024 period which explains that in article 21 point 1, namely work carried out outside the official working days and official working hours is declared as overtime work.

The company shows the Decree of the Board of Directors of PTPN IV No. 04.15/KPTS/10/II/2015 concerning reaffirmation of the transfer of overtime pay to payment of performance incentives, for example for security personnel with the initials M group IC/06 of IDR 1,699,170-1,415,975/month and S group 1B/00 of 2,019.754-1.683.128/month.

The company also shows an absence list showing that security personnel work 2 shifts and in the period May-June 2023, personnel with the initials M and S have entered full work every day (including Sundays).

If the overtime calculation is simulated according to government regulations 35 of 2021, it is known that:

PERSONNEL	MONTHLY WAGE	HOUR WAGES	NUMBER OF OVERTIME HOURS ONE MONTH		OVERTIME WAGES ACCORDING TO GOVERNMENT REGULATION 35/2021	
			MAY	JUNE	MAY	JUNE
M	2,527,220	14,608	303.5	298	4,433,591	4,353,246
S	2,851,187	16,481			5,001,938	4,911,293

PERSONNEL	PERFORMANCE INCENTIVES INCLUDE MONTHLY OVERTIME PROVIDED		EXCESS PAYMENT	
	MAY	JUNE	MAY	JUNE
M	2,554,306	2,236,299	-1,879,285	-2,116,947
S	3,005,100	2,622,884	-1,996,838	-2,288,409

Based on the sample data above, it is known that there is a difference in overtime pay between performance incentives and overtime given compared to the calculation of overtime in accordance with government regulations 35 of 2021. Thus, the company has not been able to provide sufficient evidence that the implementation of overtime payments is fully in accordance with government regulations, so this becomes **the non-conformity No. 2023.02 with the Major category**.

6.2.4

Based on field observations at Estate and Mill, it is known that the company provides decent housing, sanitation facilities, water supply, medical needs, education and public facilities, which are briefly described as follows:

- Houses (dwellings): Staff houses and employee houses
- Educational Facilities: Kindergarten, Elementary and Middle School
- Clean water facilities: water and bathrooms
- Health facilities: Polyclinic
- Places of worship: mosques and churches
- Sports facilities: volley ball field and ball field

The company has also budgeted costs for home repairs, for example for the 2023 period, which is budgeted by the civil engineering department for purchases such as paint, nails, zinc, etc.

Based on interviews with trade unions and the gender committee, it was conveyed that the facilities and infrastructure provided by the company could be used properly. In addition, if there is damage to facilities such as housing, then the occupants of the house will submit complaints of damage to the foreman or direct assistant, to be followed up by the company.

6.2.5

Based on field visits to the company area, it is known that the company area is close to community settlements where there is access to proper food. The same thing was conveyed by workers and workers' representatives (workers' unions and gender committees), that workers' access to proper, sufficient and affordable food is very easy to obtain because the location of work units and housing is close to the center of the crowd so it is easy to find traders, shops and vegetable sellers to meet daily basic needs.

6.2.6

A living wage is given to all workers according to applicable regulations, namely based on the Decree of the Governor of Sumatra Utara Province No 188.44/949/KPTS/2022 dated 28 November 2022, which stipulates the provincial minimum wage of Sumatra Utara for 2022 of IDR 2,710,493/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/37/VIII/2023 on July 20, 2023 concerning the stipulation of wage adjustments to the 2023 minimum wage which took effect from January 1, 2023, such as:

- In Group IA/0, the basic salary is IDR 2,168,394 and fixed allowances are IDR 542,099 so that a total of IDR 2,710,493 is obtained.
- For Group IB/0, the basic salary is IDR 2,168,523 and fixed allowances are IDR 542,131 so that a total of IDR 2,710,654 is obtained.

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

With regard to a decent 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, extrafooding and work clothes, for example for group IA/00, among others, as follows :

- Prevailing Wages
 - Salary: IDR 2,710,493
 - Other allowances : IDR 2,225,867
- In-Kind Benefits
 - School Facilities : IDR 317,827
 - Extrafooding : IDR 129,450
 - Work clothes: IDR 75,650

Total : IDR 5,635,287,-

6.2.7

Based on the workforce for the 2022 period (previous audit assessment), it is known that there are 87 Fixed Period Working Agreement workers at Pabatu Estate and 35 Fixed Period Working Agreement workers at Bah Birung Ulu Estate for harvesting workers. The company shows proof of improvement in the form of approval for the appointment of Fixed Period Working Agreement workers to become permanent workers as stated in the Letter of the Director of Plantation Holding HR No. DSDM/N.IV/1730/2023 on 12 June 2023 which explained that for Pabatu Estate it is planned to appoint Fixed Period Working Agreement to permanent workers from 2023-2025 as many as 87 people and for Bah Birung Ulu Estate as many as 35 people.

Based on the workforce for the 2023 period, it is known that there has been an additional harvester workforce of 50 people with Fixed Period Working Agreement status so that the total harvest Fixed Period Working Agreement is 114 people at Pabatu Estate and 58 people at Bah Birung Ulu Estate and Fixed Period Working Agreement is also recorded at the Simalungun Regency and Serdang Berdagai Regency Offices, but the company has not been able to show and explain reasons related to the addition of Fixed Period Working Agreement workers for harvesting work (permanent) and plans to appoint these workers.

Based on this, the discrepancy in this indicator is declared not fulfilled and **becomes Minor Raised to Major**.

6.2.3	Status:	
6.2.7	Non-conformity No. 2023.02 with the Major category	
	Non-conformity No. 2022.04 with the Minor Raised to Major	

6.3

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

facilitates parallel means of independent and free association and bargaining for all such personnel.
6.3.1, 6.3.2 and 6.3.3

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

- The company will not interfere with or hinder everything related to the development of workers' organizations (SP-BUN) as long as it does not conflict with the applicable laws and regulations.
- The company will not exert pressure, either directly or indirectly, on employees who are elected as SP-BUN administrators.
- In carrying out their duties, each union and company will try to avoid actions that could harm each party.
- The company provides loan-use rooms for offices along with equipment and facilities/infrastructure as well as other facilities and assistance for the smooth running of organizational tasks, according to their interests.

The company also has a workers' union organization (SPBUN) in each unit, for example for the Bah Birung Ulu unit with a management structure, namely a chairman with the initial S, secretary with the initial S, treasurer with the initial ZA, etc which are listed in the decree No. 19/SK/Kpts/SP.BUN PTPN-IV/VII/2019 January 2, 2023. In addition, the PTPN IV plantation worker union has also been registered with the Medan City Social Worker and Transmigration Service with registration number 567/50/DSTKM/ 2001.

The company also shows union meetings, for example the meeting held on May 3, 2023 which was attended by 20 people regarding employee complaints and union contributions. Based on the results of interviews with workers and trade union representatives, it is known that the company has facilitated the formation of trade unions and has not interfered 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.

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

Status: Comply
6.4
Children are not employed or exploited.
6.4.1, 6.4.2, 6.4.3, 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 September 2022 period, it was found that there were no workers under 18 years of age. In addition, management system policies are socialized periodically to employees and stakeholders, for example the socialization which was held on February 7 2023 with 28 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 in the work agreement with CV Senang Jaya for nursery maintenance services with No. 04.04/S.Perj/BBT/1661/II/2023 dated February 20, 2023 which states that the contractor is obliged to comply with all applicable laws and regulations, including not employing minors.

The results of verification of the labor list documents, interviews with internal and external stakeholders, and field observations revealed that there were no indications of workers under the age of 18. Apart from that, the results of field observations in offices, housing and the company's operational areas also show signs prohibiting the use of child labour.

Status: Comply
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 7 2023 with 28 participants and also communicated during the morning assembly.

The results of interviews with harvest, maintenance and Mill workers revealed that the company had provided socialization regarding policies on preventing sexual harassment and violence as well as protecting reproductive rights. The company also has a gender committee to address issues or problems of sexual harassment and violence.

The results of interviews with representatives of the committee and workers stated that there were no cases of violence or sexual harassment in the last 2 years. In addition, from the results of the interviews it is known that the company has granted permission/paternity leave, menstruation leave and breastfeeding permission for female workers.

6.5.3

The company also shows documents of women employees who are pregnant, giving birth and breastfeeding for the 2023 period. Based on these documents, it is known that until June 2023 there were no women workers who were pregnant, giving birth and breastfeeding.

Based on the results of interviews with representatives of the gender committee from the plantations and factories, it is known that the majority of working women are already in their old age, so that 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, they would be given permission for 45 days pre-delivery and 45 days after delivery, giving permission to breastfeed according to the baby's needs by being allowed to leave work that was known by the foreman and direct supervisor.

6.5.4

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 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.
- The Whistleblowing Management Unit 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 the Whistleblowing Management Unit will not follow up on the report, if there is an indication of a violation then proceed to investigation.
- Protection for whistleblowers is contained in article X which explains that if requested, the company guarantees the confidentiality of the identity of the reporter and the disclosure of disgrace or incident (whistleblower).

The company has also socialized the whistleblowing system to all employees as well as internal and external stakeholders, for example what was done on 15 March 2023 which was attended by 17 people.

Based on the verification of complaint documents, there were no reports of sexual harassment and violence. Interviews with the gender and workers' committees also conveyed that there were no complaints regarding sexual harassment and violence and that personnel could submit a complaint mechanism. Complaints regarding sexual harassment can be submitted to the gender committee.

Status: Comply

6.6

No forms of forced or trafficked labour are used.

6.6.1

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.

6.6.2

The company shows proof of registration of the PKWT Bah Birung Ulu Estate to the Simalungun Regency Manpower Office with No. ULU/X/74/VII/2023 on July 7 2023 which reported 58 workers with PKWT status and for Pabatu Estate to the Simalungun Regency Manpower Office with No. PAB/X/Disnaker/61/VII/2023 on July 27 2023 which reported that there were 114 workers with PKWT status

who were employed as harvesters.

The company also shows a work agreement for a certain time, for example agreement no. PAB/PKWT/S.Perj/495/VII/2023 dated 12 July 2023 for harvest work with the initials MZFS. The agreement has been signed by both parties and explains, among other things, the following:

- Describe the type and location of work
- Working time 1 week 6 days
- Rewards given
- Be included in the Social Security Agency program

The proof of the implementation of the work agreement is contained in the worker's pay slip, for example Fixed Period Working Agreement workers on behalf of the initials MZFS whose basic wage is IDR 3,070,171 or has exceeded the provincial minimum wage and has been registered with Social Security Agency as evidenced by the details of benefits and deductions for Social Security Agency.

Status: Comply	
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6.7

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

6.7.1

The company has a P2K3 organizational structure for Pabatu POM and Pabatu Estate which has been approved by the Manpower Office of the UPT Labor Supervision Region II of the North Sumatra Province Government in the 2022 period. The P2K3 structure of the Pabatu POM, Pabatu Estate and Bah Birong Ulu Business Units includes:

- Approval of P2K3 structure for Pabatu POM unit.
 - Decree of the Head of UPT Labor Supervision Region II of the Manpower Office of North Sumatra Province with the number 480-7/DTK/WILII/SU/2022 concerning the Ratification of the Committee for the Trustees of Occupational Safety and Health at PT Perkebunan Nusantara IV Pabatu POM Unit dated September 6, 2022. The letter stated that the P2K3 secretaries were Alfin Pane and Ahmad Fakhrumazi Lubis.
 - Decree of the Minister of Manpower of the Republic of Indonesia number 5/3862/AS.02.04/IX/2019 on 2019 concerning the Appointment of General Occupational Safety and Health Expert on behalf of Ahmad Fakhrumazi Lubis. This decision is valid for 3 years from the date of stipulation.
- Approval of the P2K3 structure of the Pabatu Estate unit.
 - Decree of the Head of UPT Labor Supervision Region II of the Manpower Office of North Sumatra Province with the number 136-7/DTK/WILII/SU/2022 concerning the Ratification of the Committee for the Trustees of Occupational Safety and Health at PT Perkebunan Nusantara IV Unit Pabatu Estate dated March 18, 2022. The letter stated that the P2K3 secretaries were Junaidi Abdillah and Aprizal Lubis.
 - OHS Expert Authority Card No. Reg 43040/PK3/AJ/12/2021/P1 on 10 September 2021 and valid until 10 September 2024 on behalf of Afrizal Lubis
 - Letter of appointment of general occupational safety and health expert Decree of the Indonesian Ministry of Manpower Number: 5/10173/AS.02.04/IX/2021 on behalf of Afrizal Lubis on September 10, 2021, valid for 3 years until September 10, 2024
- Approval of the P2K3 structure of the Bah Birong Ulu Estate unit.
 - Decree of the Head of UPT Labor Supervision Region II of the Manpower Office of North Sumatra Province with number 566/446-7/DTK/SU/WILIII/2022 concerning the Ratification of the Committee for the Trustees of Occupational Safety and Health at PT Perkebunan Nusantara IV Unit Bah Birong Ulu Estate dated August 16, 2022. In the letter it is known that the secretary of P2K3 is Zulfan Amri.
 - OHS Expert Authority Card No. Reg 43044/PK3/AJ/12/2021/P1 on 10 September 2021 and valid until 10 September 2024 on behalf of Zulfan Amri
 - Letter of appointment of general occupational safety and health expert Decree of the Indonesian Ministry of Manpower Number: 5/10177/AS.02.04/IX/2021 on behalf of Zulfan Amri on September 10, 2021, valid for 3 years until September 10, 2024

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

- P2K3 Meeting of Pabatu Estate Unit: P2K3 Meeting for 2022 period on 12 September 2022 which was attended by 8 participants

in the Manager's Office meeting room. The company has also submitted P2K3 Reports to relevant agencies, for example the P2K3 Report for the second quarter of 2022 submitted to the UPT Supervision of the Manpower Service Region II, Serdang Bedagai Regency, Tebing Tinggi City, North Sumatra Province Government on July 2, 2022.

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

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

6.7.2

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

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

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

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

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

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

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

- Pabatu Estate was carried out on August 19, 2022 with the type of examination Cholinesterase, Spirometry, Audiometry for the period of 2022 with OHS measurement documents for occupational health in 2022 with letter no. PT.PMN/PTPN IV/72/VIII/2022

the number who took part in the health examination was 34 participant. However, the results of the special medical examination have not been released and are still waiting for the results from the Pabatu Hospital.

- Bah Birong Ulu Estate was carried out on August 29, 2022 with the type of examination Cholinesterase, Spirometry, Audiometry for the period of 2022 with a report document on the Implementation of the Work Environment Test and health examination for employees in 2022 with the letter number ULU/X/65/VIII/2022 participated in the health examination, namely 19 participants. However, the results of the special medical examination have not yet been issued and are still waiting for the results from the hospital.

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

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

OFI 6.7.2

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

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

6.7.3

The company has shown the 2022 PPE handover documents for mills and plantations from afdeling I-VII. As for the provision of PPE for the 2022 period, it was only handed over to employees on January 25, 2022. Based on the results of interviews with management, information was obtained that the company had replaced damaged PPE in January 2022. The company also showed recordings of examples of replacement of damaged PPE at Pabatu Estate, some examples of receipts it includes:

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

Based on information from the results of the document review that Pabatu estate, Pabatu POM, Bah Birong Ulu Estate have carried out the PPE replacement process procedure in the form of shoes, shoes, blue helmets, cloth masks, ash masks, rubber gloves,

helmet safety face shields, bags waistband, safety glasses, aprons, chemical work clothes, cloth gloves, egrek gloves, ax gloves in the period of 2022.

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

NC: 2022

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

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

Non-Conformance Description (filled by auditor):

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

6.7.4

The company 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 also shows proof of Social Security Agency on Employment payments, for example:

- The June 2023 period was paid on June 26 2023 for 223 Bah Birong Ulu workers, 420 Pabatu Estate workers and 162 Pabatu POM workers and 172 Fixed Period Working Agreement workers.
- The July 2023 period was paid on August 2 2023 for 220 Bah Birong Ulu workers, 417 Pabatu Estate workers and 160 Pabatu POM workers and 172 Fixed Period Working Agreement workers.

as well as Social Security Agency on Health payments, for example:

- The June 2023 period was paid on June 21 2023 for 223 Bah Birong Ulu workers, 420 Pabatu Estate workers and 162 Pabatu POM workers and 172 Fixed Period Working Agreement workers.
- The July 2023 period was paid on July 27 2023 for 220 Bah Birong Ulu workers, 417 Pabatu Estate workers and 160 Pabatu POM workers and 172 Fixed Period Working Agreement workers.

6.7.5

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

Lost Time Accident at Pabatu Estate September 2021 – August 2022

- Number of employees for the period September 2021 – August 2022 = 545 people
- Work activity in a year = 48 weeks
- Work activity in a week = 40 hours
- Total working hours of employees in 1 year = 1,920 hours

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

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

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

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

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

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

- Number of employees for the period September 2021 – August 2022 = 246 people
- Work activity in a year = 48 weeks
- Work activity in a week = 40 hours
- Total working hours of employees in 1 year = 1,920 hours
- Due to permission, illness and other reasons, workers are absent 0.002% of the total working hours
- During September 2021 – August 2022, there were 0 (zero) minor accidents Total hours worked period Total hours worked for employees in January - August 2022 = $246 \times 48 \times 40 = 472,320$ hours
- Number of absences for the period January - August 2022 = $0.002\% \times 472,320 = 20,928$
- Number of actual working hours of employees = 472,320
Tingkat kekerapan (FR) : $\frac{0 \times 1.000.000}{472.320 \text{ hours}} = 0,00$

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

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

- People died: 0 days
- Totally paralyzed: 0 days
- People lose eye function: 0 days
- Permanently disabled: 0 days
- STMB people for 40 days: 0 days
- People with minor injuries for 2 days: 0 days
- Can work immediately: 0 days
Frequency rate (SR): $\frac{1 \times 1.000.000}{472.320 \text{ hours}} = 0,00$

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

Based on the information on the results of the document review, the company has shown a record of work accidents using LTA

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

Status: Comply

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

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

7.1.1
The unit of certification has standard operating procedures on pest and disease control, for example as stated in SPO No. 05.10-12 Revision No. 00, pages 191 to 193 dated August 1, 2007 concerning Pests and Diseases in Mature Crops. The SOP explains several points regarding pest and disease control, including several examples of discussions about disease symptoms, prevention of treatment of diseased trees, types of pests that often cause damage to crop areas, early observation systems (EWS), pest eradication, evaluation of census results, observation, identification and disease symptoms.

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

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

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

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

Biological control

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

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

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

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

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

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

7.1.2

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

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

7.1.3

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

Status: Comply

7.2

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

7.2.1

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

Some examples of the use of Pabatu Estate Pesticides for 2022

No	Name of Active Ingredient	Active Ingredient	No. Registration	Target
1	Elang 480 SL	Isoprofil Aminaglyposate 480 G/L	RI.010300119941170	Broad-leaved weeds
2	Scud 100 EW	Cypermethrin I	RI010101200933368	Horn beetle
3	Starane 290 EC	Fluroksipir Heptil Ester 290 G/L	RI.010311988854	Broadleaf and woody weed/Macuna
4	Amistartop	Aoxistobini	RI.0102120005228	Broadleaf and woody weeds/Macuna
5	Garlon	Triklopil butoksi etil	RI. 0103011984695	Broad-leaved weeds
6	Gempur	Isopropil amina glyphosat	RI. 01030120041971	Broad-leaved weeds
7	Sevin 85 SP	Kalbaril 85%	RI. 010101197422	Setothasea asigna Fire caterpillar, fruit sucker (<i>helopeltis</i>) cocoa

8	Capture	Cypermethrin I	RI. 01010120072927	Horn beetle
9	Deltamethrin 25 EC	Insektisida	RI. 01010120021684	Setothasea asigna fire caterpillar, fruit sucker (helopeltis) cocoa
10	Santafuron	Metil Metsulfuron	RI01030120072800	Ferns, broadleaf weeds and narrow leaf weeds
11	Metsulindo	Metil Metsulfuron	RI01030119991484	Ferns, broadleaf weeds and narrow leaf weeds

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

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

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

7.2.2

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

LD50 (rat)

(mg/kg) B.a/Ha

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

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

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

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

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

7.2.3

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

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

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

7.2.4

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

7.2.5

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

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

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

No	Name Of Pesticide	Active Ingredient Content	Registration Number
1	Elang 480 SL	Isopropil Aminaglyphosate 480 G/L	RI01030119941170 RI01010120093336
2	Scud 100 EW	Sipermetrin 100 EW	8
3	Starane 290 EC	Fluroksipir Heptil Ester 290 G/L	RI010311988854
4	Santafuron	Metil Metsulfuron 20%	RI01030120072800

5	Manthene	Asefat 75%	RI01010120072671
6	Ally 20 WG	Metil Metsulfuron	RI0103011988837
7	Mesulindo	Metil Metsulfuron	RI01030119991484

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

N o	Name Of Pesticide	Active Ingredient Content	Registration Number
		Isoprofil Aminaglyphosate 480	
1	Elang 480 SL	G/L	RI01030119941170
2	Mesulindo	Metil Metsulfuron	RI01030119991484
3	Starane 290 EC	Fluoksipir Heptil Ester 290 G/L	RI010311988854
4	Percis 30 EC	Delta Metrin 30 g/l	RI01010120042302

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

7.2.6

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

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

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

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

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

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

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

7.2.7

Based on field observations that the company already has a special place for storing chemicals which shows that the chemicals have been stored properly in accordance with procedures. Chemicals are stored in a special place separate from others and placed according to their characteristics and have MSDS instructions/procedures in the chemical storage area. Pabatu Estate and BahBirong

Ulu Estate Chemical storage has been equipped with signage and dangerous symbols for chemicals by category, Material Safety Data Sheet, emergency response, first aid kit and personal protective equipment.

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

7.2.8.

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

Pabatu Unit

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

Bah Birong Ulu Unit

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

7.2.9

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

7.2.10

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

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

7.2.11

Based on the Memo of the Pabatu Business Unit Letter number: PAB/SE/07/II/2022 regarding the Placement of Female Employees as Pesticide Handling Team, it is explained that to maintain the health of employees and their families and comply with Government

Regulations (Permenaker No. 03 of 1986 concerning OHS Pesticides and RSPO Criteria Principles / ISPO, it is obligatory for the afdeling assistant in appointing female employees as the pesticide handling team to coordinate with the plantation policlinic in identifying the condition of the female workers who are not pregnant or breastfeeding and monitoring pregnant and lactating workers in their respective afdeling every month.

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

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

Status: Comply

7.3

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

7.3.1.

Unit of certification has a waste management plan consisting of:

- Solid Waste
Solid waste is reused by the certification unit. The solid waste that is reused is EFB which is used back to the land as fertilizer. Meanwhile, shells and fiber are reused as boiler fuel.
- Mill Effluent
Mill Effluent management, namely by reusing it with land applications. Before being distributed to the Land Application, first the mill effluent is managed in the WWTP pond. Unit of certification has a land application permit in accordance with Operational Eligibility Letter from Environmental Agency of Serdang Bedagai Regency number 18.20/660/359/2022 dated 12 August 2022 about Land Application License of PTPN IV Pabatu.
- Domestic Waste
SOP for household domestic waste management document No. SPO-20, second revision, effective January 2, 2015, in the procedures described relating to waste management from offices and housing, provision of trash bins (trash cans) in offices and housing, making temporary garbage dumps, making a final dumpsite with a size of 1.5 x 2 x 9 meters with a minimum distance of 1 KM from the housing.
- Hazardous and Toxic Waste.
Unit of Certification has SOP of hazardous and toxic waste management No. SPO 02, revision 3, issued on January 2, 2017, which describes the management of hazardous and toxic waste from the time it is produced until it is submitted to the waste carrier. Unit of Certification also has a temporary hazardous waste storage permit based on documents below:
 - Hazardous and Toxic Waste Storage License in Pabatu Unit No. 0002/34/DPMP2TSP-SB/II/2018 dated 22 February 2018 which is valid for 5 years. It is known that the coordinates of hazardous and toxic waste storage is N 03°17'13.7" E 099°06'35.7".
 - Hazardous and Toxic Waste Storage License in Bah Birong Ulu Unit No. 503.26/00495/17.4/2021 dated 3 May 2022 which is valid for 5 years. It is known that the coordinates of hazardous and toxic waste storage is N 2°51'14" and E 98°58'48.7".

In realization of waste management, it is divided into several types based on the characteristics of the waste it produces, including solid and liquid waste, POME, and hazardous and toxic waste. Solid waste from the FFB processing process in the form of shells and fiber is reused by company as a substitute for fossil fuels (diesel) for power generation in boilers. Some of the solid waste in the form of shells is also sent or sold, while the empty fruit bunches are used as fertilizer. Data on solid waste utilization is explained in more detail in indicator 7.9.1. Unit of certification uses POME by applying it to the Land Application. The regulation and management of POME are explained in more detail in indicator 7.8.3. As for air waste, the unit of certification has not made a common use for air waste, namely the Biogas Plan, so far, the management related to air waste has only been limited to measuring air quality from waste-producing sources such as Boilers and Gensets.

In management of hazardous and toxic waste, company does not reuse it, but only temporarily stores it located in temporary hazardous waste storage. The waste stored in the temporary storage warehouse will then be transported by a licensed party once a

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

Unit of certification can also show Manifest, balance sheet, and logbook. Based on the results of the document review by comparing the manifest, the balance sheet, and the logbook, it can be seen that the data on waste transported on 19 September 2022 was in accordance with the data recorded in the balance sheet and logbook for the period before the transportation was carried out. Similarly, the comparison between the months after the transportation was carried out (October) starting from empty.

Unit of certification has also reported the results of hazardous waste management which is carried out every quarter with evidence of Reporting Documents of Hazardous Waste Management Reports for second quarter of 2022 which were reported to the Environmental Agency of Serdang Bedagai Regency and Sumatera Utara Province on 1 August 2022, and to Ministry of Environment and Forestry through *SIMPEL* with proof of electronic receipt number 1663512478-2964.

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

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

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

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

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

7.3.2

Based on interviews with Manager of Pabatu Estate and Bah Birong Ulu Estate, it was found that they had an understanding of the handling of waste disposal, including hazardous waste and solid and liquid waste, POME, and its management as regulated in company's procedures. Solid waste from the FFB processing process in the form of shells and fiber is reused by company as a substitute for fossil fuels (diesel) for power generation in boilers. Some of the solid waste in the form of shells is also sent or sold, while the empty fruit bunches are used as fertilizer.

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

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

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

- a. 2 points of domestic waste collection in an open field at Housing Complex of Afdeling I Pabatu Estate

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

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

7.3.3

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

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

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

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

Status: Comply

7.4

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

7.4.1

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

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

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

- Yielding crop management,
- Road and bridge maintenance,
- Fertilization,

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

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

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

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

7.4.2

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

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

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

Soil Analysis

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

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

Leaf Analysis

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

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

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

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

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

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

Leaf Analysis

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

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

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

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

The company needs to reconfirm the soil analysis schedule in accordance with the provisions in the Palm Oil Fertilization Management PDIK (No. 04.04/P/006). (OFI)

7.4.3

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

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

Produce Plants Period January-August 2022 for example:

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

Immature Plants Period January-August 2022 for example:

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

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

7.4.4

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

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

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

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

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

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

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

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

In the period of 2021 (January – May 2021), it is known that the stock of fertilizer is dropping gradually for a 1-year plan. The dropping

of NPK and Dolomite, MOP and UREA fertilizers in 2022 has been implemented/applied 100% in the field. Meanwhile, the realization of Boron fertilizer has not yet been realized because there is no fertilizer stock that has come from the center.

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

Status: Comply

7.5

Practices minimize and control erosion and degradation of soils.

7.5.1

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

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

7.5.2

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

7.5.3

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

Status: Comply

7.6

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

7.6.1, 7.6.2, and 7.6.3

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

Bah Birong Ulu Estate features a topography and land map with a scale of 1:25,000. The map was provided by PT Surveyor Indonesia and the Indonesian Sustainable Palm Oil Foundation in July 2013. The map informs that in general the slope conditions at the Bah Birong Ulu Estate Unit vary from bumpy to hilly. From observations, it is known that hilly areas have a terraced cropping pattern. The type of soil in Bah Birong Ulu Estate is mineral soil in the form of yellowish red podzolic, yellow podzolic, and yellow sandy podzolic. The physical fertility of the soil is relatively low, which is characterized by the texture of sandy clay loam, the structure of the crumbly lumpy soil and the consistency of the soil is relatively loose. The effective depth of the soil is deep enough that is > 100cm. In fact,

most of the land suitability classes are marginally suitable, although in a small part the area is classified as S2 (suitable) with the limiting factor of topography and sandy areas and attitude > 800 m above sea level, Land suitability class can be maintained through the application of conservation techniques.

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

Status: Comply

7.7

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

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

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

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

Based on information from the results of document studies, field visits and interviews with stakeholders and management units, it was found that until the ASA 1.2 audit was carried out, the company had not yet developed new areas and the operational areas of PTPN IV-Pabatu POM and Bah Birong Ulu Estate did not have peatlands.

Status: Comply

7.8

Practices maintain the quality and availability of surface and ground water

7.8.1

Pabatu Unit

Company has identification on water course within its operational area in HCV document and there is also water management plan covered in HCV management plan, environmental management and monitoring plan document (RKL-RPL) and riparian management procedure No. SPO 05 Revision 03 on 27 Agustus 2018. Among other the plan covers determination of riparian area border, protection of riparian area by not conducting chemical spraying and tree enrichment. The action taken among other by testing periodically river water quality, monitoring volume of water use, applying treated mill effluent to permitted land application. The company was conducted water quality testing every semester by accredited testing laboratory by KAN No. No. LP-1254-IDN. Location of surface water testing conducted in upstream and downstream of Sei Padang River (Pabatu) and Bah Hilang, Bah Pora, and Bah Kapuran River (Bah Birong Ulu). Based on environmental monitoring analysis in RKL-RPL report in First Semester of 2022, it was informed that the company activity has not given negative effect.

Bah Birong Ulu Unit

Company has identification on water course within its operational area in HCV document and there is also water management plan covered in HCV management plan, environmental management and monitoring plan document (RKL-RPL) and riparian management procedure No. SPO 05 Revision 03 on 27 Agustus 2018. Among other the plan covers determination of riparian area border, protection of riparian area by not conducting chemical spraying and tree enrichment. The action taken among other by testing periodically river water quality. The company was conducted water quality testing every semester by accredited testing laboratory by KAN No. No. LP-1254-IDN. Location of surface water testing conducted in upstream and downstream of Bah Hilang, Bah Pora, and Bah Kapuran River. Based on environmental monitoring analysis in RKL-RPL report in First Semester of 2022, it was informed that the company activity has not given negative effect.

7.8.2.
Pabatu Unit

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

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

Bah Birong Ulu Unit

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

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

7.8.3.

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

7.8.4.

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

Status: Comply

7.9
Efficiency of fossil fuel use and the use of renewable energy is optimized.
7.9.1

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

Status: Comply

7.10

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

7.10.1

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

Summary Emission

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

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

Extraction	%
OER	22.50
KER	4.52

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

Summary Oil Mill Emissions and Credits

Remarks	tCO ₂ e	tCO ₂ e/t FFB
Emissions sources		
POME	14604.42	0.07
Fuel consumption	87.86	0.00
Grid electricity	0.00	0.00
Credits		
Export of Excess Electricity to housing & grid	0.00	0.00
Sales of PKS	0.00	0.00
Sales of EFB	0.00	0.00
Total	14692.28	0.07

Summary of field emission and Sinks

Description	Own		Group		3rd Party		Total
	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e	tCO ₂ e/ha	

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

Palm Oil Mill Effluent (POME) Treatment

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

POME Divert to Anaerobic Digestion

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

7.10.2.

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

7.10.3.

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

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

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

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

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

	Status: Comply	
7.11 Fire is not used for preparing land and is prevented in the managed area.		
<p>7.11.1 Unit of certification has a fire prevention and control policy which is contained in Letter No. 04.07/SE/56/VI/2020 dated June 24, 2020 which contains fire prevention and control activities determined by the company including formation of firefighting teams, installation of fire extinguishers and hydrants, building fire monitoring towers, providing firefighting facilities and infrastructure, and perform fire prevention behavior. Besides, based on field observation result in Immature Area in Block 2021 D Afdeling 7 Pabatu Estate, it is known that there is no indication of land burning marks in replanting area such as immature plants in this area.</p> <p>7.11.2 Unit of certification has a fire prevention and control policy which is contained in Letter No. 04.07/SE/56/VI/2020 dated June 24, 2020 which contains fire prevention and control activities determined by the company including formation of firefighting teams, installation of fire extinguishers and hydrants, building fire monitoring towers, providing firefighting facilities and infrastructure, and perform fire prevention behavior. In addition, the company has attached first semester of 2022 Fire Monitoring Report which has been submitted to Environment Agency of Serdang Bedagai Regency on 27 August 2022. Based on the results of the study documents and field visits, there are no land burning activities in the plantations.</p> <p>Circular No. 04.07/SE/56/VI/2020 dated 24 June 2020 regarding fire prevention and control activities determined by the company including forming firefighting teams, installing fire extinguishers and hydrants, establishing fire monitoring towers, providing fire fighting facilities and infrastructure, and carrying out fire prevention behavior.</p> <p>The list of infrastructure for land fires in semester 1 of 2023 at Bah Birung Ulu Estate, Pabatu POM and Estate consists of: 3 units each; nozzles 1 unit; pump engine 2 units (1 damaged); 3 units of hydrant tanks; APAR 33 units; trident 3 units; sand barrels; hemp jute; hydrant pumps; hydrant car. The results of the field visit, provided 1 unit of pump, 1 unit of water tank, hose and nozzles</p> <p>The company has the opportunity to provide fire fighting facilities and infrastructure, according to the circular letter. (OFI)</p> <p>7.11.3 Based on results of document review of Fire Monitoring Report in first semester of 2022, there were no land burning activities in the plantations. Besides, the company has conducted simulation of land fire emergency response 29 July 2022 which participated by 18 participants.</p>		
	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.		
<p>7.12.1 There are no changes for the HCV Identification assessment, since that was conducted in 2010. The certification unit been managed as a plantation land since the Dutch colonial government and became a national company since 1959. Based on the verification document of the palm oil planting year shows that planting after November 2005 is the replanting activity of previous rotation palm oil. In accordance with the RSPO Secretariat's Email (Dillon Sirim) July 21, 2017 CH declared that PTPN IV (Unit Pabatu) has sent a new Land Clearance Disclosure after November 2005 and can continue the certification process "This unit has been disclosed as zero non-compliant land clearance. It may proceed with RSPO Certification Process". Meanwhile, RSPO sends the results of the LUCA Review from PTPN IV – Bah Birong Ulu with a "Pass" status with a Final Conservation Liability of 0 Ha and an Environmental Remediation Area of 43.67 Ha on 17 March 2022.</p> <p>7.12.2 Based on the verification of land clearing data, there is no indication of new land clearing after 15 November 2018, therefore the company has no obligation to conduct a High Carbon Stock (HCS) study. There are no changes for the HCV Identification assessment, since that was conducted in 2010. All HCV and the RTE species were identified by the RSPO approved assessor. RTE species that were identified based on this identification e.g. <i>Manis javanica</i> "Trenggiling". HCV identifying process conducted by using HCV</p>		

identification guides in Indonesia 2007. The identification results indicate that there are HCV 1,4 and 6 covered 88.3 ha areas.

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

7.12.3.

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

7.12.4.

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

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

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

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

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

7.12.5.

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

7.12.6.

Unit of certification already has a policy for the protection of animal species as outlined in Standard Operational Procedure No. 09 (Rev 02) dated January 02 2015 concerning Identification and Protection of Flora and Fauna in which the SPO regulates the prohibition of capturing, maintaining, maintaining or killing wild animals, both protected and unprotected and providing sanctions if the prohibited items are found. on. The procedure also regulates cooperation with other parties, in this case the Natural Resources Conservation Center (BKSDA) in the context of efforts to save animals as well as to rehabilitate and release rehabilitated products.

The policy set out in the SOP was later strengthened by the issuance of memo number DI/SE.interen.14/II/2015, dated February 25, 2015 from the DOI unit manager regarding the prohibition on keeping and capturing protected animals.

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

7.12.7.

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

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

Results of HCV monitoring in 2021 have been reviewed and developed into HCV monitoring plan in 2022 which was made on 21 July 2021. This review has been participated by surrounding village including representatives of Pabatu II Village, Mainu Tengah Village, Bahdamar Village, Paritokan Village, Pabatu IV Village, Pabatu I Village, Gunung Katoran Village, Penonggol Village and Kedai Damar Village. Management activities carried out in 2022 include maintaining HCVs 1, 4 and 6; testing river water every semester and cleaning the HCV 6/cemetery area.

HCV Identification assessment in Bah Birong Ulu has covered 2,673.54 Ha conducted using HCV identification guides in Indonesia 2007. The identification results indicate that there are HCV 1.4 and 6 covered 52.25 ha areas.

Environmental Remediation Area 43.67 ha (42.94 ha of riparian reserves and 0.7 ha of steep slope areas). The total riparian reserve area is 138.9 ha, of which 95.96 ha are natural vegetation and 42.94 ha are oil palm planted. In addition, there is a 0.7 ha area with a steep slope that has been planted with oil palm.

Companies have the opportunity to make improvements to their HCV management plans. (OFI)

7.12.8.

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

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

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

- 25 July 2022: RSPO provides the Unit of Certification the results of a review of the Remediation Plan for Bah Birong Ulu which needs to be revised.
- September 7, 2022: The unit of certification sends the results of revisions to Annex 8 of the Bukit Lima and Bah Birong Ulu Units to RSPO.
- 15 September 2022: RSPO sends out a preliminary review of the Bukit Lima and Bah Birong Ulu Remediation Plans.

Remediation Plan 43.67 Ha has been approved by the RSPO, 25 November 2022. Selection of the Remediation Plan implementing consultant and preparation of the annual monitoring report (ANNEX 9) August 2023.

The company has the opportunity to immediately implement the Remediation Plan that has been approved by the RSPO, 25 November 2022. (OFI)

Status: Comply

3.2 Conformity Checklist of Certificate and Trademark Use

1.	Evidence of permission or approval certificate and trademark from Certification Body which submitted by Client	X or √
ASA-1.2	The company didn't use trademark on the product.	√
	Status: Comply	
2.	Implementation of certificate and trademark used by Client comply with size and type (shape) against Guideline of trademark Use	X or √
ASA-1.2	The company didn't use trademark on the product.	√
	Status: Comply	
3.	Implementation of Certificate and Trademark is not used on product	X or √
ASA-1.2	The company didn't use trademark on the product.	√
	Status: Comply	
4.	Controlling of Certificate and Trademark, including withdrawing inappropriate trademark.	X or √
ASA-1.2	The company didn't use trademark on the product.	√
	Status: Comply	

3.3 Summary of RSPO Partial Certification.

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

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

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

MUTU Auditor has verified company partial certification and concludes that:

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

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

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

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

Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<p>Some management units has carried out land clearing activities (replanting or conversion activities) since November 2005 without processed by HCV identification/assessment. Based on RaCP tracker (per November 2019) in RSPO website and the result of correspondence with RSPO compensation panel that the management units under PT Perkebunan Nusantara VI have 0 management unit with potential liability because information inside of disclosure liability form & LUCA still revised by auditee on behalf Unit of Batanghari Business and Unit of Bunut Business and other uncertified management units has not been submitted disclosure liability. LUCA and shp file.</p> <p>Following up one of resolution from 35th BHCWVG meeting year 2017 are pushing certified management unit to submit annex 7 & 8 (compensation concept note & compensation plan) to RSPO compensation panel in annual surveillance audit by each certification body according time frame which has decided in meeting. The progress of the concept note approval can be saw in indicator of 7.12</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>2nd partial audit was conducted on 24-25 November 2021</p> <p>The Tanjung Lebar Business Unit postponed to February 2022, due to single membership consolidation and approval process by RSPO Secretariat and the Disclosure & Liability of Tanjung Lebar is still pending. While the Disclosure & Liability of Batang Hari Business Unit has approved by RSPO secretariat with Zero Liability dated 20 June 2020; the audit planned on 22 December 2021. Therefore the Disclosure & Liability of Bunut Business Unit is still on process, the latest email from Indrawan Suryadi (RSPO Secretariat) dated 23 November 2021. For the Bunut Business Unit certification plan is on schedule (December 2021).</p> <p>There are also letter for SEVP Operation from Head of Planning & Sustainability with number: ND-312/06.08/XI/2021 dated 25 November 2021 about RSPO certification preparation in Bunut & Batang Hari Business units and also awareness criteria 7.12 RSPO P&C and Risk Analysis for six business units (Ophir, PLK, Solseil, BKC, B. Kausar, and MAI) by Consultant Inovasi Sejahtera Berkelanjutan.</p>

Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<p>PTPN VII 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 st 2010 must comply with the RSPO New Plantings Procedure.	<p>PTPN III 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"> 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. d. Form of Request Budget (No. 3.16/PPAB/07/2018) dated January 29, 2018. <p>PTPN V Auditee has been submitted reporting template for disclosure of areas cleared without prior HCV assessment since Nov 2005 file on behalf other uncertified management units i.e Unit of Tanjung Lebar Business (Tanjung Lebar estate & POM), Unit of Durian Luncuk Business (Aur Gading POM & Durian Luncuk Estate), Unit of Ophir Business (Ophir Estate & POM), Unit of Pangkalan 50 Kota Business (Pangkalan 50 Kota estate), Bukit Cermin estate, PT Bukit Kautsar & PT MAJI.</p> <p>Some management units has carried out land clearing activities (replanting or conversion activities) since November</p>

Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<p>2005 without processed by HCV identification/assessment. Based on RaCP tracker (per November 2019) in RSPO website and the result of correspondence with RSPO compensation panel that the management units under PT Perkebunan Nusantara VI have 0 management unit with potential liability because information inside of disclosure liability form & LUCA still revised by auditee on behalf Unit of Batanghari Business and Unit of Bunut Business and other uncertified management units has not been submitted disclosure liability. LUCA and shp file.</p> <p>Following up one of resolution from 35th BHCVWG meeting year 2017 are pushing certified management unit to submit annex 7 & 8 (compensation concept note & compensation plan) to RSPO compensation panel in annual surveillance audit by each certification body according time frame which has decided in meeting. The progress of the concept note approval can be saw in indicator of 7.12</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>PTPN VII 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>PTPN III KRBTN There are several area in Afdeling VII were occupied by communities and overlap with PT KAI. The unit management have made persuasive efforts to resolve it, however no agreement has been found. Currently was nothing significant land conflict.</p> <p>PTPN V There was land conflict between PT PN V with community in Senama Nenek village, located in Sei Kencana Estate and Terantam Estate for approximately \pm 2,800 Ha (\pm 550 Ha under Terantam Estate and \pm 2,250 Ha under Sei Kencana E</p>

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

Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		not obtained HGU from the related Agency. There are land conflict resolution in Senabing Estate (Lahat District), the land dispute was started on 14 August 1986. It has resolved dated 9 June 2011 by Minute of Land Measurement number SENA/BA382/2001 in Tanjung Makmur Village for area 1.25 Ha.
2.1.5	Any Labour disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.	<p>PTPN III Based on self assessment in KRBTN, KBDSY, KKINO and KJLRS and desk study on internet sighted that there are no labour dispute issues, since last year period until the partial audit conducted on 8-9 November 2021.</p> <p>PTPN V There is no labour issue/dispute found during this initial certification audit.</p> <p>PTPN VI 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 & complaint can be informing to labour union (SP-BUN) and organization will try to resolve complaints at the labour union level and any mechanism solving grievance and compliance from employee on collective labor agreement (PKB)</p> <p>2nd partial audit was conducted on 24-25 November 2021 The renewable of collective labor agreement period of 2022-2023 is still on process, that the final meeting in Yellow Hotel will be conducted on 25 to 26 November 2021.</p> <p>PTPN VII There are no labour dispute during internal audit assessment, the company will be follow up the regulation of PP 50 of 2012, PP 38 of 2011, PP 101 of 2014, and Permenaker 19 of 2012.</p>

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

Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<p>2) because the organization still in-process to get Land Use Right (HGU).</p> <p>PTPN VI Uncertified management units has complied with applicable legal requirement which supported by some evidences such as :</p> <ol style="list-style-type: none"> 1. Some uncertified management units (Ophir Estate & POM, Solok Selatan Estate & POM, Pangkalan 50 Kota Estate, Batanghari Estate, Bunut Estate & POM, Tanjung Lebar Estate & POM, Bukit Cermin Estate, Pinang Tinggi POM, Aur Gading POM, Durian Luncuk Estate & PT Bukit Kautsar) have Plantation Business Permit (Izin Usaha Perkebunan) so they has complied with Minister of Agriculture Regulation no.98/permentan/OT.140/9/2013 article 8 or 10 or 13. 2. Some uncertified management units (Ophir Estate & POM, Solok Selatan Estate & POM, Pangkalan 50 Kota Estate, Batanghari Estate, Bunut Estate & POM, Tanjung Lebar Estate & POM, Bukit Cermin Estate, Aur Gading POM, Durian Luncuk Estate, PT MAJI & PT Bukit Kautsar) have land use right (Hak Guna Usaha) so they has complied with law no.5 year 1960 article 28. One of land use right owned by Durian Luncuk estate still renewal process and one of Bukit Kautsar areas still in-process to get land use right. 3. Some uncertified management unit (Sei Bahar II Bunut POM, Solok Selatan POM, Tanjung Lebar Estate & POM, Pinang Tinggi Estate & POM, Bunut Estate, Batanghari Estate, Durian Luncuk Estate & PT Bukit Kautsar) have environment document so they has complied with Minister of Environment Regulation no.05 Year 2012 jo Minister of Environment & 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. 4. Bunut POM and Tanjung Lebar Estate & POM have storage temporary for hazardous & toxic materials waste and their permit so they has complied with Minister of Environment Regulation no.30 year 2009 article 5. 5. Bunut POM and Solok Selatan POM have land application permit so they has complied Minister of Environment Decree no.29 year 2003. 6. Unit of Tanjung Lebar Business, Unit of Bunut Business, Unit of Batanghari Business and Unit of Durian Luncuk Business have permit of release for forest areas from government (Minister of Forestry Decree no.260/KPTS-VII/1988 and no.418/KPTS-II/1990). Whereas, PT Bukit Kautsar have permit of release for forest areas from government too (Minister of Forestry Decree no.69/Kpts-II/1997 & no.443/Kpts-II/1999 and letter from Head of Forestry Agency in Jambi Province no.

Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
		<p>S.6.802/Dishut/BIPH.1.2/XII/2015). PT Mendahara Agro Jaya Industri have permit of release for forest areas from government too (Minister of Forestry Decree no.954/Kpts- II/1999).</p> <p>7. Plantation Business Permit (Izin Usaha Perkebunan) on behalf PT MAJI (Head of Tanjung Jabung Timur decree No.30 year 2005) and PT Bukit Kautsar - Pengabuan POM (Governor of Jambi decree No.564/KEP.Gub/Disbun/2011).</p> <p>8. Environment Document on behalf Ophir Estate & 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 service decree no.007/IL/DPMPSTSP-LK/I/2020), Aur Gading POM & Durian Luncuk estate (Governor of Jambi Province decree No.171/Kep.Gub/BLHD/2009), Bukit Cermin Estate (approved by No.100.A year 2011 on 3 October 2011) and PT MAJI (approved by No.76 year 2007 on 23 March 2007) was available.</p> <p>A documented system relate of law requirements and mechanism to ensuring compliance with legal compliance and a system to tracking changes to the law and regulation has covered in procedure of updating law and regulation and evaluation of compliance. All uncertified management units has provided the list of relevant law and regulation and the status of compliance because the mechanism to ensuring compliance with legal compliance has been implemented.</p> <p>Auditee has provided a legal land, map of legal land and a procedure of boundary monitoring where boundary monitoring shall be conducting every month and reporting in report of boundary monitoring result. Uncertified management units has provided the report of boundary monitoring result such as Unit of Tanjung Lebar business, Unit of Batanghari business, Unit of Solok Selatan business, Unit of Pangkalan 50 Kota business, Unit of Ophir business, PT MAJI, Unit of Durian Luncuk business, Unit of Bunut business, Unit of Bukit Cermin business and PT Bukit Kautsar.</p> <p>PTPN VII</p> <p>The company will be follow up the regulation of PP 50 of 2012, PP 38 of 2011, PP 101 of 2014, and Permenaker 19 of 2012. The Senabing Estate has not been able the land use historical for the area 2,355.72 Ha. Currently also the Senabing Estate not obtained HGU from the related Agency. There are land conflict resolution in Senabing Estate (Lahat District), the land dispute was started on 14 August 1986. It has resolved dated 9 June 2011 by Minute of Land Measurement number SENA/BA382/2001 in Tanjung Makmur Village for area 1.25 Ha.</p>

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

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

3.4.1. Identification of Findings, Corrective Actions and Observations at ASA-1.1

NCR No.	:	2022.1	Issued by	:	Briyogi Shadiwa
Date Issued	:	28 September 2022	Time Limit	:	ASA-1.2
NC Grade	:	Minor	Date of Closing	:	22 December 2022
Standard Ref. & Requirement	:	3.2.2 As part of the continuous monitoring and improvement process, an annual report is submitted to the RSPO secretariat by the Certification Body during the annual audit, using the RSPO Metric Template format.			
Evidence observed (filled by auditor): During audit ASA 1.1 the unit of certification was unable to presented the RSPO Metric template to auditor.					
Non-Conformance Description (filled by auditor): The annual report using the RSPO Metric Template has not been presented					
Root Cause Analysis (filled by organization audited): Lack of understanding of filling in data using the RSPO metric template format.					
Correction (filled by organization audited): <ul style="list-style-type: none"> • Fill in the annual report data using the RSPO metric template format. • Conduct socialization on filling in metric template data to employees 					
Corrective Action (filled by organization audited): <ul style="list-style-type: none"> • Coordinate with related Sections for data input using the RSPO metric template before the certification audit is carried out in the following year for the accuracy and accuracy of the data presented • Define PIC monitoring inputting metric templates 					
Assessor Evaluation and Conclusion (filled by auditor): Verification date December 22, 2022 The company has sent proof of improvement, namely: <ul style="list-style-type: none"> • Shows updated template metrics • Has carried out the socialization of filling out the metric template data to PIC • Monitoring the input of metric templates regularly Based on this, the discrepancy on this indicator has been fulfilled.					
Follow up on Next Audit (filled by auditor): The company has been able to show template metrics					
Verified by	:	Asystasya Aishah Silalahi			

NCR No.	:	2022.2	Issued by	:	Alexander Sitio
Date Issued	:	28 September 2022	Time Limit	:	27 December 2022
NC Grade	:	Major	Date of Closing	:	22 December 2022
Standard Ref. & Requirement	:	3.6.1 All operational activities risks assesed to identify the H&S issues. Mitigation plans and procedures are documented and implemented.			
Evidence observed (filled by auditor): Pabatu POM, Pabatu and Bah Birong Ulu Estate have HIRAC Documents for the plantations prepared by the Risk Management Team and endorsed by the unit manager. The Pabatu POM HIRAC document was ratified on 7 January 2022, the Pabatu Estate HIRAC was ratified on 31 March 2022, and the Bah Birong Ulu HIRAC was ratified on 10 May 2022. In the HIRAC document, the company has not identified the hazards and risks of several activities (but not limited to) as follows: 1. Pest and disease surveillance (EWS) 2. Road Maintenance 3. Ablation 4. Global telling 5. Maintenance of collection point 6. WWTP pool 7. Monitoring of HGU Pegs 8. HCV monitoring 9. Etc					
Non-Conformance Description (filled by auditor): Based on the explanation above, it is concluded that the company has not been able to show evidence that all operational activities in the field have been assessed for risk to identify OHS problems.					
Root Cause Analysis (filled by organization audited): Lack of understanding of the Risk Management Team to identify risks throughout the work.					
Correction (filled by organization audited): <ul style="list-style-type: none">• Create work-related Hirac Documents:<ul style="list-style-type: none">- Monitoring of pests and diseases (EWS)- Road Maintenance- Ablation- Global telling- TPH maintenance- WWTP pool- HGU Benchmark Monitoring- HCV monitoring- Etc• Dissemination of risk identification throughout work by General OHS Expert to the Risk Management Team and those in charge of work					
Corrective Action (filled by organization audited): Make monitoring of all HIRAC documents to ensure all risky work has been poured into HIRAC once a year.					
Assessor Evaluation and Conclusion (filled by auditor): Major Verification on 22 December 2022 The Pabatu and Bah Birung Ulu Units have demonstrated HIRAC for activities that have not yet identified risks, such as Pest and Disease Observation (EWS), Road Maintenance, Ablation, Global telling, FFB collection area Maintenance, WWTP Ponds, etc. The company has also shown socialization to the risk management team regarding risk identification for all work in the plantations and factories which was carried out on 30 October 2022 which was attended by 30 participants. Based on interviews with road maintenance workers in Block 05 CP Afdeling 3 and FFB collection area care workers in Block 17J Afdeling 3 Bah Birong Ulu Estate,					

it is known that workers understand the potential hazards and work risks in their respective workplaces. In this regard, this nonconformity has been fulfilled.

Follow up on Next Audit (filled by auditor):

The company has been able to show HIRAC for all activities

Verified by : **Asystasya Aishah Silalahi**

NCR No.	:	2022.3	Issued by	:	Rindu Galih Rezza Rachmansyah
Date Issued	:	28 September 2022	Time Limit	:	27 December 2022
NC Grade	:	Major	Date of Closing	:	22 December 2022
Standard Ref. & Requirement	:	6.2.2 Employment contracts and related documents detailing payments and conditions of employment (e.g. regular working hours, deductions, overtime, sick leave, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc. in compliance with national legal requirements) and payroll documents give accurate information on compensation for all work performed.			
Evidence observed (filled by auditor)					
<ul style="list-style-type: none">Based on observations and interviews with contractor workers at Pabatu Estate, there were 2 loading workers in Afdeling 3 from CV Tiga Putra Siman and 2 loading workers in Afdeling 1 from CV Cerah Eliando Jaya who stated that they had worked for more than a year but had not yet have a work agreement with the contractor. This also cannot be proven by the contractor until the audit activity ends.Based on observations and interviews with contractor workers at Pabatu Mill, there were 1 heavy equipment operator from CV Karya Mandiri who stated that they had worked for more than a year but until now they did not have a work agreement with the contractor. This also cannot be proven by the contractor until the audit activity ends.Based on observations and interviews with contractor workers at Bah Birong Ulu Estate, there were 2 loading workers in Afdeling 2 from PT Syahrul Akbar Sejahtera and 3 loading workers in Afdeling 3 from CV Hizkia Jaya who stated that they had worked for more than a year but until now do not have a work agreement with the contractor. This also cannot be proven by the contractor until the audit activity ends.In addition, 2 loading workers (PT Ridho Akbar Sejahtera) in Afdeling 2 Bah Birong Ulu Estate also stated that fire extinguishert from working with the contractor, the workers also worked with the company as harvesters from 07:00 to 10:00 (before worked as a contractor loading worker) at Block 2005 BI Bah Birong Ulu Estate and this has been happening for several months (has received monthly wages). The results of a review of the labor list document for the August 2022 period found that there were 35 workers who had PKWT Candidate status and did not have a work agreement with the company.					
Non-Conformance Description (filled by auditor):					
The company has not been able to prove that all workers (including contractor workers) have a well-documented work agreement with the company or the contractor.					
Root Cause Analysis (filled by organization audited):					
Vendor's lack of understanding regarding legal compliance that must be completed by the vendor					
Correction (filled by organization audited):					
<ul style="list-style-type: none">Work agreement letter for the Pabatu Estate vendor to the workers for CV Tiga Putra Siman and CV Cerah Aliando in Afdeling I and IIIPabatu POM vendor work agreement letter to wheel loader operator for CV Karya Mandiri					

- Bah Birung Ulu vendor work agreement letter to vendor workers for PT Ridho Akbar Sejahtera and CV Hizkia Jaya Afdeling II and III
- Letter of reprimand for CV Ridho Akbar Sejahtera loading workers who work as harvesters
- PKWT application for 35 workers who are doing the selection
- Conduct outreach to vendors regarding vendor legal compliance

Conduct outreach to vendor workers regarding compliance with work agreements

Corrective Action (filled by organization audited):

Make monitoring of legal compliance of vendors and vendor workers

Assessor Evaluation and Conclusion (filled by auditor):

Major Verification on 22 December 2022

Bah Birung Ulu

The company has demonstrated:

- List of contractors used for Bah Birung Ulu Plantation and it is known that there are 2 contractors currently working with the company, namely PT Syahrul Akbar Sejahtera and CV Hizkia Jaya. The company no longer uses the contractor PT Ridho Akbar Sejahtera.
- Letter of agreement between PTPN IV and PT Syahrul Akbar Sejahtera regarding the Work for Lifting FFB Afd II Bah Birung Ulu Estate number 04.04/SPKP/ANGKUT-MUAT-BONGKAR-TBS/220/III/2022 which was made on 24 March 2022 and is valid for 3 years .
- The company shows the Contract between PTPN IV and CV Hizkia Jaya No. 04.04/SPKP/ANGKUT-TBS/36/II/2021 concerning the Transportation of FFB from Afdeling III Bah Birung Ulu Estate which was signed on 4 February 2021 and is valid for 3 years. The contract states that the contractor is obliged to comply with all applicable laws and regulations.
- Work agreement letter for a certain time No. 01/CV.RAS/PKUWT/VIII/2022 between PT Syahrul Akbar Sejahtera and 6 workers which was signed between the two parties on 26 August 2022 and is valid until 31 August 2022.
- Work agreement letter for a certain time No. 01/CV.HZ/PKUWT/VIII/2022 between CV Hizkia Jaya and 6 workers which was signed between the two parties on 26 August 2022 and is valid until 31 August 2022.
- Based on interviews with 2 contractor workers from PT Syahrul Akbar Sejahtera, it is known that the workers only work at PT Syahrul Akbar Sejahtera and do not work as harvesters at the Bah Birung Ulu Estate.
- Monitoring of legal compliance by vendors made on October 10, 2022. One of the requirements for carrying out work is to comply with labor rules and regulations.

Pabatu

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

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

Follow up on Next Audit (filled by auditor):

The company can prove that all workers (including contractor workers) have a work agreement with the company and the contractor that is properly documented.

Verified by : Asystasya Aishah Silalahi

NCR No.	:	2022.4	Issued by	:	Rindu Galih Rezza Rachmansyah
Date Issued	:	16 August 2023	Time Limit	:	14 November 2023
NC Grade	:	Minor Raised to Major	Date of Closing	:	14 November 2023
Standard Ref. & Requirement	:	6.2.7 Permanent workers are employed for all major work performed by the unit of certification. Temporary workers and casual daily workers are limited to work of a temporary or seasonal nature.			
Evidence observed (filled by auditor)					
<ul style="list-style-type: none">Based on the results of field observations and interviews with harvesters in Afdeling 7 Block 2009 V Pabatu Estate, it was found that there were still 4 harvesters who were still PKWT workers and in Afdeling 1 Block 2005 Z Bah Birong Ulu Estate as many as 3 people.Based on the results of a review of the labor list documents for September 2022, it is known that currently the company still has workers with PKWT status of 87 people working at Pabatu Estate and 35 people at Bah Birong Ulu Estate.Companies can also show work agreements between PKWT workers and the company for 2 workers in each estate (Bah Birong Ulu and Pabatu Estate) which are still valid until 31 October 2022The company has a Board of Directors Regulation of PT Perkebunan Nusantara III (Parent Company of PT Perkebunan Nusantara IV) No. HES/PER/05/2019 dated March 22, 2019 regarding Guidelines for Recruitment of Employees at PT Perkebunan Nusantara III and its Subsidiaries, where in Chapter IV concerning the Implementation of Acceptance of PKWT in article 15 it is explained that this PKWT is made for certain jobs according to the type and nature or work activities will be completed within a certain time such as<ul style="list-style-type: none">Jobs that are once completed or temporary in nature.Seasonal work.Work related to new products/activities or additional products.Work that is estimated to be completed in a not too long time.Harvest work is a permanent job, this is because the criteria for harvesting work are included in the description of permanent work in Law no. 13 of 2003 (explanation of article 59 paragraph 2) where it reads "work that is continuous, uninterrupted, not limited by time and is part of a production process in one company or work that is not seasonal."In Government Regulation No. 35 of 2021 in the PKWT section explains that PKWT cannot be held for work that is permanent and PKWT can be held based on a period of time (work that is not completed for too long, seasonal work, work related to new products) or the completion of a particular job (work that has been completed). once completed and temporary work).					
Non-Conformance Description (filled by auditor):					
The company has not been able to prove that the application of the use of PKWT is in accordance with company procedures and government regulations related to the types of work that can use PKWT (seasonal or temporary work).					
Root Cause Analysis (filled by organization audited):					
The recruitment of employees has not been realized					
Correction (filled by organization audited):					
Make a letter to the HR department, a copy to the plant related to labor needs					
Corrective Action (filled by organization audited):					
Create a permanent employee appointment program					
Assessor Evaluation and Conclusion (filled by auditor):					
Auditor verification dated August 16, 2023					
Based on the workforce for the 2022 period (previous audit assessment), it is known that there are 87 Fixed Period Working Agreement workers at Pabatu Estate and 35 Fixed Period Working Agreement workers at Bah Birong Ulu Estate for harvesting workers. The company shows proof of improvement in the form of approval for the appointment of Fixed Period Working Agreement workers to become permanent workers as stated in the Letter of the Director of Plantation Holding HR No. DSDM/N.IV/1730/2023 on					

12 June 2023 which explained that for Pabatu Estate it is planned to appoint Fixed Period Working Agreement to permanent workers from 2023-2025 as many as 87 people and for Bah Birung Ulu Estate as many as 35 people.

Based on the workforce for the 2023 period, it is known that there has been an additional harvester workforce of 50 people with Fixed Period Working Agreement status so that the total harvest Fixed Period Working Agreement is 114 people at Pabatu Estate and 58 people at Bah Birung Ulu Estate and Fixed Period Working Agreement is also recorded at the Simalungun Regency and Serdang Berdagai Regency Offices, but the company has not been able to show and explain reasons related to the addition of Fixed Period Working Agreement workers for harvesting work (permanent) and plans to appoint these workers.

Based on this, the discrepancy in this indicator is declared not fulfilled and **becomes Minor Raised to Major**.

Auditor verification date November 14, 2023

The company shows proof of improvement in the form of:

- Implementation of the appointment of Fixed Period Working Agreement to permanent worker from the HR Department of the Directors' Office through principle permit memo No. 04.07/KOL/eM-2698/IX/2023 dated 14 September 2023, it was informed that 604 employees from permanent worker to Fixed Period Working Agreement would be recruited/appointed for all units at PTPN IV.
- Schedule and letter of application for the appointment of Fixed Period Working Agreement workers to become permanent worker as many as 114 people for the Pabatu plantation on September 21 2023 and as many as 56 people for the Bah Birung Ulu plantation from the unit manager to the HR department at the Directors' office.
- Declaration of joint commitment by the Pabatu unit on 29 August 2023 and the Bah Birung Ulu unit on 14 November 2023 regarding planning for the appointment of Fixed Period Working Agreement workers for the 2023-2025 period.

Based on this, the discrepancy in this indicator is declared fulfilled by observation in the next assessment.

Follow up on Next Audit (filled by auditor):

Became a nonconformity and was closed on November 14, 2023

Verified by : **Kiki Fadli**

NCR No.	:	2022.5	Issued by	:	Alexander Sitio
Date Issued	:	28 September 2022	Time Limit	:	27 December 2022
NC Grade	:	Major/Kritikal	Date of Closing	:	27 December 2022
Standard Ref. & Requirement	:	6.7.3 Workers use appropriate personal protective equipment (PPE) which is provided free of charge to all workers in the workplace, to cover all potentially hazardous operations, such as pesticides application, machine operations, land preparation, and harvesting. Sanitation facilities for those applying pesticides are available, so that workers can change out of PPE, wash and put on their personal clothing.			
Evidence observed (filled by auditor):					
<ul style="list-style-type: none">The results of observations and interviews with harvest workers at Bah Birung Ulu Afdeling 1 Block 2005 Z, it was found that 3 harvesters with PKWT status and 1 harvest foreman used PPE in the form of boots that were damaged/torn and were still used for work. The information is that currently the PPE (boots) used is one's own (not PPE provided free of charge by the company) because the previous PPE was damaged and replacements from the company have not been made (PPE distribution is given once a year). In addition, there is also 1 type of PPE that is not used while working, namely the use of leather gloves in accordance with the HIRAC listed therein.					

- In the HIRAC document for the Bah Birung Farm which was ratified on May 10, 2022, which explains that for harvesting activities in the garden it is mandatory to use PPE in the form of helmets, boots, leather gloves and Glasses.

Non-Conformance Description (filled by auditor):

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

Root Cause Analysis (filled by organization audited):

Lack of understanding of employees regarding the mechanism for replacing damaged PPE

Correction (filled by organization audited):

- Replacement of damaged PPE and showing PPE handover documents
- Socialization on the use of PPE in accordance with HIRAC

Corrective Action (filled by organization audited):

- Conduct socialization on the mechanism for replacing damaged PPE
- Monitoring the use of worker PPE in accordance with HIRAC

Assessor Evaluation and Conclusion (filled by auditor):

Major Verification December 22, 2022

Pabatu

- The company has documents showing evidence that socialization of the mechanism for replacing damaged PPE has been carried out.
- The company can show evidence of socialization of the damaged PPE replacement mechanism.
- The company can show evidence of monitoring the use of PPE for workers in accordance with HIRAC

Bah Birung Ulu

The company has shown evidence of the socialization of the PPE replacement mechanism for employees which was carried out on October 3, 2022. The socialization was attended by 49 employees. PPE inspections are also available for Semester 1 2022. The company shows a receipt/invoice for the purchase of AP boots. The company shows documents for replacing damaged PPE and minutes of handing over the PPE. Then, based on interviews with TPH and road maintenance workers, it was found that employees still did not know the mechanism for replacing PPE. 1 outpatient worker also uses personal boot PPE.

Then proof of the handover of PPE was shown which was carried out on December 22, 2022 and one of the names of employees who used personal PPE had received new PPE. The distribution of PPE was carried out 1 day after the auditor's visit to the field.

Related to this, this discrepancy has not yet been fulfilled.

Verify December 27, 2022

The company shows evidence of additional improvements in the form of:

- Socialization of the mechanism for replacing and using PPE which was carried out on December 24, 2022 and was attended by 169 employees from afdeling 1 – 3 Kebun Bah Birung Ulu
- Evaluation of the socialization of the PPE replacement mechanism to 169 Bah Birung Ulu employees. From the results of the evaluation, all employees have understood the PPE replacement mechanism.

From this explanation, the discrepancy has been fulfilled and its implementation will be observed again in the next assessment.

Follow up on Next Audit (filled by auditor):

PPE has been provided to all workers in proper condition and is provided free of charge.

Verified by : **Asystasya Aishah Silalahi**

NCR No.	: 2022.6	Issued by	: Erika Lucitawati
Date Issued	: 16 August 2023	Time Limit	: 14 November 2023
NC Grade	: Minor Raised to Major	Date of Closing	: 14 November 2023
Standard Ref. & Requirement	7.3.1 A waste management plan which includes reduction, recycling, reusing, and disposal based on toxicity and hazardous characteristics, is documented and implemented in accordance with applicable laws and regulations.		
Evidence observed (filled by auditor): Unit of certification has procedures related to hazardous and toxic waste management in Hazardous and Toxic Waste Management SOP No. SPO 02 Revision 02 which is effective as of January 2, 2015. The procedure states in point 5.3 that the following matters: <ul style="list-style-type: none"> • "All divisions in Business Unit hand over hazardous and toxic waste to hazardous and toxic waste temporary storage officer and record it on storage card." • "All hazardous and toxic waste and used hazardous and toxic packaging produced may not be used for other purposes and must be submitted directly (maximum 1 week) to a licensed hazardous and toxic waste temporary storage" <p>Based on the results of the field visit, the following were found:</p> <ul style="list-style-type: none"> • 1 unit of used diesel drums and paint cans stored on shelves, in sacks, and next to the entrance at Pabatu Estate Workshop • 1 unit of used oil bottles at landfill Block 018 K Afdeling VII Pabatu Estate • 1 point of internal combustion and used fertilizer sacks at Housing Complex of Afdeling I and 3 units of used jerry cans of chemicals in the Work Equipment Storage in Afdeling I of Pabatu Estate • 3 units of used chemical jerry cans and 1 unit of used oil bottle in the Used Goods Storage as well as a pile of used diesel drums and used pesticide jerry cans which were collected in the storage opposite the Bah Birong Ulu Used Goods Storage Warehouse. • Paint cans used as flower pots and water reservoirs at Housing Complex of Afdeling I Bah Birong Ulu Estate. <p>Non-Conformance Description (filled by auditor): Based on the explanation above, unit of certification has not shown evidence of waste management being carried out and documented according to the procedures it has, including reuse and disposal based on the characteristics of toxicity and other hazards.</p> <p>Root Cause Analysis (filled by organization audited): There is no overall understanding of employees regarding the management of hazardous and toxic waste</p> <p>Correction (filled by organization audited): Return of hazardous and toxic waste to hazardous and toxic waste temporary storage as follows: <ul style="list-style-type: none"> • 1 unit of used diesel drums and paint cans stored on shelves, in sacks, and next to the entrance at Pabatu Estate Workshop • 1 unit of used oil bottles at landfill Block 018 K Afdeling VII Pabatu Estate • 1 point of internal combustion and used fertilizer sacks at Housing Complex of Afdeling I and 3 units of used jerry cans of chemicals in the Work Equipment Storage in Afdeling I of Pabatu Estate • 3 units of used chemical jerry cans and 1 unit of used oil bottle in the Used Goods Storage as well as a pile of used diesel drums and used pesticide jerry cans which were collected in the storage opposite the Bah Birong Ulu Used Goods Storage Warehouse. Paint cans used as flower pots and water reservoirs at Housing Complex of Afdeling I Bah Birong Ulu Estate.</p> <p>Corrective Action (filled by organization audited): Conduct outreach to employees regarding the management of hazardous and toxic waste</p> <p>Assessor Evaluation and Conclusion (filled by auditor): Verify August 16, 2023</p>			

The company shows evidence of improvement in the form of:

- Records of monitoring related to hazardous waste
- Records of socialization activities on SOP for hazardous and toxic Waste Management on 29 September 2022 at the Pabatu Unit to workers and village communities and the Bah Birung Ulu Unit on 5 October 2022
- Monitoring table for domestic waste management

Field visit results:

- Pabatu Unit Warehousing, hazardous and toxic materials waste management is in accordance with procedures and no hazardous and toxic waste has been stored in an inappropriate manner
- The Bah Birung Ulu Unit Warehousing for the management of hazardous and toxic waste is in accordance with procedures and no hazardous and toxic waste has been stored in an inappropriate manner
- Housing Afdeling I Pabatu, there is a place to store domestic waste in the form of 2 sacks in front of the house. There is a Final Garbage Disposal Site in the estate which is > 1 Km away
- Pabatu Clinic: regarding the management of infectious waste, the following information was obtained:
 - The clinic has an work agreement for hazardous and toxic waste Transportation and Processing No. 110/FPB-ABS/SPK-LB3/IV/2023 between FKTP Prima Pabatu and PT. Amindy Barokah North Sumatra
 - The clinic has an unlicensed and unrefrigerated infectious waste storage room.
 - The clinic has a Manifest record of infectious waste as follows:
 - 11-02-2020 = 10 kg
 - 06-01-2022 = 15 kg
 - 08-11-2022 = 10 kg
 - S.D. Audit (16 August 2023) no proof of delivery

Based on laws and regulations related to hazardous waste, namely:

- Minister of Environment regulations No 6 of 2021 concerning Procedures and Requirements for Managing Hazardous and Toxic Waste
- Minister of Environment regulations No. P12/MENLHK/SETJEN/PLB.3/5/2020 regarding storage of Hazardous and Toxic waste, article 29 explains that every person who produces Hazardous and Toxic waste is required to store Hazardous and Toxic waste for a maximum of 365 days after the Hazardous and Toxic waste is produced, for Hazardous and Toxic waste produced less than 50 kg per day for category 2 Hazardous and Toxic waste from non-specific sources and general sources.
- SOP for Hazardous and Toxic Waste Management No. SPO 02 Revision 03 which came into force on 02 January 2017 contains among others
 - Hazardous and Toxic waste that is produced 50 kilograms per day or more is stored for a maximum of 90 days from the time the waste is generated
 - Hazardous and Toxic waste that is produced less than 50 kilograms per day for category 1 hazardous waste is stored for a maximum of 180 days since the waste is generated
 - Hazardous and Toxic waste that is produced less than 50 kilograms per day for category 2 hazardous waste from unspecified sources and from general specific sources is stored for a maximum of 365 days since the waste is generated
 - Hazardous and Toxic category 2 waste from specific specific sources is stored for a maximum of 365 days since the waste is generated
- Minister of Health regulations Number 18 of 2020 Concerning Medical Waste Management for Area-Based Health Service Facilities
 - Cold room or refrigerator (cold storage/freezer) with a temperature below zero degrees Celsius for infectious, pathological and sharp waste.

The company has not been able to show evidence of hazardous and toxic waste (medical) waste management in accordance with the applicable laws and regulations. So that the discrepancy in this indicator becomes Minor Raised to Major.

Auditor Verification on November 14, 2023

The company has re-determined the root of the problem, corrective and corrective actions that are more adequate to resolve this non-conformity. Apart from that, there is also some evidence of improvements that have been sent to resolve this, namely:

- Statement Letter Document from PTPN IV – Pabatu Unit to PT Prima Medica Nusantara/PMN (Pabatu Hospital) regarding the hazardous and toxic waste Storage Permit, where the statement states that for the management and storage activities of hazardous and toxic waste Pabatu Clinic it must be managed and stored by PT PMN .
- Approval Document from the Head of the Serdang Bedagai Regency Environmental Service No. 18.20/660/570/2022 dated 22 December 2022, which includes a permit for the management and storage of hazardous and toxic waste including other medical waste.
- Documentation of Pabatu Clinic hazardous and toxic waste transportation activities, hazardous and toxic waste handover, Pabatu Clinic hazardous and toxic waste manifest and proof of payment for transportation documents from licensed carriers collaborated with PT Prima Medica Nusantara.

Based on the explanation and evidence observed above, it can be concluded that the discrepancies in this indicator can be met and observations will be made again in the next assessment.

Follow up on Next Audit (filled by auditor):

Became a nonconformity and was closed on November 14, 2023

Verified by : **I Wayan Sudi Antara**

NCR No.	:	2022.7	Issued by	:	Erika Lucitawati
Date Issued	:	28 September 2022	Time Limit	:	27 December 2022
NC Grade	:	Minor raised to Major	Date of Closing	:	26 December 2022
Standard Ref. & Requirement	:	7.3.2 Proper disposal of waste material, according to procedures that are fully understood by workers and managers, is demonstrated.			
Evidence observed (filled by auditor): Unit of certification has had SOP for Household Waste Management No. SPO 20 Revision 03 which has been effective since January 2, 2018. Point 5.4 in the procedure states: a. "Each employee collects their trash in the provided trash can and cleans the yard around the housing. Disposal of waste by sorting organic and inorganic waste; b. The cleaning staff periodically picks up trash from the temporary landfill and brings it to the landfill using the tools provided."					
Based on the results of the field visit, the following were found: a. 2 points of domestic waste collection in an open field at Housing Complex of Afdeling I Pabatu Estate b. 1 garbage collection point next to temporary landfill of Housing Complex of Afdeling I Bah Birong Ulu Estate c. 2 garbage collection points on vacant land and 1 garbage collection point behind the Housing Complex of Afdeling III Bah Birong Ulu Estate. d. The condition of the landfill in Afdeling I which is still empty and landfill Afdeling III in the Bah Birong Ulu Estate which has been planted with grass. e. Result of interview with residents of housing, residents of Housing Complex of Afdeling VII Pabatu Estate stated that garbage is transported every 2 days. However, residents of the Housing Complex of Afdeling I Pabatu Estate and Afdeling I and III Bah Birong Ulu Estate said that there was no waste transportation so that the waste was disposed of by piling up garbage on vacant land and burning it.					

Non-Conformance Description (filled by auditor):

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

Root Cause Analysis (filled by organization audited):

There is no overall understanding of employees regarding domestic waste management

Correction (filled by organization audited):

Closure of trash cans in:

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

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

Corrective Action (filled by organization audited):

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

Assessor Evaluation and Conclusion (filled by auditor):

Auditor Verification on 21 December 2022:

Bah Birung Ulu

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

Pabatu

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

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

Root Cause Analysis (23 December 2022)

Pabatu

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

Correction (23 December 2022)

Pabatu

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

Corrective Action (24 December 2022)

Pabatu

Verification on 26 Desember 2022:

- The company has documentation and minutes of outreach regarding household domestic waste which was made on December 23, 2022 attended by 81 people including Personnel Assistants, Plant Askeps, Afdeling Assistants I – VII,

Employees and Village Heads.

- The socialization informs, among others:

- ∴ Management of domestic waste must be carried out by collecting all the waste produced by households and separating it into organic and non-organic waste and disposed of in TPSA.
- ∴ It is not allowed to manage domestic waste by burning it.
- ∴ If waste management is still found by burning it will be given a warning.

- The company has an evaluation of understanding regarding the socialization of household domestic waste to 81 people which was made on December 23, 2022.
- The company has a work program for monitoring office and housing cleanliness for the 2023 period which was made on December 24, 2022 and monitoring activities are carried out once a month.
- The company has an evaluation of monitoring the cleanliness of offices and housing which is set on December 24, 2024 which includes management and monitoring locations, there is no activity of burning waste around the housing area, there is no random waste disposal, the availability of organic and inorganic waste storage places at homes and offices, suitability of monitoring results, and so forth.

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

Follow up on Next Audit (filled by auditor):

The certification unit shows proof of waste management according to procedures that are owned and fully understood by workers and managers.

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

NCR No.	: 2022.8	Issued by	: Erika Lucitawati
Date Issued	: 28 September 2022	Time Limit	: 27 December 2022
NC Grade	: Minor raised to Major	Date of Closing	: 26 December 2022
Standard Ref. & Requirement	7.3.3 : The unit of certification does not use open fire for waste disposal.		

Evidence observed (filled by auditor):

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

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

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

Non-Conformance Description (filled by auditor):

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

Root Cause Analysis (filled by organization audited):

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

Correction (filled by organization audited):

Send proof of documentation for closing kilns at:

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

Corrective Action (filled by organization audited):

Socialization not to carry out waste burning activities

Assessor Evaluation and Conclusion (filled by auditor):

Auditor Verification on 21 December 2022:

Bah Birung Ulu

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

Pabatu

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

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

Root Cause Analysis (23 December 2022)

Pabatu

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

Correction (23 December 2022)

Pabatu

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

Corrective Action (24 December 2022)

Pabatu

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

Verification on 26 December 2022:

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

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

Follow up on Next Audit (filled by auditor):

The certification unit shows evidence of not using open burning for waste destruction in accordance with existing procedures.

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

NCR No.	: 2022.9	Issued by	: Erika Lucitawati
Date Issued	: 28 September 2022	Time Limit	: 27 December 2022
NC Grade	: Major	Date of Closing	: 22 December 2022
Standard Ref. & Requirement	7.12.8 Where there has been land clearing without prior HCV assessment since November 2005, or without prior HCV-HCSA assessment since 15 November 2018, the Remediation and Compensation Procedures (RaCP) applies.		
Evidence observed (filled by auditor): Pabatu Unit been managed as a plantation land since the Dutch colonial government and became a national company since 1959. Based on the verification document of the palm oil planting year shows that planting after November 2005 is the replanting activity of previous rotation palm oil. In accordance with the RSPO Secretariat's Email (Dillon Sirim) July 21, 2017 CH declared that PTPN IV (Pabatu Unit) has sent a new Land Clearance Disclosure after November 2005 and can continue the certification process “This unit has been disclosed as zero non-compliant land clearance. It may proceed with RSPO Certification Process”.			
Bah Birong Ulu Unit has cleared land without prior HCV assessment, so remediation and compensation procedures apply. The certification unit has carried out an HCV assessment for PTPN IV Bah Birong Ulu Unit area in 2016. In this regard, Bah Birong Ulu Unit has conducted a LUCA study and carried out the process of obtaining RaCP, as follows:			
<ul style="list-style-type: none">December 7, 2021: RSPO provides its first review with the conclusion that there are some clarifications that need to be completed by the Unit of Certification.9 February 2022: Unit of certification submits 2nd LUCA Clarification to RSPO11 February 2022: Unit of certification submits Revision 2nd LUCA Clarification to RSPO.			

- 17 March 2022: RSPO sends the results of the LUCA Review from PTPN IV – Bah Birong Ulu with a “Pass” status with a Final Conservation Liability of 0 Ha and an Environmental Remediation Area of 43.67 Ha.
- June 16, 2022: The unit of certification submits the Bah Birong Ulu Unit Remediation Plan (Annex 8) for an area of 43.67 Ha to RSPO.
- 25 July 2022: RSPO provides the Unit of Certification the results of a review of the Remediation Plan for Bah Birong Ulu which needs to be revised.
- September 7, 2022: The unit of certification sends the results of revisions to Annex 8 of the Bukit Lima and Bah Birong Ulu Units to RSPO.
- 15 September 2022: RSPO sends out a preliminary review of the Bukit Lima and Bah Birong Ulu Remediation Plans.

Non-Conformance Description (filled by auditor):

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

Root Cause Analysis (filled by organization audited):

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

Correction (filled by organization audited):

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

Corrective Action (filled by organization audited):

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

Assessor Evaluation and Conclusion (filled by auditor):

Major Verification on 22 December 2022

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

Follow up on Next Audit (filled by auditor):

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

Verified by

: Asystasya Aishah Silalahi

NCR No.	: 2022.10	Issued by	: Briyogi Shadiwa
Date Issued	: 28 September 2022	Time Limit	: 27 December 2022
NC Grade	: Major	Date of Closing	: 22 December 2022
Standard Ref. & Requirement	RSPO Certification System 5.5.3 Requirements for uncertified management units: <ul style="list-style-type: none">a. No replacement of primary forest or any area required to maintain or enhance HCVs and HCS in accordance with RSPO P&C criterion 7.12. Any new plantings since 1 January 2010 shall comply with the RSPO New Planting Procedure (NPP). For each new planting development, compliance with the NPP shall be verified by an RSPO accredited CB.b. No clearing of primary forest or any area necessary to maintain or enhance HCVs and HCS in accordance with Criterion 7.12 of the RSPO P&C. All new plantings made since 1 January 2010 are required to comply with the RSPO NPP. Compliance with the NPP in any new planting development will be verified by an RSPO accredited CB.c. Land conflicts, if any, are being resolved through a mutually agreed process, such as the RSPO Complaints System or Dispute Settlement Facility, in accordance with RSPO P&C criteria 4.4, 4.5, 4.6, 4.7 and 4.8.d. Labour disputes, if any, are being resolved through a mutually agreed process, in accordance with RSPO P&C criterion 4.2.e. Legal non-compliance, if any, is being addressed through measures consistent with the requirements of RSPO P&C criterion 2.1.f. CBs shall assess compliance with these rules at each assessment of any of the applicable management units. Assessment of compliance with the requirements 5.5.3 (a) –(d) above based on self-declarations by the company, with no other supporting documentation, shall not be acceptable.		
Evidence observed (filled by auditor): <p>The company has shown documents related to the Time Bound Plan for all units that have not been RSPO certified on November 22, 2021. The document informs the condition of the units that have not been certified, such as:</p> <ul style="list-style-type: none">• HCV assessment process and progress.• Information on new land clearing. <p>However, the document has not been accompanied by supporting documents or evidence related to legal compliance (criterion 2.1), labor issues (criterion 4.2), issues of land conflict (criteria 4.4, 4.5, 4.6, 4.7 and 4.8), and also the development of land remediation & compensation (criterion 7.12).</p> Non-Conformance Description (filled by auditor): <p>The company has not been able to show sufficient evidence that all units that have not been certified have met the requirements accompanied by supporting documents</p>			
Root Cause Analysis (filled by organization audited): <ul style="list-style-type: none">• Information regarding the Update Time Bound Plan is not yet available for all PT Perkebunan Nusantara III (Persero) subsidiaries• During the audit, the Partial Audit documents were not shown.			
Correction (filled by organization audited): <ul style="list-style-type: none">• Coordinate with the holding section regarding the process of repairing the Time Bound Plan• Delivering the results of the Partial Audit document			

Corrective Action (filled by organization audited):

- Monitoring the process of making a Time Bound Plan
- Coordinate with the Planning and Sustainability Section regarding the provision of Partial Audit documents

Assessor Evaluation and Conclusion (filled by auditor):

Major Verification on 21 December 2022

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

Follow up on Next Audit (filled by auditor):

The company has demonstrated partial certification

Verified by : **Asystasya Aishah Silalahi**

3.4.2. Identification of Findings, Corrective Actions and Observations at ASA-1.2

NCR No.	:	2023.01	Issued by	:	Rindu Galih Rezza Rachmansyah
Date Issued	:	16 August 2023	Time Limit	:	Next Surveillance
NC Grade	:	Minor	Date of Closing	:	14 November 2023
Standard Ref. & Requirement	:	2.1.3 Legal or authorized boundaries are clearly demarcated and visibly maintained and there is no planting beyond these legal or authorized boundaries.			
Evidence observed <i>(filled by auditor):</i> Based on the results of field observations and a review of the plantation land right monitoring documents belonging to PTPN IV – Bah Birung Ulu for the 1st semester of 2023 which was carried out in July 2023, several things were found as follows: <ul style="list-style-type: none">Field observation of PTPN IV – Bah Birung Ulu (Afdeling 2) with HGU No. 64-67 in Block 05 BZ and plantation land right No. 69 & 71 in Block 05 CG were found to be in good condition. However, the coordinate points recorded based on monitoring results in semester 1 of 2023 do not match the actual position of the plantation land right stakes visited in the field.The monitoring results for PTPN IV – Bah Birung Ulu plantation land right stakes for Semester 1 of 2023 cannot be demonstrated (other than Afdeling 2, with a total of Afdelings being 3) during the audit activity. Therefore the auditor does not know the actual status or condition of each HGU stake owned by the Company.Based on SOP No. 12 concerning Maintenance and Monitoring of HGU Stakeholders (Revision 02) which was passed on January 2, 2015, explains that maintenance and monitoring of the condition of plantation land right Stakeholders is carried out every 6 months by the Company.					
Non-Conformance Description <i>(filled by auditor):</i> The company has not been able to prove that the legal boundaries of the operational area that have been determined by the National Land Office/Government are in accordance (Stake Number, Coordinate, Position, Amount and others) and are in good condition (Good, Damaged or Missing).					
Root Cause Analysis <i>(filled by organization audited):</i> PIC in Afdeling does not understand and implement SOP No. 12 regarding maintenance and monitoring of HGU boundary markers					
Correction <i>(filled by organization audited):</i> <ul style="list-style-type: none">Send boundary benchmark monitoring documents including coordinates/geolocation points that can be proven by all divisionsSend proof of budget availability and improvements to HGU boundary benchmarks					
Corrective Action <i>(filled by organization audited):</i> <ul style="list-style-type: none">Conduct training for afdeling boundary marker officers in maintaining and monitoring HGU boundary markersDetermine the PIC of each divisionMake a schedule for the implementation of HGU Stake Monitoring and paste it on the subdivision notice board					
Assessor Evaluation and Conclusion <i>(filled by auditor):</i>					
Auditor Verification November 14, 2023 The Company has re-determined the root cause, correction and corrective actions that are more adequate to resolve this nonconformity since the previous assessment. Apart from that, there is also some evidence of improvements that have been sent to resolve this, namely: <ul style="list-style-type: none">Monitoring Program Document for checking HGU Boundary Marks by including uniform coordinate points in accordance with the actual in the field which is carried out regularly and will later be checked again by the afdeling assistant. The monitoring plan activities are carried out every 6 months.Documents of the realization of HGU stake monitoring activities that have been carried out to ensure the suitability of the HGU stake points in each location by the appointed PIC (foreman one).Document appointing the PIC who carries out HGU stake monitoring activities, namely the First Foreman and later the accuracy of the document will be checked by the afedeling assistant.					

Based on the explanation and evidence observed above, it can be concluded that the discrepancies in this indicator can be met and observations will be made again in the next assessment.

Follow up on Next Audit (filled by auditor):

Verified by Rindu Galih Rezza Rachmansyah

NCR No.	: 2023.02	Issued by	: Kiki Fadli
Date Issued	: 16 August 2023	Time Limit	: 14 November 2023
NC Grade	: Major	Date of Closing	: 11 November 2023
Standard Ref. & Requirement	6.2.3 There is evidence of legal compliance for regular working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, and other legal labour requirements.		

Evidence observed (filled by auditor):

- The company shows the CLA for the 2023-2024 period which explains that in article 21 point 1, namely work carried out outside the official working days and official working hours is declared as overtime work.
- The company shows the Decree of the Board of Directors of PTPN IV No. 04.15/KPTS/10/II/2015 concerning reaffirmation of the transfer of overtime pay to payment of performance incentives, for example for security personnel with the initials M group IC/06 of IDR 1,699,170-1,415,975/month and S group 1B/00 of 2,019.754-1.683.128/month.
- The company also shows an absence list showing that security personnel work 2 shifts and in the period May-June 2023, personnel with the initials M and S have entered full work every day (including Sundays).

If the overtime calculation is simulated according to government regulations 35 of 2021, it is known that:

PERSONNEL	MONTHLY WAGE	HOUR WAGES	NUMBER OF OVERTIME HOURS ONE MONTH		OVERTIME WAGES ACCORDING TO GOVERNMENT REGULATION 35/2021	
			MAY	JUNE	MEI	JUNI
M	2,527,220	14,608	303.5	298	4,433,591	4,353,246
S	2,851,187	16,481			5,001,938	4,911,293

PERSONNEL	PERFORMANCE INCENTIVES INCLUDE MONTHLY OVERTIME PROVIDED		EXCESS PAYMENT	
	MAY	JUNE	MEI	MAY
M	2,554,306	2,236,299	-1,879,285	-2,116,947
S	3,005,100	2,622,884	-1,996,838	-2,288,409

- Based on the sample data above, it is known that there is a difference in overtime pay between performance incentives and overtime given compared to the calculation of overtime in accordance with government regulations 35 of 2021.

Non-Conformance Description (filled by auditor):

The company has not been able to provide sufficient evidence that the implementation of overtime payments is fully in accordance with government regulations.

Root Cause Analysis (filled by organization audited):

There are no arrangements for Security Team Work Shifts so the shifts carried out are still 2 shifts (12 hours/day) including Sundays

Correction (filled by organization audited):

- Send a list of employee shifts / 3 shift attendance
- Proof of payment for the security team's overtime payment

Corrective Action (filled by organization audited):

1. Create a policy for the security team into 3 shifts
2. Conduct outreach to security personnel regarding the 3 Shift policy

Assessor Evaluation and Conclusion (filled by auditor):

Auditor Verification November 11, 2023

The company shows evidence of improvements such as:

- Division of three shifts for security workers, namely morning shift from 06.00-14.00, afternoon shift from 14.00-22.00 and night shift from 22.00-06.00
- Underpaid overtime for security workers with the initials M and S
- Policy with No. PKS.PAB/SE/Pam/11/VIII/2023 dated 10 August 2023 concerning shift arrangements for security in 3 sessions and socialization of the policy which was carried out on 13 August 2023, which was attended by 8 people.

Based on this, the discrepancy in this indicator is declared fulfilled and will be observed in the next assessment.

Follow up on Next Audit (filled by auditor):

Verified by

NCR No.	: 2023.03	Issued by	: Rindu Galih Rezza Rachmansyah
Date Issued	: 16 August 2023	Time Limit	: 14 November 2023
NC Grade	: Major	Date of Closing	: 14 November 2023
Standard Ref. & Requirement	RSPO Certification System 2020 Clause 5.5.2 Time Bound Plan		

Evidence observed (filled by auditor):

- The company shows the Time Bound Plan for all management subsidiary units of PT Perkebunan Nusantara III which has been renewed in 2022 where there are several Uncertified Units (41 Units) that are planned to be certified past 30 June 2023. Based on the 2020 RSPO Certification System clause 5.5.2 it is known that the exclusion period outside the maximum period of the Time Bound Plan must obtain approval from the RSPO Secretariat. Based on the announcement for the Time Bound Plan from RSPO on 21 December 2021, RSPO members must be certified no later than 5 years starting from the effective RSPO Certification System from 01 July 2018 (until 30 June 2023).
- Companies can show an email on 21 July 2023 to the RSPO Secretariat regarding the Time Bound Plan Report for Holding Perkebunan Nusantara PT Perkebunan Nusantara III in 2023, in which the email asks to inform RSPO regarding submitting the Time Bound Plan and awaiting approval from RSPO.
- On 03 August 2023 the company received a reply email from the RSPO regarding the Time Bound Plan that was previously sent and the reply from the email stated that there were still a number of notes that needed to be revised by the company and the result was that the company had not yet received approval from the RSPO.
- After receiving the email mentioned above, the Company made revisions to the notes provided by the RSPO regarding the Time Bound Plan. On 09 August 2023 the Company sent back the Revised Time Bound Plan to the RSPO Secretariat and until the audit activities were completed, the Company had not yet received the Approval Time Bound Plan from the RSPO Secretariat.

Non-Conformance Description (filled by auditor):

The company has not been able to provide evidence that the Time Bound Plan for several uncertified units (exceeding 30 June 2023) has received approval from the RSPO.

Root Cause Analysis (filled by organization audited):

The 2023 TBP has not yet been sent by the PIC of the Planning and Sustainability Section of PTPN IV to Holding Perkebunan

Nusantara to report the TBP to the RSPO.	
Correction <i>(filled by organization audited):</i> Submit RSPO approved TBP 2023 Holding documents	
Corrective Action <i>(filled by organization audited):</i> Send Screen Shoot E-mail for RSPO approval regarding TBP 2023	
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> Auditor Verification on November 14, 2023 The company has re-determined the root of the problem, corrective and corrective actions that are more adequate to resolve this non-conformity. Apart from that, there is also some evidence of improvements that have been sent to resolve this, namely: <ul style="list-style-type: none"> • Proof of sending the revised TBP document for PT Perkebunan Nusantara III which was previously sent on 21 August 2023 and revised again on 29 August 2023 to the RSPO Secretariat, until approval for the TBP sending on 22 September 2023. • TBP document for PT Perkebunan Nusantara III in Excel form which was sent on 21 August 2023 and received Approval by the RSPO Secretariat on 22 September 2023, where it shows the units that are under PT Perkebunan Nusantara III and are planned to carry out activities certification in the 2023-2026 period. Based on the explanation above, this non-conformity is declared to have been fulfilled.	
Verified by	Rindu Galih Rezza Rachmansyah

3.4.3. Opportunity for Improvement

No	Ref. Std.	Description
1	7.4.2	<p>Analysis of tissue samples (e.g. leaves) and soil on a regular basis to monitor and manage changes in soil fertility and plant health is documented.</p> <p>The company needs to reconfirm the soil analysis schedule in accordance with the provisions in the Palm Oil Fertilization Management PDIK (No. 04.04/P/006)</p>
2	7.11.2	<p>The unit of certification establishes fire prevention and control measures for lands that are directly managed by the unit of certification.</p> <ul style="list-style-type: none"> Circular No. 04.07/SE/56/VI/2020 dated 24 June 2020 regarding fire prevention and control activities determined by the company including forming firefighting teams, installing fire extinguishers and hydrants, establishing fire monitoring towers, providing fire fighting facilities and infrastructure, and carrying out fire prevention behavior. The list of infrastructure for land fires in semester 1 of 2023 at Bah Birung Ulu Estate, Pabatu POM and Estate consists of: 3 units each; nozzles 1 unit; pump engine 2 units (1 damaged); 3 units of hydrant tanks; APAR 33 units; trident 3 units; sand barrels; hemp jute; hydrant pumps; hydrant car. The results of the field visit, provided 1 unit of pump, 1 unit of water tank, hose and nozzles <p>The company has the opportunity to provide fire fighting facilities and infrastructure, according to the circular letter.</p>
3	7.12.7	<p>The status of HCVs, HCS forests after 15 November 2018, other natural ecosystems, peatland conservation areas and RTE species is monitored. Outcomes of this monitoring are fed back into the management plan.</p> <ul style="list-style-type: none"> HCV Identification assessment in Bah Birong Ulu has covered 2,673.54 Ha conducted using HCV identification guides in Indonesia 2007. The identification results indicate that there are HCV 1.4 and 6 covered 52.25 ha areas. Environmental Remediation Area 43.67 ha (42.94 ha of riparian reserves and 0.7 ha of steep slope areas). The total riparian reserve area is 138.9 ha, of which 95.96 ha are natural vegetation and 42.94 ha are oil palm planted. In addition, there is a 0.7 ha area with a steep slope that has been planted with oil palm <p>Companies have the opportunity to make improvements to their HCV management plans</p>
4	7.12.8	<p>Where there has been land clearing without prior HCV assessment since November 2005, or without prior HCV-HCSA assessment since 15 November 2018, the Remediation and Compensation Procedures (RaCP) applies.</p> <ul style="list-style-type: none"> Remediation Plan 43.67 Ha has been approved by the RSPO, 25 November 2022 Selection of the Remediation Plan implementing consultant and preparation of the annual monitoring report (ANNEX 9) August 2023. <p>The company has the opportunity to immediately implement the Remediation Plan that has been approved by the RSPO, 25 November 2022.</p>

3.4.4. Noteworthy Positive Components



No	Description
1	The company's commitment to apply the principles of sustainable palm oil management
2	Has obtained several other certifications such as ISPO
3	Good coordination and assistance by the companion team

3.5 Summary of Arising Issues from Public and Auditor Verification

Public Issues (Institution/ NGO/Community)	Auditor Verification
Agriculture Agency of Simalungun District <ul style="list-style-type: none"> The plantation business appraisal report has been published The company has routinely sent mandatory reports such as the Plantation Business Development Report every 6 (six) months. In addition, the company also regularly reports land fires and CSR. There were no negative issues from the community around the company regarding disturbances caused by the company's operational activities. Communication between agencies and companies has been well established. 	<p>Based on the interviews, there are no issues that need clarification</p>
Environmental Agency of Simalungun District <ul style="list-style-type: none"> The company already has environmental permit documents and there are no revisions to environmental documents. The company has submitted reports related to environmental management such as the implementation of RKL RPL and management of hazardous and toxic waste on a regular basis. There are no complaints related to environmental pollution. 	<p>Based on the interviews, there are no issues that need clarification</p>
Manpower Office of Simalungun District <ul style="list-style-type: none"> Routinely conduct online Mandatory Manpower Reports according to a predetermined schedule. Has implemented the applicable minimum wage in Sumatra Utara Province in 2023 and provided other benefits to workers. Has included its workers in the Social Security Agency on Employment and Health program. Over the past year there have been no negative issues related to child labour, forced labour, illegal labour, discrimination, sexual harassment, etc. 	<p>Based on the interviews, there are no issues that need clarification</p>
National Land Agency of Simalungun District	<p>Until the assessment is completed, there has been no confirmation from the resource person. Whatsapp from the auditor has not been responded to regarding willingness/unwilling to be a resource person</p>
National Land Agency of Serdang Bedagai District <ul style="list-style-type: none"> No new location permits There is no additional HGU and the old HGU is still valid The company does not have HGB The boundaries of the HGU boundary markers are in accordance and the Service conducts periodic monitoring of the conformity of the HGU During the past year there have been no land disputes with local residents or with other companies 	<p>Based on the interviews, there are no issues that need clarification</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
Agriculture Agency of Serdang Bedagai District <ul style="list-style-type: none"> The plantation business appraisal report has been published The company has routinely sent mandatory reports such as the Plantation Business Development Report every 6 (six) months. In addition, the company also regularly reports land fires and CSR. There were no negative issues from the community around the company regarding disturbances caused by the company's operational activities. Communication between agencies and companies has been well established. 	<p>Based on the interviews, there are no issues that need clarification</p>
Environmental Agency of Serdang Bedagai District <ul style="list-style-type: none"> The company already has environmental permit documents and there are no revisions to environmental documents. The company has submitted reports related to environmental management such as the implementation of RKL RPL and management of hazardous and toxic waste on a regular basis. There are no complaints related to environmental pollution. 	<p>Based on the interviews, there are no issues that need clarification</p>
Office of Employment, Cooperatives and Micro Enterprises Serdang Bedagai District <ul style="list-style-type: none"> Routinely conduct online Mandatory Manpower Reports according to a predetermined schedule. Has implemented the applicable minimum wage in Sumatra Utara Province in 2023 and provided other benefits to workers. Has included its workers in the Social Security Agency on Employment and Health program. Over the past year there have been no negative issues related to child labour, forced labour, illegal labour, discrimination, sexual harassment, etc. 	<p>Based on the interviews, there are no issues that need clarification</p>
Bah Birung Ulu Village, Pabatu I Village and Penonggol Village <p>In general, communication between the village and the company went well. However, according to the Village Head, communication between the company and the village still needs to be improved, especially regarding social responsibility, especially with regard to road conditions and drainage.</p> <p>There are no problems related to environmental pollution. The company also accepts workers from the surrounding village community.</p>	<p>Based on the interviews, there are no issues that need clarification</p>
Gender Committee <ul style="list-style-type: none"> The gender committee consists of male and female representatives 	<p>Based on the interviews, there are no issues that need clarification</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
<ul style="list-style-type: none"> No cases of sexual harassment in the last 1 year Maternity leave is given 1.5 months before and 1.5 months after giving birth by showing the results of a doctor's examination. There is no difference between male workers and female workers. Every worker has equal rights in terms of employment opportunities and also anonymity protection 	
Labor Union (SPBUN) <ul style="list-style-type: none"> The company has provided support for freedom of association and no intervention in trade union activities. So far there have been no complaints or issues related to employment that have not been resolved because communication between the company and the union has been well established. The company has implemented a minimum wage in accordance with applicable regulations. 	Based on the interviews, there are no issues that need clarification
PT KAI (CPO Transporter) <ul style="list-style-type: none"> The relationship between the company and the contractor is well established and there are no complaints regarding late payments. Contractor workers receive socialization regarding OSH and code of ethics. 	Based on the interviews, there are no issues that need clarification
CV Duta Paliwi (FFB supplier) <ul style="list-style-type: none"> The relationship between the company and the contractor is well established and there are no complaints regarding late payments. Suppliers receive socialization related to OHS and ripe fruit criteria. 	Based on the interviews, there are no issues that need clarification
PT Purna Karya Sejahtera (Local Contractor) <ul style="list-style-type: none"> The relationship between the company and the contractor is well established and there are no complaints regarding late payments. Contractor receive socialization related to OHS. 	Based on the interviews, there are no issues that need clarification
PT Karya Nusantara Jaya and PT Jaya Wira Manggala (Outsourcing)	Based on the interviews, there are no issues that need clarification
PT Tiga Siman (FFB Transporter) <ul style="list-style-type: none"> The company has made regular payments according to the contract Periodically the company also monitors and evaluates compliance with contractor regulations 	Based on the interviews, there are no issues that need clarification

4.0	CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY
4.1	Formal Sign-off of Assessment Findings
	<p>Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.</p> <p>Signed on behalf of:</p> <div style="display: flex; justify-content: space-around; align-items: flex-end; margin-top: 100px;"> <div style="text-align: center;"> <p>Pabatu POM - PTPN IV Perwakilan Manajemen</p>  <p>Tuesday, 14 November 2023</p> </div> <div style="text-align: center;"> <p>Mutuagung Lestari Lead Auditor</p>  <p>Tuesday, 14 November 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	Agriculture Agency	Serdang Bedagai District	-	Telephone	14 August 2023	√	
2	Environmental Agency	Serdang Bedagai District	-	Telephone	14 August 2023	√	
3	Office of Employment, Cooperatives and Micro Enterprises	Serdang Bedagai District	-	Telephone	14 August 2023	√	
4	Bah Birung Ulu Village, Pabatu I Village and Penonggol Village	Serdang Bedagai District and Simalungun District	-	Telephone	14 August 2023	√	
5	Gender Committee	Serdang Bedagai District and Simalungun District	-	Direct	14 August 2023	√	
6	Labor Union (SPBUN)	Serdang Bedagai District and Simalungun District	-	Direct	14 August 2023	√	
7	PT KAI (CPO Transporter)	Indonesia	-	Telephone	14 August 2023	√	
8	CV Duta Paliwi (FFB supplier)	Indonesia	-	Telephone	14 August 2023	√	
9	PT Purna Karya Sejahtera (Local Contractor)	Indonesia	-	Telephone	14 August 2023	√	
10	PT Karya Nusantara Jaya and PT Jaya Wira Manggala (Outsourcing)	Indonesia	-	Telephone	14 August 2023	√	

No	Institution/ NGO/ Community	Address	Phone/ Email	Form of Communication	Date of Contact	Response	
						Yes	No
11	PT Tiga Siman (FFB Transporter)	Indonesia	-	Telephone	14 August 2023	√	
12	Agriculture Agency	Simalungun District	-	Telephone	15 August 2023	√	
13	Environmental Agency	Simalungun District	-	Telephone	15 August 2023	√	
14	Manpower Office	Simalungun District	-	Telephone	15 August 2023	√	
15	National Land Agency	Simalungun District	-	-	-		√
16	National Land Agency	Serdang Bedagai District	-	Telephone	14 August 2023	√	
17	Sawit watch	Bogor, Indonesia	info@sawitwatch.or.id	Email	2 August 2023		√
18	WWF	Jakarta, Indonesia	wwf-indonesia@wwf.or.id	Email	2 August 2023		√
19	WALHI	Jakarta, Indonesia	informasi@walhi.or.id	Email	2 August 2023		√
20	AMAN	Jakarta, Indonesia	rumahaman@cbn.net.id	Email	2 August 2023		√
21	Pabatu POM: • 2 Mechanics • 1 Welder • 2 WTP Operators • 3 Emergency Response Officers	Serdang Bedagai District	-	Direct	14 August 2023	√	

No	Institution/ NGO/ Community	Address	Phone/ Email	Form of Communication	Date of Contact	Response	
						Yes	No
	<ul style="list-style-type: none"> 1 Laboratory Staff 1 Sample Boy 						
22	Pabatu Estate: <ul style="list-style-type: none"> 1 Head Foreman 1 Plantation Assistant 2 Housing Complex Residents 	Serdang Bedagai District	-	Direct	12 August 2023	√	
23	Bah Birung Ulu <ul style="list-style-type: none"> 1 Home owner 1 FFB transport driver 3 FFB loaders 1 FFB checking officer 1 Head Foreman 2 Contractor Workers 1 Plantation Assistant 2 Housing Complex Residents 	Simalungun District	-	Direct	15 August 2023	√	

Appendix 2. Assessment Program

DATE	11 - 17 August 2023	
PROGRAM (WIB)	CLAUSES TO BE AUDITED	AUDITOR
Friday, 11 August 2023		
10.00 – 16.00	Site (PTPN IV – Pulu Raja POM) → Site (PTPN IV – Pabatu POM)	All Auditor
16.00 – 17.00	Opening Meeting <ul style="list-style-type: none"> Auditee Speech (Introduction of PIC, Profile of Certified Management Unit) Auditor Team Speech (Introduction, Audit Objective, Audit Scope, Audit Plan Discussion, Determine of Audit Sample, Transparency and Confidentiality Clarification) 	All Auditor
Saturday, 12 August 2023		
08.00 – 12.00	Field Observation to Pabatu Estate: <ul style="list-style-type: none"> Implementation of Legal Aspect (Land Ownership, Legal Boundaries) and Observation of Workers Facilities (Housing, School, Worship Place). Implementation of Agronomy Aspect (Harvesting & Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application); Implementation of Occupational Health & Safety Aspect; Implementation of Employment Procedure and Mechanism Aspect Implementation of Environmental, Conservation/HCV and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management) 	KID RIU/ISP IWS
12.00 – 12.30	Presentation of Audit Daily Progress	All Auditor
Sunday, 13 August 2023 – OFF AUDIT / HOLIDAY		
Monday, 14 August 2023		
08.00 – 12.00	Public Consultation in Serdang Bedagai Regency (Environment; Manpower & Transmigration; Plantation; and National Land Agency) Public Consultation with Internal Stakeholder (Worker Union, Gender Committee, Worker Cooperative), Surrounding Community, and Contractor.	RIU KID
08.00 – 12.00	Public Consultation, Document Review and Completing Audit Checklist.	IWS/ISP
12.00 – 14.00	Break	All Auditor
14.00 – 16.30	Field Observation to Pabatu POM: <ul style="list-style-type: none"> Supply Chain verification (FFB Receiving, Weighbridge, FFB Sorting, Processing Activity, Despatch CPO); Implementation of Employment Procedure and Mechanism Aspect Occupational Health & Safety Aspect (Inspection to Chemical Storage, Hazardous Waste Storage, Fire Control Simulation, POME Pond) 	KID & ISP RIU & IWS
16.30 – 17.00	Presentation of Audit Daily Progress	All Auditor
Tuesday, 15 August 2023		
07.00 – 09.00	Pabatu Estate → Bah Birung Ulu Estate	All Auditor
09.00 – 12.00	Public Consultation in Simlungun Regency (Environment; Manpower & Transmigration; Plantation; and National Land Agency)	RIU

DATE	11 - 17 August 2023	
PROGRAM (WIB)	CLAUSES TO BE AUDITED	AUDITOR
09.00 – 12.00	Field Observation to Bah Birung Ulu Estate: <ul style="list-style-type: none"> Implementation of Legal Aspect (Land Ownership, Legal Boundaries) and Observation of Workers Facilities (Housing, School, Worship Place). Implementation of Agronomy Aspect (Harvesting & Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application); Implementation of Occupational Health & Safety Aspect; Implementation of Employment Procedure and Mechanism Aspect Implementation of Environmental, Conservation/HCV and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management) 	KID ISP IWS
12.00 – 14.00	Break/ISHOMA	All Auditor
14.00 – 16.30	Public Consultation with Internal Stakeholder (Worker Union, Gender Committee, Worker Cooperative), Surrounding Community, and Contractor. Public Consultation, Document Review and Completing Audit Checklist.	RIU/ISP KID/IWS
16.30 – 17.00	Presentation of Audit Daily Progress	All Auditor
Wednesday, 16 August 2023		
08.00 – 12.00	Public Consultation, Document Review and Completing Audit Checklist.	All Auditor
12.00 – 14.00	Break	All Auditor
14.00 – 15.00	Interim Meeting Auditor Team (Closing Meeting Preparation).	All Auditor
15.00 – 17.00	Closing Meeting: <ul style="list-style-type: none"> Presentation of audit findings (Noteworthy Positive Component, Non Conformities, OFI, Timeline of CAR's, Conclusion). Comments, Responses and Questions. 	All Auditor
17.00 – 19.00	Site (PTPN IV – Pabatu POM) → Medan	All Auditor
Thursday, 17 August 2023		
10.30 – 12.55	Medan → Jakarta	All Auditor