

***Roundtable on Sustainable Palm Oil Certification
RSPO***

[] Stage-1 [✓] Stage-2 [] Surveillance [] Re-Certification

Name of Management Organisation : PULU RAJA Palm Oil Mill subsidiary of PT Perkebunan Nusantara IV (PERSERO)

Plantation Name : Pulu Raja Estate

Location : Village of Orika, Sub District of Pulau Rakyat, District of Asahan, Province of North Sumatera, Indonesia

Certificate Code : **MUTU-RSPO/070**

Date of Certificate Issue : 25 August 2015

Date of License Issue : 25 August 2015

Date of Certificate Expiry : 24 August 2020

Date of License Expiry : 24 August 2016

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ST-1	11 – 14 November 2014	Octo H.P.N Nainggolan (Lead Auditor), Steve Mualim	Ganapathy Ramasamy	Tony Arifiarachman
ST-2	9 – 12 February 2015	Octo H.P.N Nainggolan (Lead Auditor), Steve Mualim, Naila Karima. Doni		

Assessment	Approved by MUTUAGUNG LESTARI on:
ST-2	25 August 2015

TABLE OF CONTENT

FIGURE

Figure 1. Location Map of PT Perkebunan Nusantara IV unit usaha Pulu Raja POM	3
Figure 2. Operational Map of PT Perkebunan Nusantara IV unit usaha Pulu Raja POM	4

Abbreviations Used	5
--------------------	---

1.0 SCOPE of the CERTIFICATION ASSESSMENT	6
1.1 Assessment Standard Used	6
1.2 Organisation Information	6
1.3 Type of Assessment	6
1.4 Location of Mill and Plantations	6
1.5 Description of Area Statement	6
1.6 Planting Year and Cycles	7
1.7 Description of Mill and Supply Base	7
1.8 Estimate Tonnage of Certified Product	8
1.9 Other Certifications	8
1.10 Time-Bound Plan	9
2.0 ASSESSMENT PROCESS	10
2.1 Assessment Team	10
2.2 Assessment Methodology, Assessment Process and Locations of Assessment	10
2.3 Stakeholder Consultation and Stakeholders Contacted	12
2.4 Determining Next Assessment	12
3.0 ASSESSMENT FINDINGS	13
3.1 Summary of Assessment Report of the RSPO Certification	13
3.2 Summary of Assessment Report of Supply Chain Requirement	38
3.3 Conformity Checklist of Certificate and Logo Use	41
3.4 Summary of RSPO Partial Certification	42
3.5 Identification of Findings, Corrective Actions, Observations, Opportunity for Improvement and Noteworthy Positive Components	44
3.6 Summary of Arising Issues from Public, Management and Auditor Responses	59
4.0 CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY	66
4.1 Formal Signing of Assessment Findings	66
APPENDICES	
1. List of Stakeholders Contacted in the RSPO Certification Process	67
2. Assessment Program	68

Figure 1. Location Map of PT Perkebunan Nusantara IV unit usaha Pabrik Pulu Raja

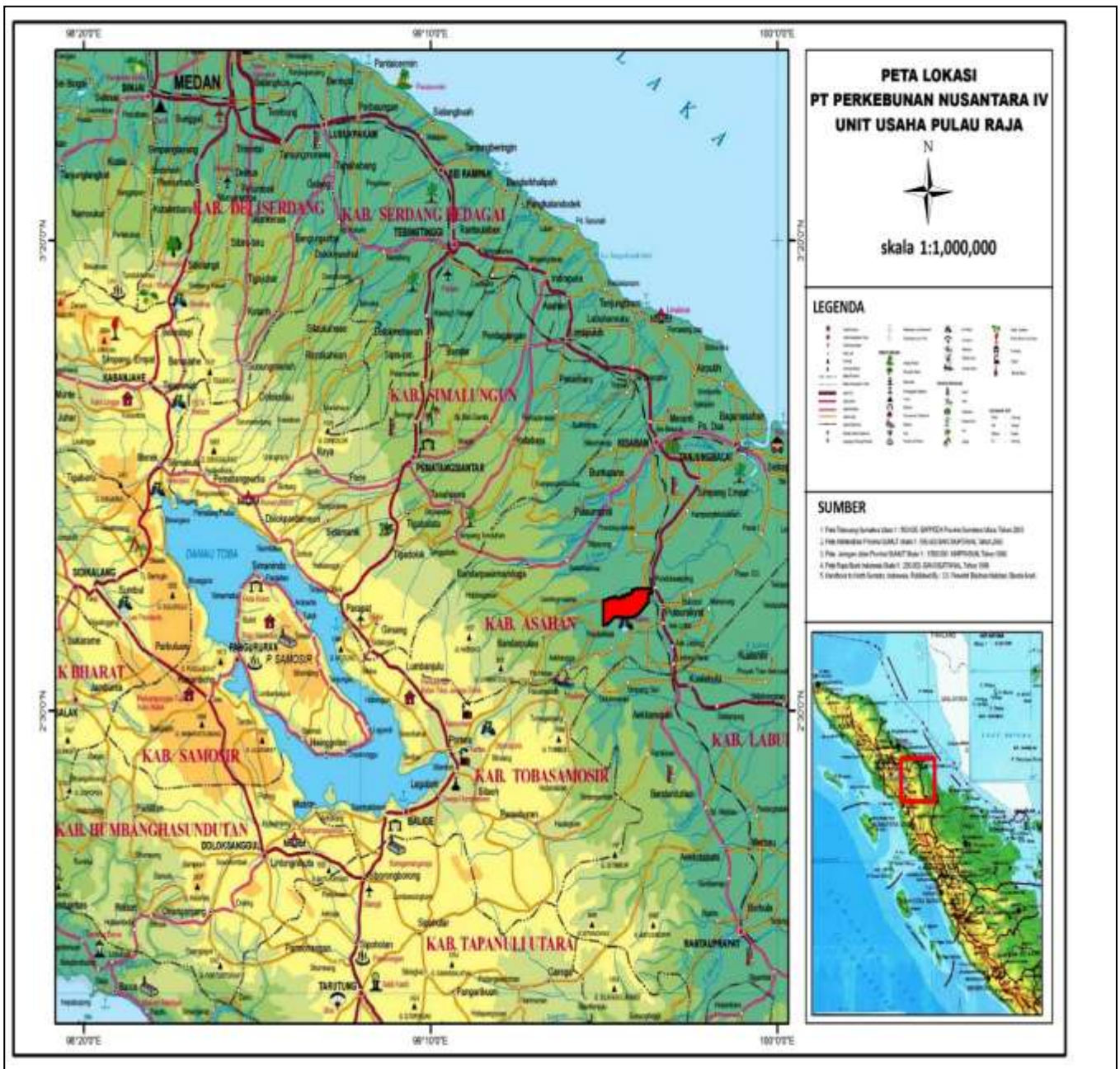
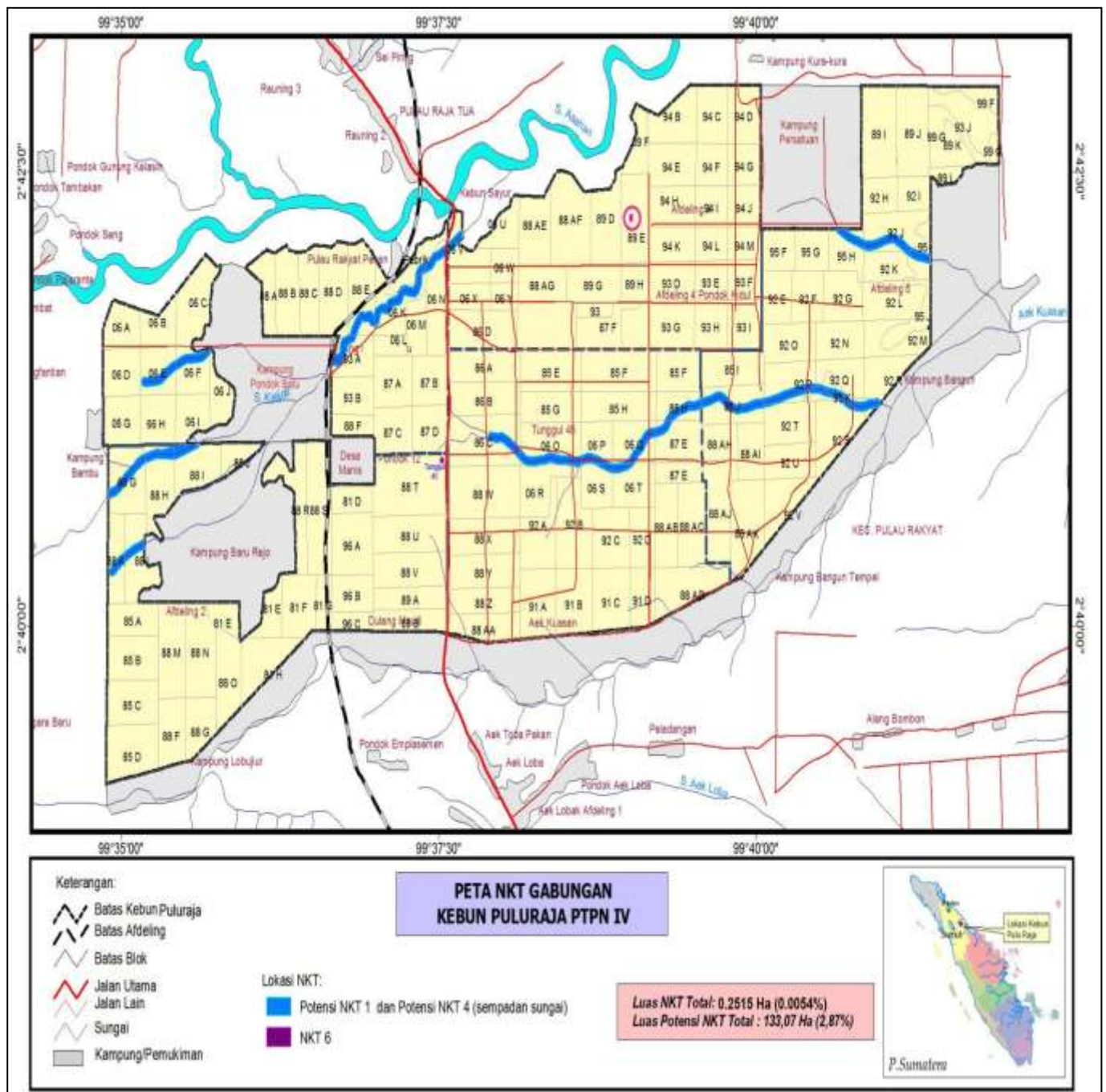


Figure 2. Operational Map of PT Perkebunan Nusantara IV management unit of Pulu Raja



Abbreviations Used

ASA	:	Annual Surveillance Assessment
BOD	:	Biological Oxygen Demand
BPJS	:	Badan Penyelenggara Jaminan Sosial (Social Assurance Body)
CCSR	:	Corporate Social Responsibility
CITES	:	Critical Threatened Endangered species
CPO	:	Crude Palm Oil
dB	:	Decibel
EWS	:	Early Warning System
FFB	:	Fresh fruit Bunch
GHG	:	Green House Gas
GUU	:	Group Unit Usaha (Business Unit Group)
HCV	:	High Conservation Value
HGU	:	Hak Guna Usaha (Land Use Title)
HR	:	Human Resources
IUP	:	Izin Usaha Perkebunan (Plantation Business Permit)
LA	:	Land Application
NGO	:	Non Government Organisation
OHS	:	Occupational Health and Safety
PK	:	Palm Kernel
PKB / CLA	:	Perjanjian Kerja Bersama (Collective Labour Agreement)
PPE	:	Personnel Protective Equipment
PTPN IV	:	PT Perkebunan Nusantara IV (Persero)
P & C	:	Principle and Criteria
POM	:	Palm Oil Mill
RKL-RPL	:	Rencana Kelola Lingkungan – Rencana Pemantauan Lingkungan (<i>Environmental Management Plan – Environmental Monitoring Plan</i>)
RSPO	:	Roundtable on Sustainable Palm Oil
SE	:	Surat Edaran (Circular Letter)
SI	:	Satuan Inspeksi (Inspection)
SIO	:	Surat Izin Operator (Operator License)
SPO	:	Sustainable Palm Oil
ST-1	:	Stage-01 (Pre Assessment)
ST-2	:	Stage-02 (Initial Assessment)
SOP	:	Standard Operational Procedure
SPK	:	Surat Perintah Kerja (Work Order Letter)
UPDKS	:	Ulat Pemakan Daun Kelapa Sawit (Oil Palm Tree Leaf Caterpillar)
WWTP	:	Waste Water Treatment Plant

1.0	SCOPE of the CERTIFICATION ASSESSMENT		
1.1	Assessment Standard Used	<ul style="list-style-type: none"> • <i>RSPO Principles and Criteria (P&C) for the Production of Sustainable Palm Oil - April 25th, 2013.</i> • <i>RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Module D / E for CPO Mill)</i> 	
1.2	Organisation Information		
1.2.1	Organisation name listed in the certificate	PT Perkebunan Nusantara IV (PERSERO)	
1.2.2	Contact person	Dhanny Hermawan	
1.2.3	Organisation address and site address	Head Office: Jalan Letjen Suprpto No.2, 20151, Medan, Sumatera Utara, Indonesia	
1.2.4	Telephone	(62-61) 415 4666	
1.2.5	Fax	(62-61) 457 3117	
1.2.6	E-mail	perencanaan@ptpn4.co.id	
1.2.7	Web page address	www.ptpn4.co.id	
1.2.8	Management Representative who completed the application for certification	Dhanny Hermawan	
1.2.9	Registered as RSPO member	1-0082-09-000-00 29 June 2009	
1.3	Type of Assessment		
1.3.1	Scope of Assessment and Number of Management Unit	One (1) unit of Palm Oil Mill supply by one (1) estate	
1.3.2	Type of certificate	Single	
1.4	Locations of Mill and Plantation		
1.4.1	Location of Mill		
	Name of Mill	Location	Coordinate
			Latitude Longitude
	Pulu Raja Mill	Village of Orika, Sub district of Pulau Rakyat, District of Asahan, Province of North Sumatera, Indonesia	N 02° 41' 47" E 99° 37' 21"
1.4.2	Location of Certification Scope of Supply Base		
	Name of Supply Base	Location	Coordinate
			Latitude Longitude
	Pulu Raja Estate	Village of Orika, Sub district of Pulau Rakyat, District of Asahan, Province of North Sumatera, Indonesia	N 02° 42' 58" E 99° 40' 00"
1.5	Description of Area Statement		
1.5.1	Tenure		
	• State	4,630.54	Ha
	• Community		Ha

1.5.2	Area Statement							
	• Total area	4,630.54 Ha						
	• Planted Area	4,304.00 Ha						
	• Mature	2,633.00 Ha						
	• Immature	1,671.00 Ha						
	• Mill	8.03 Ha						
	• Infrastructure (roads and bridges)	134.00 Ha						
	• Housing	108.26 Ha						
	• Nursery	5.00 Ha						
	• Composting Mill	0.25 Ha						
	• Unplanted Area	71.00 Ha						
	• HCV (riparian and commentary)	133.32* Ha						
1.6	Planting Year and Cycles							
1.6.1	Age profile of planting year							
	Planting Year	Hectarage of Afdeling (Ha)						
		I	II	III	IV	V	Total (ha)	
	1991			134.00			134.00	
	1992			126.00		420.00	546.00	
	1993	35.00			125.00	46.00	206.00	
	1994	4.00			262.00		266.00	
	1996		58.00		38.00	72.00	168.00	
	1998	1.00	1.00	2.00	6.00	87.00	97.00	
	2006	303.00		144.00	80.00	2.00	529.00	
	2009		134.00			66.00	200.00	
	2010		131.00	171.00			302.00	
	2011			148.00	37.00		185.00	
	2012	104.00	88.00		134.00	54.00	380.00	
	2013		433.00	193.00			626.00	
	2014	172.00	53.00	88.00	182.00	170.00	665.00	
		TOTAL	619.00	898.00	1,006.00	864.00	917.00	4,304.00
	1.6.2	New Planting area after January 2010	- Ha					
	1.6.3	Planting Cycle	3 rd 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 (%)	
	Pulu Raja	30	128,771.43	27,814.23	21.60	5,479.42	4.26	
	*Production data source from February 2014 to January 2015							

1.7.2	Description of Certification Scope of Supply Base						
	Name of Estate	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)	Supplied to Mill	
						FFB (tonnes/year)	%
	Pulu Raja	4,630.54	4,304.00	51,137.02	11.88	51,137.02	100
	TOTAL	4,630.54	4,304.00	51,137.02	11.88	51,137.02	100
<i>*Production data source from February 2014 to January 2015</i>							
1.7.3	FFB description from other source						
	Name of sources	Organisation	Location	Supplied to Mill			
				FFB (tonnes/year)			
	Kebun Sei Induk	PTPN IV	Kabupaten Asahan, Provinsi Sumatera Utara	6,653.67			
	Kebun Bandar Selamat	PTPN III	Kabupaten Asahan, Provinsi Sumatera Utara	39,255.56			
	Independent Smallholders and	TBS pihak ketiga	Kabupaten Asahan, Provinsi Sumatera Utara	31,725.18			
	TOTAL				77,634.41		
<i>*Production data source from February 2014 to January 2015</i>							
1.7.4	Product categories			FFB, CPO, PK			
1.8	Estimate Tonnage of Certified Product						
1.8.1	Past Annual Claim Certified Product			Previous Certificate Claim to (tonnes/year)		Actual certified product to (tonnes/year)	
	• FFB Production			-		-	
	• CPO Production			-		-	
	• Palm Kernel (PK) Production			-		-	
	<i>Will be verified during the first Surveillance Assessment.</i>						
1.8.2	Estimate of Certified FFB Claim						
	Name of Estate(s)	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)		Yield (tonnes/ha/year)	
	Pulu Raja Estate	4,630.54	4,304	51,648		12.00	
	TOTAL	4,630.54	4,304	51,648		12.00	
<i>*Projected FFB production for 12 months of certificate</i>							
1.8.3	Estimate of Certified Palm Product Claim						
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel	
				Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)
	Pulu Raja Mill	30	51,648	11,363	22.0	2,324	4.5
<i>*Projected CSPO and CSPK production for 12 months of certificate</i>							
1.9	Other Certifications						
	Others			-			
1.10	Time Bound Plan						
1.10.1	Time Bound Plan for Other Management Units						
	Management Unit	Estate (Supply	Time	Location			Status

	MILL	Time Bound Plan	Base)	Bound Plan		
	Pabatu	2015	Pabatu	2015	Kabupaten Serdang Bedagai, Sumatera Utara	Audited 2014
	Dolok Ilir	2015	Dolok Ilir	2015	Kabupaten Simalungun, Sumatera Utara	Audited 2014
			Laras	2015	Kabupaten Simalungun, Sumatera Utara	Audited 2014
	Pulu Raja	2015	Pulu Raja	2015	Kabupaten Asahan, Sumatera Utara	Audited 2014
	Adolina	2015	Adolina	2015	Kabupaten Serdang Bedagai dan Kabupaten Deli Serdang, Sumatera Utara	-
	Bahjambi	2015	Bah Jambi	2015	Kabupaten Simalungun, Sumatera Utara	-
			Marihat	2016	Kabupaten Simalungun, Sumatera Utara	-
			Bah Birung Ulu	2016	Kabupaten Simalungun, Sumatera Utara	-
			Marjandi	2016	Kabupaten Simalungun, Sumatera Utara	-
	Dolok Sinumbah	2015	Dolok Sinumbah	2015	Kabupaten Simalungun, Sumatera Utara	-
			Balimbingan	2016	Kabupaten Simalungun, Sumatera Utara	-
	Mayang	2015	Mayang	2015	Kabupaten Simalungun, Sumatera Utara	-
			Bukit Lima	2016	Kabupaten Simalungun, Sumatera Utara	-
	Gunung Bayu	2015	Gunung Bayu	2015	Kabupaten Simalungun, Sumatera Utara	-
			Tanah Itam Ulu	2015	Kabupaten Batubara, Sumatera Utara	-
	Tinjowan	2015	Tinjowan	2015	Kabupaten Simalungun, Sumatera Utara	-
			Aek Nauli	2015	Kabupaten Simalungun, Sumatera Utara	-
			Padang Matinggi	2015	Kabupaten Simalungun, Sumatera Utara	-
	Air Batu	2015	Air Batu	2015	Kabupaten Asahan, Sumatera Utara	-
	Berangir	2015	Berangir	2015	Kabupaten Labuhan Batu Utara, Sumatera Utara	-
	Sawit Langkat	2015	Sawit Langkat	2015	Kabupaten Langkat, Sumatera Utara	-
	Pasir Mandoge	2015	Pasir Mandoge	2015	Kabupaten Asahan, Sumatera Utara	-
			Tonduhan	2016	Kabupaten Simalungun, Sumatera Utara	-
			Sei Kopas	2016	Kabupaten Asahan, Sumatera Utara	-
	Timur	2018	Timur	2018	Kabupaten Mandailing Natal, Sumatera Utara	-
			Balap	2018	Kabupaten Mandailing Natal, Sumatera Utara	-
	Ajamu	2017	Ajamu	2017	Kabupaten Labuhan Batu, Sumatera Utara	-
			Meranti Paham	2017	Kabupaten Labuhan Batu, Sumatera Utara	-
			Panai Jaya	2018	Kabupaten Labuhan Batu, Sumatera Utara	-
	Sosa	2017	Sosa	2017	Kabupaten Padang Lawas, Sumatera Utara	-
1.10.2	Progress of Associated Smallholders and Outgrowers for Certifiable Standard					
	Progress of associates smallholders and out growers which supplied FFB to Pulu Raja POM will be verified during the first surveillance assessment.					

2.0	ASSESSMENT PROCESS
2.1	Assessment Team
ST-2	<p>1. Octo HPN Nainggolan (Lead Auditor). A bachelor of Agriculture, majoring of Social Economics of Agriculture (Agribusiness). He has a working experience since 2004 oil palm Plantation Company in Indonesia. Trainings attended namely: Training of Conservation of Natural and Biological Resources in supporting HCV, Basic Plantation Management Program, Plantation Integrated Pest Management training, Followed the Management System Certification (ISO 9001-2008/SNI 19011-9001:2008), Environment Management System (ISO 14001:2004) , RSPO Lead Auditors Training Course, Indonesian Sustainable Palm Oil (ISPO) Lead Auditor training course and supply chain certification system training by BM Trada. Currently, he worked at Professional Certification Body. In the assessment activity, he assessed on legal aspect, best agricultural practices, environment aspect, social aspect, workers welfare, FFB Processing and supply chain requirement.</p> <p>2. Steve Mualim (Auditor). Master in Environmental and natural resources management, Bogor Agricultural University. He has worked as a freelance in several consultant in the Environmental Impact Assessment. He has followed training of Lead Auditor training ISPO, RSPO awareness, Ecological Risk Assessment, Asian Network Update and Carbon, and Climate Change Mitigation and Adaptation for Agricultural Productivity in the assessment activity, he assessed on environment aspect and waste management.</p> <p>3. Naila Karima (Auditor). Bachelor of Public Health, Department of Occupational Health and Safety. Faculty of Public Health, University of Indonesia. She has experience working in private oil palm plantation companies in Indonesia. Who had attended the training including training understanding the RSPO certification system, ISPO Lead Auditor, and certified Integrated Management System (Occupational Health and Safety Management System OHSAS 18001:2007, Environmental ISO 14001:2004, Quality ISO 9001:2008). In the assessment activity, he assessed on safety and health, worker welfare, social aspect and waste management.</p> <p>4. Doni (Auditor). Master's Program In Sociology Rural. Have been following the certification of Sustainable Production forest management (PHPL) Ecolabel of Indonesia (LEI) in 2008 and Training Up-Grading at the Pusdiklat PHPL Forestry Bogor in 2010. Since 2003 has been a several times to audit certification of PHPL, among others: PT Bintuni Straits Bay Main Agro Mina Prop. West Papua in 2010 PT. ITCIKU Prop. In 2009, Kaltim Cooperative Meranti Grow Beautiful Prop. In 2008, PT Kaltim Memberamo Indan Agro Mandiri in 2008, PT Arara Abadi Prop. Riau in 2005, PT INHUTANI III (Nanga Pinoh) Kaltim, 2003. Since 2005-present work free lance in BAPPENAS, Ministry of Regional development is lagging behind (KPDT) and Ministry Director General Cipta Karya PU as an evaluation team. 2006-2007 working in JICA-UN-HABITAT and UNDP. In the assessment activity, he assessed on social aspect, conservation aspect and worker welfare.</p>
2.2	Assessment Methodology, Assessment Process and Locations of Assessment
2.2.1	Figure of person days to implement assessment
ST-1	<p>Number of auditors : 2 auditor</p> <p>Number of days for ST-1 at site : 4 days</p> <p>Number of working days for ST-1 at site : 8 Working days</p>
ST-2	<p>Number of auditors : 4 auditor</p> <p>Number of days for ST-2 at site : 5 days</p> <p>Number of working days for ST-2 at site : 20 Working days</p>
2.2.2	Assessment Process
ST-2/ASA-1/ASA-2/ASA-3/ASA-4/RA	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT Perkebunan Nusantara IV Management Unit of Pulu Raja to the requirements of RSPO Principles and Criteria (P&C) for for the Production of Sustainable Palm Oil - April 25th, 2013 and Supply Chain Requirement for CPO Mill November 2014 (Module D / E for CPO Mill)</p> <p>The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) <i>interview</i>, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site.</p> <p>Some opportunities for improvement of the results ST-2 delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (ASA-1).</p>

Improvement of findings from main assesment findings were observed by auditors at this **ST-2** assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of in the final report.

The assessment program please find Appendix 2

2.2.3 Locations of Assessment

ST-1 At Stage-01, team of auditors conducted studies and observations of the document at the location of the Pulu Raja Business Unit.

ST-2 **Pulu Raja POM**

- Warehouse of Chemicals.** Observations results show that the chemicals warehouse has been equipped with hazardous material symbol according to the provisions. Each of this chemicals has also been equipped with MSDS and has separated locations from each other and equipped with pallets.
- Central Warehouse.** Field observations indicate all items in the central warehouse had been separated by types, there is a fire extinguisher and a warehouse clerk has recorded the goods outflow and inflow in warehouses.
- Fertilizer warehouse.** Field observations indicate fertilizer warehouse is empty because all fertilizers have been used up. Fertilizer warehouse has been equipped with hazardous material symbol and pallets
- Hazardous Waste Landfill.** Field observations indicate that the management unit has regular recording of outcoming and incoming hazardous waste through the logbook and hazardous waste balance. There is no hazardous waste which is stored exceeding the permitted retention time.
- Workshop.** Field observations indicate that there has been an emergency incident procedures and interviews with workers show that the officers have understood safe steps to work in the workshop.
- Water Treatment Plant.** Field observations indicate that the flowmeter at Pulu Raja POM is not installed because it is currently being calibrated by the contractors of its supplier.

Afdeling I

- Observations of legal boundary poles:
 - Boundary pole **No. 103** (in the field, not numbered) located in **block 98 - A** with the boundaries of Sido Mulyo village (**North**), Manis Village (**South**), Employees Housing (**East**) and Sido Mulyo village (**West**).

Pulu Raja Estate Afdeling II

- Observations of legal boundary poles
 - Boundary Poles **No. 014** (in the field, well maintained and clear) located in block 13-C with the boundaries of Estate Road (**North**), Baru Village (**South**), Dormitory of Army Company (**East**) and Block 13-C (**West**).
 - Boundary Poles **No. 51.2** (in the field, well maintained, but not numbered) located in block 2010-A with the boundaries of PT LONSUM (**North**), PT LONSUM (**South**), block 2010-A (**East**) and PT LONSUM (**West**).
 - Boundary Poles **No. 51.3** (in the field, well maintained, but not numbered) located in block 2010-A with the boundaries of Lobujiur Village (**North**), Lobujiur Village (**South**), block 2010-E (**East**) and Lobujiur Village (**West**).
 - Boundary Poles **No. 51.4** (in the field, well maintained, but not numbered) located in block 2010-A with the boundaries of block 2013-W (**North**), Lobujiur Village (**South**), Lobujiur Village (**East**) and Lobujiur Village (**West**).
- Harvest activities in block 98-B, 09-B and 09-C.** Observations of harvesting activity in conformance with the procedures provided in best practices and occupational safety implementation. Conducting interviews related to complaints handling, social security, and facilities provided by the company and remuneration.
- Activities of Oryctes Control in block 13-M.** Observations and interviews with officers associated with Oryctes pest control.
- Spraying chemicals on block 13-L and 13-M.** Observations of harvesting activity in conformance with the procedures provided in best practices and occupational safety implementation. Conducting interviews related to complaints handling, social security, medical checks and facilities provided by the company and remuneration.

5. **Afdeling Clinic.** The interviews with clinic personnel show that all patients in the clinic are referred to Pabatu hospital owned by PTPN IV. There is no medical waste management in the estate clinic.
6. **Chemical warehouse.** The results of field observations indicate that there is agrochemical packaging waste which is accumulated. Chemical warehouse is equipped with hazardous material symbol and MSDS for each chemical types.
7. **Area of chemicals mixing.** Field observations show that there is a special storage in the mixing area thereby reducing the risk of contamination. All equipment of spray team are washed and stored in this warehouse.
8. **Application of herbicides in block 13 L.** Observations on application of *Paratop* with the active ingredient of *Paraquat* with a dose of 100 cc/15 liters. Pesticide officers have been using PPE e.g. mask, gloves, apron, goggles and helmets. There are no pregnant/lactating women doing herbicide application.
9. **Application of empty fruit bunches in block 13 M.** Field observations indicate empty fruit bunches application is done by spreading a single-layer of EFB for 2013-Immature Plants at a dose of 30 tons/ha.
10. **Surface water flow riparian in block 96 B.** Observation results show that the conditions of surface water flow riparian in the estate has been covered with ferns and the interviews with officers show that surface water flow riparian is not sprayed with chemicals

Pulu Raja Estate Afdeling IV

1. **Land application in block K81, L81.** Observations results indicate that there is no indication of pollution caused by the overflow of liquid waste applications bed. Application of liquid waste in the plantations area is carried out on the permitted blocks.
2. **The monitoring well in block J81.** Observations results indicate that the water condition of monitoring wells is less than 2 meters and this is in accordance with the requirements that are allowed.
3. **Employees Housing in Afdeling IV,** the management unit has provided housing, water source from wells, health facilities in the form of estate polyclinic (*Polibun*), education starting from kindergarten to junior high school, as well as other public facilities such as sports facilities, places of worship, daycare, and employees hall.
4. **Block 94-B.** Observations of harvesting activity in conformance with the procedures provided in best practices and occupational safety implementation. Conducting interviews related to complaints handling, social security, and facilities provided by the company and remuneration.
5. **Block 2014U.** Observations and interviews with officers associated with *Oryctes* pest control.
6. **Chemical warehouse.** Chemical warehouse is equipped with hazardous material symbol and MSDS for each chemical types.
7. **Fire Control Post.** Observations of fire tools such as burlap sacks, axe, hook pole, sand, fire extinguisher.

2.3	Stakeholder Consultation and Stakeholders Contacted
2.3.1	Summary of stakeholder consultation process.
ST-2	Summary of stakeholder consultation process Consultation of stakeholders for PT Perkebunan Nusantara IV Management Unit of Pulu Raja was held by: Public Notification 30 days prior to the Initial Assessment and published on RSPO website (www.rspo.org) Public consultation meeting with internal stakeholders by interviews and local stakeholders conducted by visits to villages and interviews with local peoples on 10 February 2015. Numbers of input from stakeholders were clarified by PT Perkebunan Nusantara IV Management Unit of Pulu Raja
2.3.2	Stakeholder contacted
	Please find appendix 1
2.4	Determining Next Assessment
	The next visit (ASA-1) will planned on June 2016

3.0. ASSESSMENT FINDINGS

3.1. Summary of Assessment Report of the RSPO Certification

MUTUAGUNG LESTARI has conducted an assessment of Pulu Raja POM – PT Perkebunan Nusantara IV operation consisting of one (1) mill and one (1) oil palm estate.

During the assessment, there were five (5) Nonconformities were assigned against Major Compliance Indicators, five (5) nonconformities were assigned against Minor Compliance Indicators, two (2) nonconformities against supply chain requirement for CPO mill, and eight (8) opportunities for improvement were identified.

Further explanation of the non-conformities raised and corrective actions taken by the company are provided in section 3.5. The company has already prepared and implemented the corrective action(s) that had been reviewed and accepted by Auditor(s) in form of documentation evidence(s) e.g. (document record/photographic/etc...). Those corrective action(s) taken that consist of five (5) Major non-conformities, two (2) Minor non-conformities and two (2) supply chain non-conformities had been closed out shall be verified during next assessment.

MUTUAGUNG LESTARI found that Pulu Raja POM – PT Perkebunan Nusantara IV complied with the requirements of ***RSPO Principles and Criteria (P&C) for the Production of Sustainable Palm Oil - April 25th, 2013 and RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014.***

Therefore MUTUAGUNG LESTARI Recommends RSPO Certification of compliance is Issued.

Ref Std.	VERIFICATION RESULT of MUTU-Certification	
PRINCIPLE #1 COMMITMENT TO TRANSPARENCY		
1.1	Growers and millers provide 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 Major	Management Unit has conducted socialization related to environmental, social, and legal issues relevant with RSPO criteria to the village government, sub districts, NGOs, village officials, and the contractors on 10 December 2014. According to the result of socialization, there are constructive stakeholder's responses. The Officer who responsible for providing the information as well as for updating it is the HR staff. According to the result of interview with the 3 Chiefs of Villages, Labour Union and the associated agency, the stakeholders have aware of the procedure to get the information.	
1.1.2 Major	The management unit of Pulu Raja has the procedure that has to do with retention period of information request and response in document No.SPO 06.02 dated August 1st 2012. The PIC for updating it as well as providing it is the HR staff. Records of responses to requests for information are provided in HR outgoing mail log book, e.g. outgoing mail Number PUR/X/127/X/2014 concerning aid of the shells to the Local Representatives Council of Asahan district dated 22 October 2014 with a response that Pulu Raja business unit could not help giving the shells because the shells were going to be used for generating electricity in Pulu Raja POM.	
	Status: Full Compliance	
1.2	Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.	
1.2.1 Major		

The study on documents shows that the Management Unit has demonstrated the documents which are accessible to the public, which are listed in the SPO Policy dated 1 August 2012. The Company has classified the types of information that can be accessed by stakeholders. The documents are company's general information such as vision, mission, balance sheet, productivity, assets, CSR, etc. which can promote the image of the company. While the documents which are confidential such as management reports, minutes of meetings, SI, Circular Letter (SE), Work Order Letter (SPK) and other confidential letters are not publicly accessible.

Based on interviews with the estate office staffs, other data related to the environment, FFB price information, etc. can also be accessed by relevant stakeholders when there are requests for information to the Management Unit.

Status: Full Compliance

1.3

Growers and millers commit to ethical conduct in all business operations and transactions.

1.3.1 Minor

The observations of documentation show that PTPN IV Pulu Raja Business Unit has not been able to show evidence of socialization of living prosperously without corruption policy to all employees at every level of operation in the company.

Based on the observations results then Nonconformance No. 2015.01 with minor category.

1.3.2 Minor

Written policy containing a commitment to integrity and ethical behavior code are contained in the Code of Conduct written in 2013. Chapter V describes the Prohibition For Business People. This chapter contains the code of conduct with respect to conflict of interest, KKN (Corruption, Collusion and Nepotism) and bribery, political activities, drugs and gambling, and misconduct which are prohibited for the business people. Every businessperson is prohibited to conduct KKN (corruption, collusion, nepotism) and bribery (Gratuities).

PTPN IV is committed to Living Prosperously Without Corruption, which is a commitment of Clean SOE Program, PTPN IV personnel are committed to not accept gratuities in carrying out the duties and authority as well as free of conflict of interest. We invite the participation of stakeholders in conveying information if the commitment of Clean PTPN IV is not carried out by the personnel of the company, via online: www.ptpn4.co.id or via email pengaduan@ptpn4.co.id.

Minor 1.3.1 Status: Non-conformance No. 2015.01 with Minor Category

PRINCIPLE #2 COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS

2.1

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

2.1.1 Major

Results of documents observation and interviews with relevant government agencies show that PTPN IV Pulu Raja Business Unit has met the regulations such as possessing Plantation Business Permit (IUP), possessing Land Use Rights (HGU) for 4,636.00 Ha, Hazardous Waste Landfill permit, Guiding Committee of OHS organizations, providing minimum wages to workers in accordance with applicable regulation, environment document in form of the environment evaluation analysis on 1994 and environmental management and monitoring plan on 2006 for the scope of analysis for 4,636 ha and POM capacity for 30 ton/hour. It has been legalized by the associated agency. During the audit auditor team conducted documents observations and interviews with workers and the results shows that the management unit PTPN IV Pulu Raja Business Unit uses third parties (contractor) for the main job (harvesting), it is not in accordance with the Regulation of the Manpower Minister No. 19 year 2012 regarding the Terms of submission of Some Parts of Work to Other Companies. Based on the results of the observations, **nonconformance No. 2015.02 with major category then arisen**

Root of the Problem:

Decree of harvest workers (permanent) has not been issued by headquarters of Medan.

Corrective Action:

PTPN-IV Unit Pulu Raja demonstrated evidence in the process of improvement on the use of permanent workers for harvesting as the main work in its operational area, namely:

- 1) Letter from Director of Human Resources and General No. 04. Dir.SDM & Umum/X/492/V/2015 dated on 18 May 2015 on **Medical Screening of Future Employees of PTP IV Unit Pulu Raja** using the service of Health Clinic (PT. Prima Medica Nusantara) on the routine check-up of Blood, Sugar, Urine, Heart Test (EKG), Rontgen and Physical Diagnostic.

- 2) Decree of the Directors of PT Perkebunan Nusantara V No. 04.15/Kpts/R/20/IV/2015 dated on 9 April 2015 on the **Name of Future Harvest Employees/Loading Officers Joining the Health Test in the Operational Area of Unit Group of PT. Perkebunan Nusantara IV.**
- 3) There are 97 names of future employees from each Afdeling (Afd.I – 17 workers, Afd.II – 17 workers, Afd.III – 20 workers, Afd.IV – 13 workers and Afd.V – 30 workers) who will have medical screening as one of the requirements of permanent worker promotion for the main work (harvesting) in operational area of PTPN-IV Unit Pulu Raja.
- 4) PTPN-IV has also demonstrated the mechanism of labor promotion as supporting evidence in the process described in the Procedure of Basic Guidance and Working Instruction section Human Resources No. 04.15.01A until 04.15.01A June 2013 on the **Recruitment and Promotion of Employee** from each category.

Preventive Action:

Utilizing permanent employees to do the main work.

Auditor Conclusion:

PTPN IV Pulu Raja has been able to demonstrate evidence of worker promotion for the main work (harvesting) in operational area. Auditor team will observe it related to the implementation consistency.

Non-conformance 2015.02 is still closed with observation

2.1.2 Minor and 2.1.4 Minor

Management unit has revision status monitoring document of laws, regulations, and other requirements in 2012, 2013, 2014 and has a documentation system that contains information and legal requirements that must be fulfilled through the identification of regulations related to RSPO Principles and Criteria and records every law/regulation implementation.

2.1.3 Minor

List of regulations include regulations related to the land (6 regulations), manuring/cultivation (5 regulations), employment (32 regulations), and environment (25 regulations). Regulations in this document include government regulations, statutes, ministerial regulations, ministerial decrees, and the presidential decrees.

Status: Full Compliance

2.2

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.

2.2.1 Major

The management unit of PTPN IV Pulu Raja has demonstrated legal land ownership document in accordance with applicable regulations. This is shown in the document of Decree of the Head of National Land Agency Number. 15/HGU/BNP/2006 regarding "Granting the Extension of Land Use Rights Period for Land Located in Asahan District, North Sumatera Province" dated 22 August 2006 and Certificate of Land Use Rights (HGU) No. 2 which is located in Orika Plantation village with an area of 4,636.00 Ha with expiration date of 31 December 2030.

Interviews with government agency (National Land Agency of Asahan district) and Heads of villages surrounding the company show that the concession operations conducted by PTPN IV PULU RAJA Business Unit have been in accordance with the specified legal boundaries.

2.2.2 Minor

During the assessment, team of auditors conducted field observations on the HGU legal boundaries poles and the results show that the boundaries has been in accordance with the map provided and there are no areas managed by PTPN-IV PULU RAJA Business Unit that are out of the legal boundaries.


2.2.3 Minor & 2.2.4 Major

- ❖ The Statute of the Republic of Indonesia No. 86 year 1958 dated 27 December 1958 regarding "Nationalization of the Company Owned by Netherlands" and Government Regulation No.19 year 1959 dated 2 May 1959 on "Determination of Agriculture / Plantation Company Owned by Netherlands Subjected Nationalization" explains that the plantation of PTPN-4 Pulu Raja Business Unit is derived from the company owned by Netherlands
- ❖ The Land Books (First Land Use Rights/HGU Certificate) dated 1 July 1982 explains that the location of the

plantation of PTPN-4 Pulu Raja Business Unit was formerly Concession Rights

2.2.5 Minor

The results of interviews with government agency (National Land Agency of Asahan district) and heads of villages around the company show that in the concession operations conducted by PTPN IV PULU RAJA Business Unit there are disputes with other parties (the community).

There are **Reports of Observations Results on HGU Land Boundaries Issues of PT PTPN IV Pulu Raja Estate with the Community of Subvillage V, Manis Village, Pulu Rakyat Subdistrict, Asahan District** dated 6 January 2015, which concluded that the results of locations measurement by officers from the Asahan District Land Office, based on boundaries poles of the land measurement results which were directly plotted into the area map No 24/17/1999 (HGU Map PTPN IV Pulu Raja) show that the disputed land with an area of ± 400 M2 are outside HGU PTPN IV Pulu Raja.

The evidence of land ownership on behalf of Suardi which is the decree of the Governor of North Sumatera known as SK Landeform No.SK.14/DA/HML/A/75 dated 23 January 1975 explains that the land dispute object position is directly next to the west border of the Suardi's Land, land dispute object owned by PTPN IV are part of HGU location of Pulu Raja Estate.

Based on the explanation, auditor team assess that there is land dispute in the operational area of PTPN IV Pulu Raja Unit which has been followed up with the involvement of the parties (the National Land Agency) and it is in the settlement process. **This will be observation material for team of auditors at the time of assessment and the next surveillance.**

2.2.6 Major

The interview with the heads of villages around the plantation (Orika Village, Manis Village) show that the management unit of PTPN IV Pulu Raja never conducts violence and intimidation, especially in conflicts that occur during the company operates.

Status: Full Compliance

2.3

Use of the land for oil palm does not diminish the legal rights, or customary rights, of other users, without their free, prior and informed consent.

2.3.1 Major & 2.1.2 Minor & 2.1.3 Minor & 2.1.4 Minor

In the operational area of PTPN IV Pulu Raja Business Unit there is not any use of traditional or customary rights, it is supported by interviews with government agencies (Land National Agency), the local village heads and documents observations which indicate that the land acquisition is in the form of Nationalization of Company owned by Netherlands.

- ❖ The Statute of the Republic of Indonesia No. 86 year 1958 dated 27 December 1958 regarding "Nationalization of the Company Owned by Netherlands" and Government Regulation No.19 year 1959 dated 2 May 1959 on "Determination of Agriculture / Plantation Company Owned by Netherlands Subjected Nationalization" explains that the plantation of PTPN-4 Pulu Raja Business Unit is derived from the company owned by Netherlands
- ❖ The Land Books (First Land Use Rights/HGU Certificate) dated 1 July 1982 explains that the location of the plantation of PTPN-4 Pulu Raja Business Unit was formerly Concession Rights.

Status: Full Compliance

PRINCIPLE #3 Commitment to long-term economic and financial viability

3.1

There is an implemented management plan that aims to achieve long term economic and financial viability.

3.1.1 Major

The management unit of PTPN IV has demonstrated document of Long-Term Plan 2015-2019 PT Perkebunan Nusantara IV, which was legalized in November 2014 by the Board of Directors and Commissioners. The document describes the evaluation of the previous Long Term Plan implementation in the field of production, finance, marketing, organization and HR, CSR and downstream industry. For plantation operations, the long term plan has planned several items, among others: production plan, Yield, replanting plan, processing cost, the next 5 years FFB production, CPO production and extraction, Palm kernel production and extraction, selling price estimation of CPO and kernel.

3.1.2 Minor

Replanting planning has been carried out and evaluated annually by PTPN IV Pulu Raja for a period of five years, such

as replanting area acreage planning. For 2015 there are no replanting activities plans, but in 2016 an area of 134 ha will be replanted with the needs of seeds 18,760 grains seeds. The replanting planning until 2018 will reach an area of 1,152 ha. The results of field observations show that replanting activities for 2014 planning has been completed. Replanting program of PTPN IV Pulu Raja also considers some aspects, which are FFB productivity Ton/ha/year ≤ 14 tons/ha, trees population per ha <100 trees, uniformity of area layout and planting year and mature plant of 25 years old. Types of seeds planned to be used are certified seeds. All documentation and replanting planning program has been available in the management unit and stored properly.

Status: Full Compliance

PRINCIPLE #4 Use of appropriate best practices by growers and millers

4.1

Operating procedures are appropriately documented and consistently implemented and monitored.

4.1.1 Major

PTPN IV Pulu Raja business unit has shown evidence of operational procedures compliance starting from land clearing to harvesting and has also shown evidence of the operational procedures compliance starting from weighbridge station (FFB reception) to CPO and Kernel dispatch, but currently during the assessment, team of auditors conducts field observation in Afdeling II and there is harvest activities implementation in the form of FFB of fraction 0 (unripe) and fractions 00 (crude) which is not in accordance with existing procedures regarding FFB decent to be harvested. **Based on the explanations nonconformance No. 2015.03 with major category arisen.**

Root of the Problem:

Dissemination to new promoted harvest workers regarding criteria of ripened crops has not been held.

Corrective Action:

- Conducting a dissemination regarding criteria of ripened crops to harvest workers.
- Company could demonstrate evidence of dissemination on the criteria of ripened crop for harvesters in AFD 2 (attached with attendance list) as well as the evidence of field sorting by FFB inspectors.

Preventive Action:

Field sorting by foreman assistant, foreman 1, harvest foreman and fruit inspectors. Fines imposed to harvesters in accordance with applicable provision.

Auditor Conclusion:

Based on the evidence above **the non-conformance 2015.03 is closed** and will become observation material for the auditor team during the next assessment visits.

4.1.2 Minor

The results of interviews with representatives of the management unit of PTPN IV Management Unit Pulu Raja (Clerk I Administration) show that the activities of operations inspection are conducted every semester (every six months). The routine inspection is contained in the document of Audit Reports of the internal inspection unit section, such as the Audit Report of Pulu Raja Unit for the period of April 2013-September 2013 with No.04.02/LHA/Rt/R/58/XI/2013 dated 20 November 2014 and has been followed up with the improvement implementation evidence.

4.1.3 Minor

PTPN IV Pulu Raja business unit has shown good recording on every operation of estates and mills.

In the estate unit, operations recording are documented into the Daily Work Plan then recorded into Foreman Book which describes the location of the work, date of activity and types of activities (maintenance and harvest) which are included in daily production reports then recorded into managers' monthly reports informing production and maintenance operations.

During the assessment, the team of auditors visited the office of Afdeling II and assessed the completeness of the implementation of the recording by officers. The results of examination show that the officers have consistently recorded Daily Work Plan.

4.1.4 Major

To support source of FFB processed by Pulu Raja POM, a team of auditors conducts an examination on the letter of agreement between the FFB suppliers with Pulu Raja POM. The observation results of the documents show that there

is information from FFB source village which explains that FFB should be sourced from legal estate.

Status : Full Compliance

4.2

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

4.2.1 Minor

The management unit of PTPN IV Pulu Raja has done the best practices in improving soil fertility to obtain optimal results through manuring in accordance with the recommendations: wastewater applications, empty fruit bunches applications, and the use of legume cover crops. From the results of field observation, the team of auditors stated that the implementation of the care/maintenance and best practices to increase the soil fertility which aims to achieve maximum results has been carried out properly and in accordance with the existing procedure.

4.2.2 Minor

During the assessment, it is known that the manuring program in 2014 has been completed. Fertilizers used by the management unit in accordance with the recommended doses, among others are Urea, ZA made of ammonium sulfate (NH_4SO_4), Rock Phosphate, TSP Triple Super Phosphate $\text{Ca}(\text{H}_2\text{PO}_4)$, MOP (Muriate of Potash), Dolomite, Kieserite, Borate, NPK (Nitrogen, phosphorus and potassium). For 2015, the recommendation used based on the results of soil and leaf analysis shows that the fertilizer planned to be used are NPK fertilizer (1,990 tons) and Dolomite (815 tons). The results of field observations show that the management unit also implements the use of wastewater for fertilization activities conducted in Block 81-A, 81-K, 81-L with a total of 83 hectares and planting legumes has been done on the immature plants area located in Afdeling II.

4.2.3 Minor

The management unit of PTPN IV Pulu Raja has been able to show evidence of the implementation of annual soil and leaf analysis. Records of the analysis are contained in the management reports document of Pulu Raja Plantation Unit. There are samples of soil and leaves sampling conducted on 21-26 May 2013 and then field visits were conducted on 14-15 September 2013 covering an area of 2,314 hectares (consist of the plants with planting year of 1992-2010). The numbers of samples taken were soil samples of 91 points and leaf samples of 86 points. Estate land area is generally flat with the elevation of about 15 m above sea level (Afdeling 5) to 40 m above sea level (Afdeling 1). The type of soil is generally sandy, ranging from brown soil of sandy clay loam of 94%, sandy clay of 3% and sandy alluvial loam (CL) of 3% of the operational area.

4.2.4 Minor

During stage-02, the team of auditors carried out field inspections and found that Pulu Raja has been applying the best practices in improving soil fertility to obtain optimal results:

1. Application of liquid waste that is located in an area of 20 ha in block J81, 31 ha in block L81, 32 ha in block K81
2. Applications of empty fruit bunches
3. The use of legume crops in the area of replanting and immature plants (block 13-M)

Status: Full Compliance

4.3

Practices minimize and control erosion and degradation of soils.

4.3.1 Major

The management unit has a map of soil type and in-depth review soil survey for Pulu Raja estate with a scale of 1:50,000 which were made based on the evaluation of soil fertility by Marihat Oil Palm Research Center (PPKS). The documents and field observations show that there are no marginal areas, peatlands, as well as areas with a slope of > 40%. The whole Pulu Raja plantation unit is dominated by land with a slope of 1-15% with soil types of regosol, yellow podzolic and brown podzolic.

4.3.2 Minor

The results of document study on "In-depth Review Soil Map of Pulu Raja Estate PTPN IV" show that there are no areas with a slope of more than 20%, there are only flat to wavy areas. HCV document review in 2010 shows that the company's operational area is currently located at an altitude of 25-150 meters above sea level, and generally has a uniform morphology which is flat (0-8%) and slightly sloping (8-15%). According to the result of observation to Afdeling I

and V and interview with the stakeholders, there is no slopy nor peatland area within PTPN IV of Pulu Raja operational area.

4.3.3 Minor

Road maintenance program and realization are contained in the company's budget work plan in 2015, for example for Afdeling II, maintenance of the main road as long as 2,344-meter and production road maintenance as long as 2,842-meter. Field observations indicate that the care and maintenance of roads has been done well.

4.3.4 Major & 4.3.5 Minor

The document observations results on the soil type show that there is no peat area in the operational area of PTPN IV Pulu Raja. According to the result of observation to Afdeling I and V and interview with the stakeholders, there is no slopy nor peatland area within PTPN IV of Pulu Raja operational area.

4.3.6 Minor

There is also the field implementation that has been done by the management unit related to soil conservation which is the accumulation of fronds (frond stacking) in harvesting path to reduce the rate of surface erosion conducted during the budding. Associated with the management of sandy areas, the management unit has also made the realization of empty fruit bunches applications in the field, for example for Afdeling I the empty fruit bunches have been applied as many as 1,653 tons during the period January 2015.

Status: Full Compliance

4.4

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

4.4.1 Minor

The management unit has implemented the management of surface water flow area through planting and monitoring of hard crop trees such as mahogany and rain trees (*Samanea saman*). Documents study shows that to date 30 mahogany trees and 23 rain trees in riparian of Asahan river. In addition, the management unit also has a memorandum from manager unit of Pulu Raja No. PUR/SE/30/XI/2014 dated 17 November 2014. This memorandum contains a prohibition on the application of chemicals as long as 50 meters from the left/right of riparian. Results of field observations in Afdeling II block 96 B show that there are no boundaries of chemicals spraying area on riparian of surface water flow. **Nonconformance 2015.04 with minor category.**

Root of the Problem:

Boundaries for chemical spray area in the riparian are not available yet.

Corrective Action:

Constructing boundaries for chemical spray in the area identified as riparian.

Preventive Action:

Monitoring and evaluating the condition of riparian management.

Observation:

Company is able to show the boundary signs of chemical spray area in the form of spray ban warning board and marking the main staples which are not allowed to spray in the riparian, for example in the riparian at Afdeling 2 Block 88D.

Auditor Conclusion:

Based on the improvement evidence above the non-conformance 2015.04 is closed

4.4.2 Major

HCV documents study show that in the plantation area of PTPN IV Pulu Raja business unit, there is surface water flow consisting of Asahan river flow, Nagaga creek. For the purpose of riparian protection, the company has taken actions to protect and maintain the lowland and riparian areas through the following efforts according to SOP of riparian management mechanism (No. Doc 05.02, 1 August 2012) that restore riparian area based on its allocation and rehabilitation of riparian in the form of planting hard crop trees.

4.4.3 Minor

Waste water management of Pulu Raja POM have also been carried out so that the waste produced meets the quality standards according to applicable regulations and does not pollute the waters. Monitoring of waste water quality results is conducted regularly every month and test results indicate there is no test parameters exceeding the quality standard, for example test results in December 2014 (BOD = 296 mg/l, Cd <0.006 mg/l, Zn = 0.035 mg/l) ,

4.4.4 Minor

Associated with process water use, the management unit has also conducted regular monitoring of water usage each month, where during the period of November 2014-January 2015, the average of water use efficiency was of 1.34 m3/ton of processed FFB and it was still under water use budget specified.

Status : Full Compliance

4.5

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

4.5.1 Major

PTPN IV Pulu Raja has been performed and documented IPM monitoring in the documentation of Pest Inspection Monitoring with methods of EWS (Early Warning System), Monitoring of *Oryctes* Pest Inspection in Immature Plants area, Global Telling Census and MONITORING OF RATS PEST ATTACK & CONTROL.

During assessment activities, team of auditors conduct examination done by pest officers and found that the level of nettle caterpillars attack is in a very mild condition, but the officers must concern the level of "*Oryctes*" beetle attack. The examination results in the area of Immature Plants (block 2013-D, E, M) about 11 blocks, inform that in January 2015 the attack level reached 1.14% (moderate) and there was a decline in February 2015 became 0.47%. The control is done well by the company through *Feromone* usage, fishing nets wrapped around the stem of the plant so that the beetles are caught and picked by officers, and chemical control using *Cypermethrin* as active ingredient.

4.5.2 Minor

There are records of UPDKS Pest Control training conducted on 30 March 2014 in the Office of Afdeling III, attended by 16 participants (Plant Assistant, Foreman I of Plants, Pests Officer and Administration Clerk). The whole training records are available and stored properly. The results of interviews with PEST OFFICER in Afdeling II show that the officer knows and understands their duties well. The explanation given by the officer proves that the personnel involved in integrated pest management are well trained and able to demonstrate the results of the training attended.

Status: Full Compliance

4.6

Pesticides are used in ways that do not endanger health or the environment

4.6.1 Major

Results of documents and field observations in the warehouse of chemicals show that the unit management of PTPN IV Pulu Raja has been able to demonstrate agrochemicals used have been registered.

4.6.2 Major

The management unit has a monitoring of chemicals toxicity per ton of FFB, e.g., for period November 2014 Afdeling V planting year 1992, the brand used is *Gempur* as much as 39.5 liters, with the active ingredient of isopropyl amine glyphosate 480 g/l, FFB production of 272,118 kg. The active ingredient/ton of FFB is 0.0001. Based on the information then it already meets the requirements of this indicator.

4.6.3 Major

The management unit of PTPN IV Pulu Raja has been able to demonstrate agrochemical use have been registered and had license issued by the Ministry of Agriculture. Monitoring of chemicals toxicity per ton of FFB, e.g., for period November 2014 Afdeling V planting year 1992, the brand used is *Gempur* as much as 39.5 liters, with the active ingredient of isopropyl amine glyphosate 480 g/l, FFB production of 272,118 kg. The active ingredient/ton of FFB is 0.0001.

4.6.4 Minor

The management unit does not use chemicals contained in the World Health Organization category of Class 1A or 1B, or chemicals which are listed in the Convention of Stockholm or Rotterdam, but still uses the active ingredient of *Paraquat*.

Paraquat use plan in 2015 was 632 liters, there is a reduction of 400 liters compare to the usage in 2014. This will be re-observed in the next assessment to see the realization of the decrease in the use of *Paraquat* in 2015.

4.6.5 Major

There are records of Pesticide Applicator training conducted by the Plantation Office of the Government of North Sumatera on 1 April 2010 which was attended by 60 participants. The whole training records are available and stored properly. According to the result of interview with the foreman and the sprayer, they have aware of the procedure to deal with the pesticide safely

4.6.6. Major

The Company has SPO Document of Remaining Hazardous Waste Disposal, Container of Chemicals Agrochemicals and Equipment Washing Used Water (RSPO No. 020, 1 April 2010). The SPO explained about agrochemicals waste management including pesticides packaging, as follows:

Container of internal treatment chemicals and agrochemicals/pesticides

1. Containers in the form of jerry cans and plastic wrap are collected in a separate warehouse or hazardous material warehouse, neatly arranged and labeled by type and size. After reaching a certain number, they are submitted to the company which has waste transportation license. When in the specified time they has not been transported, the container can be cut / trim to save space. Each Afdeling records pesticides packaging waste/agrochemicals managed.
2. Chemicals spraying equipment washing
Spraying equipment is washed in a provided place (it should not be washed in the field). Used water is collected in a control basin and is covered by the safety cover. Washing used water must not be used for other activities, except for the next spraying.

The whole pesticides/agrochemicals packaging waste transported by a licensed collector must be available (recorded in the balance of the waste).

- Used pesticide packaging are still not registered and placed in an officially licensed hazardous waste landfill
- Field observations in the central warehouse of Pulu Raja POM show that there are agrochemical packaging which is stored at an improper place. **Nonconformance 2015.08 with major category arisen.**

Root of the Problem:

- 1) The management of agrochemical packaging still does not meet the applicable regulation. It must have a license.
- 2) Officers in the field do not understand the procedures for the management of agrochemical packaging waste in Afdeling II.

Corrective Action:

Storing and registering all hazardous waste including agrochemical packaging in a licensed hazardous waste temporary warehouse.

Preventive Action:

Monitoring and registering all agrochemical packaging stored at the estate and mill.

Observation on 20 May 2015.

Company has been able to show evidence of improvement due to hazardous waste management, such as:

- 1) Recording evidence of used agrochemical packaging in Hazardous Waste Temporary Warehouse of POM Pulu Raja, for example in Hazardous Waste Logbook for incoming waste on 6 August 2015 in the form of used jerry cans of chemicals with retention time up to 6 August 2015.
- 2) Delivery evidence of hazardous waste in the form of covering letter on 6 February 2015 regarding used packaging of chemicals at the central warehouse of POM Pulu Raja which were delivered to Hazardous Waste Temporary Warehouse of POM Pulu Raja as many as 476 pieces. There is also evidence of cooperative agreement between PTPN IV and CV Amindy Barokah as a licensed hazardous waste collector. The waste was transported on 13 May 2015.
- 3) There is a procedure of hazardous waste management No. Doc. 02 on 2 January 2015 stating that all agrochemical used packaging is stored in Hazardous Waste Temporary Warehouse. There is evidence of dissemination to employees in the form of photographs related to agrochemical packaging management.

Auditor Conclusion:

Based on information above **the non-conformance 2015.08 is Closed.**

4.6.7 Minor

Application of pesticides is done in the field with the method in accordance with SOP established by the company. Results of field observations indicate that at the time of the audit, sprayers team or pesticides applicators have implemented pesticide applications in accordance with the methods that reduce the negative impacts, such as the spraying is not done to the river.

4.6.8 Major

The Company does not conduct aerial pesticide application, the application is done by spraying operator using *knapsack*.

4.6.9 Minor

There are training records of UPDKS Pests Control conducted on 30 March 2014 in the Office of Afdeling III, attended by 16 participants (Plant Assistant, Foreman I of Plants, Pests Officer and Administration Clerk). There are also records of training material. The whole training records are available and stored properly.

4.6.10 Minor

The Company has RSPO Document No.020 Dated 1 April 2010, which is SPO of Remaining Hazardous Waste Disposal, Chemicals Agrochemicals Containers and Equipment Washing Used Water. The SPO describes agrochemical waste management including pesticide containers.

Used pesticides packaging are still not registered and placed in an officially licensed hazardous waste landfill.

Field observations in the central warehouse of Pulu Raja POM show that there are agrochemical packaging stored at an improper place.

Field observations in Afdeling II show that the management of used agrochemicals packaging (by discarding and dumping them in the trash cans) is not in accordance with the applicable regulations. From observations done by auditors, **nonconformance 2015.08 with Major categories** arisen.

4.6.11 Major

At the time of the audit, team of auditors conducted documents observations and interviews with spray workers and they show that the management unit of PTPN IV Pulu Raja has not regularly perform medical examinations (final examination was in 11 February 2013). For 2014, it has not been performed. **From these explanations nonconformance 2015.05 with major category** arisen.

Root of the Problem:

Company has not demonstrated evidence of periodic medical screening.

Corrective Action:

Medical screening based on the approval of the board of directors requested by the unit through Pabatu Hospital.

The company is able to show the request of medical screening to the Head of Human Resources on 17 February 2015.

The medical screening was scheduled on 3 March 2015, but PTPN IV Pulu Raja is not able to show the result of the medical test of the employees concerned.

Corrective Action:

Performing a periodic medical screening for the employees of Pulu Raja.

Observation on 20 May 2015

The company showed the result of health test for employees (chemical officers, Afdeling clerks and warehouse clerks) conducted by the Center of Occupational Health and Safety:

- Spirometry for 20 employees was conducted on 3 March 2015. The result showed that 19 employees are in normal condition and 1 experienced restriction and mild obstruction.
- Audiometry for employees was conducted on 3 March 2015. The result showed that 17 employees did not experience NIHL and 3 employees did.
- Cholinesterase was conducted on 3 March 2015. The result showed that all 20 employees are in normal condition.

Auditor Conclusion ;

Based on the information above **the non-conformance 2015.05 is Closed.**

4.6.12 Major

The results of interviews with management representatives of PTPN IV Pulu Raja and documents studies show that there are no female workers conducting chemical spraying. Results of field observations on chemical spraying activities in block 13-L and 13-M Afdeling II Pulu Raja Estate show that there are no female workers in chemical spraying activities

Status : Full Compliance

4.7

An occupational health and safety plan is documented, effectively communicated and implemented.

4.7.1 Major

OHS policy of PTPN IV Pulu Raja business units was authorized by the Top Management on 22 February 2012, which is the company's commitment in the implementation of OHS on the operational activities of the POM and Estate. OHS planning is documented in the manual of OHS Management System and OHS Procedures of PTPN IV.

4.7.2 Major

Procedures of OHS Risk Management (No. Doc 4.2.1, 1 May 2012) was approved by the Chairman of OHS Guiding Committee, which are a guide to identify and assess all sources of danger arising from the operations and the control efforts. All work activities, work personnel, work tools and workplace are identified and assessed on the possible risks using Ranking System table. Risk management is carried out according to the principles which are elimination, substitution, engineering, administration and PPE. Risk management is documented in OHS Risk Management Form (FM-4.2.1-01).

4.7.3 Major

Pulu Raja management unit has been able to provide evidence that all workers have been given a comprehension of safe working practices. This is evidenced through that every special operator has had an Operating License (SIO) such as lift & transport operators, boiler operators, welder.

Trainings are also provided to workers including training of work accident handling, control of emergency. There is Letter No. 05.15/Facs/25/II/2015 dated 21 January 2015 concerning the provision of PPE (OHS) and work boots in 2015. The letter explains the notice to all business units to make a purchase request of PPE in Mill, Engineering and Plants according to the number of existing employees.

4.7.4 Major

Guiding Committee of Occupational Safety and Health (P2K3) of PTPN IV Pulu Raja business unit is an organization that is responsible for the implementation of OHS on the operational activities of POM and Estate. Guiding Committee of OHS conduct a meeting every month to discuss OHS problems, for example, a meeting in January 2015 with the agenda of the commemoration of National OHS Month in 2015. In addition, Guiding Committee of OHS has reported the activities of guiding committee of OHS on a quarterly basis to Manpower Agency of Asahan.

4.7.5 Minor

Procedures of OHS Emergency Management (No. Dok 4.3.16, 1 May 2012) were approved by the Chairman of Guiding Committee of OHS, to provide guidance on the steps of handling emergencies quickly and accurately to reduce the impact of any losses. Management unit demonstrates records of emergencies response control training that was held on 25 June 2014 located on the soccer field in Afdeling III. Emergency response training is in the form of putting out the fire with a fire extinguisher and hydrant, controlling earthquakes and natural disasters, first emergency aids, riot control, handling splattered and spilled hazardous material.

4.7.6 Minor

Management unit demonstrate evidence of BPJS Employment payment in October-December 2014, which is equipped with a list of all employees in BPJS Employment membership related with accident insurance.

4.7.7 Minor

Procedures of OHS Accident Handling (No. Doc 4.3.15, 1 May 2012) were approved by the Chairman of Guiding Committee of OHS. The procedures describe handling, reporting and investigation of accidents/incidents. Reports are

written in Accident/Incident Investigation Report Form (FM-4.3.15-01). The information in the report includes identification of information, explanation, analysis of the causes, and corrective actions. Up to January 2015, there were no reports of occupational accidents that occurred in POM and Estate.

Status: Full Compliance

4.8

All staff, workers, smallholders and contractors are appropriately trained.

4.8.1 Major

Management unit shows the Decree of the Board of Directors PTPN IV No. 04.12/Kpts/52/V/2012 dated 29 May 2012 on the provision of education and internal training implementation. Trainings provided to employees are in the form of external trainings and internal trainings which are based on the analysis of training needs in accordance with the position and competence of personnel. For example Work Unit of Plant, external training is in the form of understanding the Quality Management System ISO 9001: 2008, pests and diseases and computer administration, whereas internal training in the form of harvesting training, chemist training, and understanding of Quality and OHS.

4.8.2 Minor

The results of internal and external training has been documented for each worker, for example, the administration workers in 15 February 2014 attended the internal training of incoming and outgoing mail management procedures in the Employees Hall of Pulu Raja business unit, POM workers (kernel operators, foremen, and sorting workers) on 12 July 2014 attended the Kernel Yield understanding training. While training for contractors eg CV Mitra Pratama Lestari contracting with the type of work the transport of FFB and fertilizers, training was conducted in June 2014 in the form of socialization related to job requirements and technical specifications eg FFB heap limit in the truck, the use of PPE, etc

Status: Full Compliance

PRINCIPLE #5 Environmental responsibility and conservation of natural resources and biodiversity

5.1

Aspects of plantation and mill management, including replanting, that have environmental impacts are identified, and plans to negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continuous improvement.

5.1.1 Major

PTPN IV Pulu Raja business unit has documents of environmental impact study in the form of Environmental Evaluation Study year 1994 and RKL/RPL year 2006 for study of an area of 4,636 ha and POM capacity of 30 tons/hour which has been approved by the relevant agencies.

5.1.2 Minor

PTPN IV Pulu Raja business unit has identified the company operation costs identification from planting to replanting activities.

Related to replanting activities that will take place soon, RKL/RPL documents currently has explained the impact that will arise from the replanting activities which is the increase in the rate of erosion, and the management measures and monitoring of the increase in erosion rate by measuring erosion rate in replanting areas/compost plant locations every 6 months.

5.1.3 Minor

Document review indicates that there is environment parameters that has not been observed and maintained by management unit, namely:

- The increase in the rate of soil erosion (compost plant location, location of replanting adjusted to slopes class)
- Surface water (Aek Nagaga river in the upstream before passing the compost plant location and POM, Aek Nagaga river in the downstream after passing compost plant and POM, Aek Nagaga river in the downstream after passing the location of LA, Asahan river in the upstream before passing the location of POM and compost plant)
- Wastewater (wastewater drain from anaerobic pond 2 before being drained into the compost plant location, the waste drain from the last pond before being drained into LA, leachate ponds in the area of composting)
- Community's Wells Water (wells water of Orika villagers with the closest distance in the north of the location of WWTP, wells water of Orika villagers with the closest distance in the south of location of the WWTP, wells water of Pulu Raja estate emplacement in the south of WWTP location, monitoring wells water in the north of

location of LA application, monitoring wells water in the east of LA location)

- Ambient air and odor (POM production process rooms, front yard of POM near the compost plant, backyard of POM, settlement of Orika villagers in the south of POM, settlement of Orika villagers in the north of compost plant, the location of LA application)
- Aquatic biota in the form of plankton, benthos and nekton (Aek Nagaga river in upstream before passing the compost plant and POM, Aek Nagaga river in downstream after passing through compost plant location, Aek Nagaga river in downstream after passing the location of LA, Asahan river in upstream before passing POM location)
- The use of public facilities (interviews with 20 people at the location of public facilities and infrastructure owned by the company such as sports fields, places of worship, schools, meeting places, estate roads)
- Social unrest (interviews with 20 people in Bangun village, Persatuan village, Tunggul 45 village, Orika village, Baru village and Manis village)
- Community's attitudes and perceptions (interviews with 20 people in Bangun village, Persatuan village, Tunggul 45 village, Orika village, Baru village and Manis village)
- Public health (interviews with 20 people in Bangun village, Persatuan village, Tunggul 45 village, Orika village, Baru village and Manis village)
- Disruption of oil palm estate land use (interviews with 20 farmers in Bangun village, Persatuan village, Tunggul 45 village, Orika village, Baru village and Manis village)
- Disruption of security and public order (interviews with 20 road users in Bangun village, Persatuan village, Tunggul 45 village, Orika village, Baru village and Manis village)
- Social Unrest (interviews with 20 farmers and road users in Bangun village, Persatuan village, Tunggul 45 village, Orika village, Baru village and Manis village)

This becomes Nonconformance 2015.06 with minor category.

5.1.3 Status: Non-conformance No. 2015.06 with Minor Category

5.2

The status of rare, threatened or endangered species and other High Conservation Value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and operations managed to best ensure that they are maintained and/or enhanced

5.2.1 Major

The status of existence of endangered species and the area with the conservation potential has been stated in Identification of High Conservation Value / HCV compiled by the Foundation of Sustainable Oil Palm in 2010. The study of HCV documents indicate there are 12 species of wildlife protected based on appendix II of CITES, e.g. Oriental magpie robin (*kacer* birds), white-breasted water hen (*ruak-ruak* bird), civets, and Asian leopard cat (*macan akar*). Areas identified as HCV are riparian of Asahan river and Nagaga covering 133.07 hectares and cemetery area in Lobu Jiur village covering 0.25 Ha, the total area of the conservation area is 133.07 Ha.



5.2.2 Major

The Company has identified HCV and based on the results of the identification there are protected species. Documents study show that the company has a management plan related to the management of High Conservation Value areas dated 11 February 2015, as demonstrated through, among others:

- River will be planted with hard crop trees that can reduce erosion
- Disposal of solid waste/domestic waste in improper place is prohibited
- Prohibition of poisoning rivers which can destroy existing habitats
- Maintaining the animal habitats by hunting prohibition
- Monitoring the activities of the existence of wildlife
- Maintaining the cleanliness of the cemetery area
- Improving the layout of graves according to the aesthetics

The management unit has also implemented the management of conservation area/protected animals which is compiled in HCV management plan in 2015. Implementation performed by management unit includes the installation of warning board/protected species poster such as in Afdeling II block 98B

5.2.3 Minor

Documents studies show that the company has had posters, warning signs regarding the protected species to employees and the public and the handling information.

Unit management showed evidence of dissemination regarding the protected species to the public and workers dated 12 December 2014 which was attended by 28 participants.

5.2.4 Minor

The Company has had a special officer related to the management of HCV in the company structure of PTPN IV by decree of unit manager of PTPN IV Pulu Raja business unit number. PUR/Kpts/IX/2012 which was established on 17 September 2012. There is evidence that the two officers has attended the training of identification, management and monitoring of High Conservation Value on 12-14 September 2010.

The review of documents and interviews shows that management unit has not been able to demonstrate the realization of monitoring of riparian and protected wildlife. **Non-conformance 2015.07 arisen with minor category.**

Root of the Problem:

Company has not conducted regular monitoring the condition of riparian management and existing in plantation area

Corrective Action:

- Monitoring the condition of riparian area management and wildlife in plantation area.
- Company demonstrated the monitoring of the planting of bamboos and trees in, for example, Afdeling 1 in the period of January-February 2015. During the period of January 2015, there were 55 clumps of bamboos alive out of 75 planted. The company also demonstrated the monitoring of wildlife existing in plantation area. For example, in February 2015 there were 21 kinds of birds found as well as 6 kinds of fish and 8 kinds of mammals and 12 kinds of reptiles.

Preventive Action:

Monitoring the condition of riparian management and wildlife regularly.

Auditor Conclusion:

Based on the information above the **non-conformance 2015.07** is closed and will become observation material for auditor team during the next assessment visits

5.2.5 Minor

There is no area defined as HCV which is local community rights. This is also evidenced by the results of interviews with surrounding villagers (Orika Village) which explain that almost all people in Pulu Raja plantation are immigrants and plantation has been built since 1920.

Status : Full Compliance

5.3

Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.

5.3.1 Major

The management unit has identified sources of waste for operational activities of POM and estates as well as waste disposal and waste reduction plan to reduce pollution generated e.g. the management of domestic waste managed without burning, liquid waste management by the installation of wastewater treatment plant, and management of boiler chimney emissions boiler by the installation of dust collector. The whole hazardous waste including agrochemical packaging is managed by storing it in hazardous waste landfill which has official license which will then be transported by the hazardous waste collection contractor in accordance with the recommendations of environment ministry, which is PT. Primanru Jaya.

5.3.2 Major

Agrochemical and hazardous waste management plans are contained in SOP of disposal of hazardous waste, chemical agrochemical containers and equipment washing used water with document number 02.02 on 1 August 2012. This SOP explains that the whole hazardous waste such as used oil, used batteries, used lamp, and the used agrochemical packaging are stored in licensed hazardous waste warehouse in Pulu Raja POM. Hazardous waste landfill license number 660.1/0972/LH/2014 dated 24 November 2014 which is valid for 5 years states that coordinates of hazardous waste landfill are N 02°42'04,6" and E 099°37'24,5", hazardous waste retention time is 90 days and the company is

obliged to report hazardous management activities every 3 months.

Field observations in Pulu Raja POM hazardous waste landfill show that up to the period of January 2015 in Pulu Raja POM hazardous waste landfill, there is 15 liters of used oil stored (the incoming date to landfill was 6 January 2015). The last hazardous waste transportation activities are carried out by the contractor of PT. Primanru Jaya conducted dated 29 December 2014 with details e.g. manifest number BC 0010546 with details of 560 liters of used oil. There is no hazardous waste stored exceeding the permitted retention time.

Field visits show that:

- Used pesticide packaging are still not recorded and stored in an officially licensed hazardous waste
- Field observations in the central warehouse of Pulu Raja POM show that there are agrochemical packaging stored at improper place
- Field observations in Afdeling II show that the management of used agrochemicals packaging (by disposing and dumping in the trash can) is not in accordance with the applicable provisions

Based on the information it becomes **Nonconformance 2015.08**

Root of the Problem:

- 1) The management of agrochemical packaging still does not meet the applicable regulation. It must have a license
- 2) Officers in the field do not understand the procedures for the management of agrochemical packaging waste in Afdeling II.

Corrective Action:

Storing and registering all hazardous waste including agrochemical packaging in a licensed hazardous waste temporary warehouse.

Preventive Action:

Monitoring and registering all agrochemical packaging stored at the estate and mill.

Observation on 20 May 2015.

Company has been able to show evidence of improvement due to hazardous waste management, such as:

- 1) Recording evidence of used agrochemical packaging in Hazardous Waste Temporary Warehouse of POM Pulu Raja, for example in Hazardous Waste Logbook for incoming waste on 6 August 2015 in the form of used jerry cans of chemicals with retention time up to 6 August 2015.
- 2) Delivery evidence of hazardous waste in the form of covering letter on 6 February 2015 regarding used packaging of chemicals at the central warehouse of POM Pulu Raja which were delivered to Hazardous Waste Temporary Warehouse of POM Pulu Raja as many as 476 pieces. There is also evidence of cooperative agreement between PTPN IV and CV Amindy Barokah as a licensed hazardous waste collector. The waste was transported on 13 May 2015.
- 3) There is a procedure of hazardous waste management No. Doc. 02 on 2 January 2015 stating that all agrochemical used packaging is stored in Hazardous Waste Temporary Warehouse. There is evidence of dissemination to employees in the form of photographs related to agrochemical packaging management.

Based on information above **the non-conformance 2015.08 is Closed.**

5.3.3 Minor

The Company has plans for management of waste and pollution for POM and estates, for example:

- Used generator oil is stored in hazardous waste warehouses
- For domestic waste, the company conducts socialization on domestic waste handling and separation of organic and inorganic waste

However, during the assessment, team of auditors conducted observations on estate operational activities in AFD II housing which shows that there are still domestic waste burning residues at the back of the housing. Based on the results of observations, the team of auditors arisen nonconformance 2015.09 with minor category

Minor 5.3.3	Status: Non-compliance with Category Minor 2015.09	
------------------------	---	--

5.4

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

5.4.1 Minor

Pulu Raja management unit already has implementations of the increased efficiency of fossil fuel use and optimizes the use of shell/fiber to reduce the use of fossil fuels. The management regularly monitors the use of fossil fuels for

operational purposes, monitoring electricity usage, and monitoring the use of shells and fiber for the purposes of the boiler.

During the period of November 2014 - January 2015 Pulu Raja POM shows the trend of improving the efficiency of the use of diesel fuel with the average value of the use of diesel fuel/ton CPO at 5.57 l/ton CPO, while the efficiency of the use of shell, fiber, and electricity are respectively at 4,090.37 MJ/ton CPO, 5,644.63 MJ/ton CPO, and 60.83 KWH/ton CPO.

Status: Full Compliance

5.5

Use of fire for waste disposal and for preparing land for replanting is avoided except in specific situations, as identified in the ASEAN guidelines or other regional best practice.

5.5.1 Major

In 2013 and 2014 there were replanting activities in PTPN IV Pulu Raja business unit. The management unit has implemented zero burning policy in accordance with the established procedures (No. Doc 02.0, 1 August 2007) regarding the method of replanting done by the company, which are land clearing method, zero burning method, and under planting method.

5.5.2 Minor

The management unit is able to demonstrate the records of implementation of zero burning through Work Order (SPMK) of CV Kencana Brothers (Letter No. 04.04/SPMK/14/VII/2014, 16 July 2014) for oil palm planting work covering 46 ha in Afdeling V of Pulu Raja business unit in 2014. This SPMK describes technical terms of execution of the work, among others, cutting down the stems, Tearing down *hole* ex toppled palm, plowing 1 and plowing 2, making trenches, and planting beans.

Status: Full Compliance

5.6

Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.

5.6.1 Major

The management unit has commitments related to plans and measures of implementations to reduce pollution and emissions sources including sources of greenhouse gas emissions from plantation operations. Estates and Pulu Raja POM has identification of sources of pollution and emissions for estates and POM, e.g. manuring activities that produce N₂O emissions, as well as FFB transportation activities resulting in emissions of SO₂ and NO₂.

5.6.2 Major

One of the actions that have been taken by the management to reduce the impact of pollution is the substitution of diesel by using shells and fiber. In addition, the management unit also performs wastewater treatment in WWTP ponds first so that the waste water applied to the land have met quality standards. The test results of wastewater for period of December 2014 show that all test parameters are still below the specified quality standards, e.g. BOD of 296 mg/l and pH of 7.7

Emissions and ambient air around the estate and mill have been routinely monitored every six months and the test results of semester 2 of 2014 show there are no test parameters of emissions and ambient air which exceed the quality standards, e.g. the opacity for boilers at 5 mg/m³ (below quality standard), noise in the process chamber at 83.9 dB (below quality standard), NO₂ in the process chamber at 46.14 ug/Nm³ (below quality standard).

5.6.3 Minor

The management unit also monitors greenhouse gas emissions from Pulu Raja POM based on Palm GHG, e.g. emissions from manuring of 896 t CO₂e, emissions from POME of 15526 t CO₂e, and emissions from FFB transportation of 21960 t CO₂e

Status: Full Compliance

PRINCIPLE #6 Responsible consideration of employees and of individuals and communities affected by growers and mills

6.1

Aspects of plantation and mill management, including replanting, that have social impacts are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate the continuous improvement.

6.1.1 Major

Management Unit has compiled a document of Social Impact Analysis Report in cooperation with PT Surveyor Indonesia, Indonesia Sustainable Oil Palm Foundation in 2009. This document describes positive and negative impacts as a result of plantations operational activities and social impact management recommendations by the company. The social impact management recommendations from social impact analysis reports are:

- Creating a planned and aimed community development program according to the needs of local communities
- Creating open and transparent mechanisms
- Improving infrastructure such as roads and bridges and other facilities
- Mapping stakeholders of PTPN IV comprehensively
- Creating a special division in charge of building a harmonious relationship

6.1.2 Major

There are records of community involvement in the implementation of the Social Impact Identification Study, records in the form of Questionnaire of the Social Impact Assessment implementation and the list of stakeholder aspirations and its follow-up dated 19 October 2010. Social Impact Assessment has been carried out with the participation of 14 (fourteen) villages surrounding company, among others: Kampung Manis, Pulau Rakyat, Kampung Baru, Kampung Lobu Jibur, Kampung Dulang Nauli, Kampung Bambu, Kampung Tunggul 45, Kampung OFA Padang Mahondang, Kampung Desa VI and VII, Kampung Persatuan, Kampung Bangun, Kampung Padang Mahondang, Kampung Ade Kuasan, Kampung Desa Orika.

The Social Impact Assessment have been prepared in a participatory manner through consultation/communication with stakeholders of 14 villages and other communities that are affected. Methods of Social Impact Assessment: (1) guideline interviews and interviews; (2) Focus Group Discussion (FGD) targeted to villagers around Pulu Raja Estate, several partners, the estate workers and security staff from the military; (3) the observation of the daily life of people around the estate and the interactions with the company.

6.1.3 Major

PTPN IV Pulu Raja business unit has implemented the recommendations of social impact management, for example, there is Minutes of Aid Consultation of Social and Environment Responsibility of PTPN IV Pulu Raja Business Unit with Government of Pulau Rakyat Subdistrict carried out on 15 September 2014. The results of these consultations are as follows:

- Procurement of Construction of Neighborhood health center (*Posyandu*) huts in 8 (eight) villages around Pulu Raja Estate.
- Assistance of roads hardening in 6 (six) villages around Pulu Raja Estate.
- Assistance of tree seedlings in 3 (three) villages around Pulu Raja Estate.
- Assistance of computer and sofa chairs at the district office and two (2) villages around Pulu Raja Estate.
- Related to Minutes of Aid Consultation of Social and Environment Responsibility of PTPN IV Pulu Raja Business Unit with Government of Pulau Rakyat Subdistrict, Head Office of PTPN IV approved Partnership Program and Community Development (PKBL) in 2015 in the form of procurement of Construction of Neighborhood health center (*Posyandu*) huts in 8 (eight) villages around Pulu Raja Estate.

6.1.4 Minor

Social Impact Assessment activities were conducted by Pulu Raja business unit on 15 September 2014 and the change will be reviewed in 2016.

6.1.5 Minor

The interviews with Management Unit and documents study show that there is no sharecropper scheme (scheme smallholders, PIR / TRNAS, KKPA, partnerships).

Status: Full Compliance

6.2

There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.

6.2.1 Major

Communication and consultation procedures with the community are regulated in SOP of communication and consultation with the public with the document number 03.02 on 1 August 2012. This SOP describes that:

- The recording and process of Communication and consultation with communities in the estate and mill unit are directly managed by assistant of HR and General Section.
- The recording and process of Communication and consultation with communities in business units group are directly managed by assistant of HR and General Section representing business unit group manager.
- The recording and process of Communication and consultation with communities in head office are directly managed by head office's Public Relation Section

6.2.2 Minor

Management Unit has had the officer responsible for consulting and communicating with the parties, namely on behalf of Junaidi Abdillah, SH, with the position of HR and General Assistant of Pulu Raja Estate, based on the Decree of Directors of PTPN IV No. 04.15/Kpts/R/48/VIII/2014 dated 29 August 2014.

Duties or Responsibilities of Human Resources and General Assistant are as follows:

- To assist and to provide advice/ideas to unit manager in carrying out management functions in the field of human resource.
- To develop and to evaluate policies in the field of human resources.
- To develop activities programs and budget requirements of human resources section.
- To develop development / coaching programs and to implement employees assessment in HR section.
- To implement environmental management in the workplace according to procedures established by referring to the SOP requirements.

6.2.3 Minor

Management unit has a list of stakeholders namely employees, government, banks, educational institutions, media/journalist, Society, and the Institution/Agency/Organization. There is socialization in conducting communication and consultation with relevant stakeholders which is recorded and stored properly.

Status: Full Compliance

6.3

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

6.3.1 Major

The management unit shows the procedures (No. Doc 07.02, 1 August 2012) regarding customer and environment complaint handling policy. Based on the SOP, complaint handling mechanisms can be divided into three types:

- Any complaints from customers and the environment are recorded in written form and addressed to the managing director equipped with accurate data and delivered through the company secretary of Medan head office.
- Units that received complaints from customer and environmental are allowed receiving customer complaints as stipulated in ISO procedure.
- Handling of complaints from customers and the environment must be responded or resolved accurately and quickly and become the evaluation in the future to prevent from happening repeatedly.

The Code of Conduct documents of PTPN IV in 2013 in Chapter VII Obedience and Violations of the Code of Conduct, explains that the Board of Commissioners or Board of Directors or the Chairman or HR Section receiving the violation report shall protect the confidentiality of the complainant to anticipate unwanted matters happened to the complainant.

6.3.2 Major

The company has the handling monitoring of complaints and dissatisfaction through suggestion boxes located at the office of the estate. The interviews with management show that in 2014 there is not any complaint from the community around the company or from the employees.

The company conducts suggestion box monitoring every month. The reports of monitoring results of Suggestion Box in

period of September 2014 -January 2015 shows that there are not any complaints from the community around the company or from the employees.

Status: Full Compliance

6.4

Any negotiations concerning compensation for loss of legal or customary 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.

Management Unit shows conflict resolution mechanisms accepted by the parties which are contained in the SOP document of handling soil/land conflicts No. SPO 04.0 No. revision 00, effective date of 1 April 2010. The SOP explains there are two ways of process of conflict resolution, which are by win-win solution or if it does not obtain a deal, a lawsuit to court can be done.

The results of interviews with management representatives of PTPN-IV Pulu Raja Business Unit show that there are no traditional rights or indigenous rights in the company's operational area. This will be further verified on the next surveillance (stage-02) with a public consultation with the agencies and communities around the plantation.

According to the result of interview with the management representative of PTPN-IV of Pulu Raja business unit and the National Land Agency, there is no customary nor traditional right within the company operational area. It is supported by the information from the chief of village

Status: Full Compliance

6.5

Pay and conditions for employees and for employees of contractors always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.

6.5.1 Major

The management unit shows Letter No. 04.15/SE/12/IV/2014 dated 23 April 2014 concerning Provisions of Employee Salary and Special Allowance of 2014, Reference Decree of Dir. PTPN IV No: 04.15/Kpts/25/IV/2014, dated 23 April 2014. The provision of the basic salary refers to North Sumatera Governor Decree No. 188.44/811/KPTS/2013 dated 1 November 2013 concerning the Minimum Wages of North Sumatera province in 2014. Observations results on wage records and interviews with workers show that the management unit has paid the workers' wages in accordance with the Decree established.

6.5.2 Major

Collective Labor Agreement (CLA) of PTPN IV in 2014 - 2015. The collective labor agreement has been registered to the North Sumatera Provincial Manpower and Transmigration Office (Registration No.: 04/DFT/PKB/6/SU/III/2014) and was approved by Decree of Head of Manpower and Transmigration Office No. 96-6/DDTK-TR/2014 on Registration of Collective Labor Agreement on 4 March 2014. The CLA has been in accordance with applicable employment legislation. The Collective Labor Agreement document describes the matters in explanation that can be understood by the workers, as follows:

- Chapter I: Terms
- Chapter II: Parties Holding CLA
- Chapter III: General
- Chapter IV: Work Relation
- Chapter V: Weekdays and Hours
- Chapter VI: Exemption From Liability of Work
- Chapter VII: Groups of Wages, Allowances and Unit
- Chapter VIII: Health Care And Treatment
- Chapter IX: Occupational Safety and Health (OHS) and the equipment.
- Chapter X: Social Security and Welfare of Workers
- Chapter XI: Coaching Expertise And Skills And Education Support
- Chapter XII: Rules of Work
- Chapter XIII: Resolution of Industrial Dispute
- Chapter XIV: Work Termination / Dismissal
- Chapter XV: Validity Period of CLA
- Chapter XVI: Miscellaneous Provisions
- Chapter XVII: Final Provisions

According to the result of interview with the management representative of PTPN-IV of Pulu Raja business unit and the National Land Agency, there is no customary nor traditional right within the company operational area. It is supported by the information from the chief of village.

6.5.3 Minor

Observation results of Afdeling IV employees housing, the management unit has provided housing, water supply from wells, health facilities in the form of Estate Polyclinic (*Polibun*), education starting from kindergarten to junior high school, as well as other public facilities such as sports facilities, places of worship, daycare, and employees hall.

6.5.4 Minor

PTPN IV Pulu Raja business unit is located in Orika Village, Pulau Rakyat Subdistrict which is located in a neighbourhood near the city centre, so that workers have easy access to get decent and adequate food in affordable price



Status: Full Compliance

6.6

The employer respects the right 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.

6.6.1 Major

The company policy that gives workers the freedom of association is contained in PKB of 2014-2015 Article 5, which states that directors will not interfere with or hinder anything related to the development of the organization, as long as these developments do not conflict with applicable employment legislation.

PT Perkebunan Nusantara IV has the estate labour union (SP-BUN). It has been registered on the North Sumatera Manpower Agency in decree No. 96-6/DDTK-TR/2014 dated March 4th 2014. According to the result of interview with the labour union, the company has given the opportunity for the workers to join or form the labour union.

6.6.2 Minor

Company have labor union (SP-BUN) registered on North Sumatra Labor Agency based on decree No 96-6/DDTKTR/2014 dated 4 March 2014. There are records of meeting held on 2 June 2014 in the meeting room of Plantation Workers Union office with an agenda of work plan of Pulu Raja Plantation Workers Union. On 31 August 2014 at Nagori Pematang Asilum, Simalungun District, a meeting was held which was attended by 25 people, with the agenda of the joint statement: Refusing holding company in PTPN IV, refusing healthcare provided by In health, the implementation of health services must be done by PTPN IV itself.

Status: Full Compliance

6.7

Children are not employed or exploited.

6.7.1 Major

The Company has had commitments related to transparency and confidentiality of information, environment, and policies related to child labor, work opportunity, retention time of documents, sexual harassment, land fires, hazardous waste management and others which are contained in the policies and SPO documents. Based on the employees document study of PTPN IV Pulu Raja in January 2015, there are no employees under 18 (eighteen) years old.

The Company has demonstrated evidence of company's policy documentation related to the child labor policy in documents, among others:

1. The process of labor recruitment where it has been mentioned that the minimum age of employment which is eligible for employment is 18 years.
2. There are prohibitions to employ under aged children in every Work Order (SPK) with the third parties.
3. SOP with document number 03.02 dated 1 August 2012 regarding child labor policy which states that the minimum age to be allowed to work in the company is at least 18 years old and it is in accordance with the labor statute No. 13 year 2003.
4. The employment data in October 2014 which shows that there are no employees under 18 years old.

Based on the employees document study of PTPN IV Pulu Raja in January 2015, there are no employees under 18 (eighteen) years old.

The results of field observations and interviews also show that there are no employees under 18 years old at the time of the audit.

Status: Full Compliance

6.8

Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.

6.8.1 Major

Company policies on equal opportunity and treatment in employment are contained in SOP No. 04.02 on policies of work equation which state that PT PTPN IV provides equal chance and opportunity as much as possible without discrimination for all employees to perform their jobs in order to achieve the company's vision and mission. According to the result of interview with the labour union and the workers, there is no discrimination within PTPN IV of Pulu Raja area.

6.8.2 and 6.8.3 Major Minor

Based on the documents study, the company has documented the implementation of equal employment opportunities, among others:

1. The process of labor recruitment where it has been mentioned that the employment does not discriminate people based on ethnicity, religion and race.
2. Data summary of the labor force in 2015 which shows that there are employees who come from a variety of ethnicity, religions, race and gender. For example, from labor force data summary in October 2014, there were 890 employees, consisting of 658 people from Javanese, 107 from Batak Toba, 49 from Batak Simalungun, 46 from Mandailing, 19 from Batak Karo, 4 from Batak Pakpak, 1 from Batak Angkola, 2 from Malays, 1 from Minangkabau, 1 from Aceh, 1 from Banjar and 1 from Banten.

The interviews with workers show that there is no discrimination caused by SARA (ethnicity, religion and race) or caused by other things in the environment of PTPN IV Pulu Raja.

Status: Full Compliance

6.9

There is no harassment or abuse in the work place, and reproductive rights are protected.

6.9.1 Major

The company's policies on the prevention of sexual harassment and violence are contained in SOP with document number 06.02 dated 1 August 2012, regarding sexual harassment policy which states that PT PTPN IV is responsible for preventing sexual harassment in the workplace and taking corrective action to prevent sexual harassment related to jobs.

This policies has been socialized and communicated well by the company through the morning muster every day to all employees. The interviews during the audit show that workers understand and know the policies well.

6.9.2 Major

The company's policies on protection of reproductive rights are contained in CLA between the company and SP Plantation PTPN IV in 2014-2015 in article 26 and article 27, which stated:

- Menstruation leave for female employees as many as 2 days (on the first day and the second day)
- Maternity leave for one and a half months before giving birth according to doctors/midwives medical letter and one and a half months after giving birth.

PTPN IV Company conducts monitoring of sexual harassment treatment. There are reports of monitoring of sexual harassment treatment in 2014 and in January 2015, which explain that company does not hire or employ pregnant or lactating women, does not hire/employ workers/children under 18 years old, does not conduct violence and sexual harassment to all employees/workers, creates conducive working environment.

6.9.3 Minor

One of complaint handling mechanisms is arranged in procedures of company communication and consultation in RSPO policy document released on 1 April 2010 by the Managing Director. The procedure is as follows:

1. The recording and process of communication and consultation with communities in the estate unit are managed by Assistant of Human Resources and General Section representing the manager to communicate/relate with the regional executive conference (Muspida), District Military Command (Koramil), police, religious leaders, traditional leaders as well as the surrounding community. All the results of communication occurred must be delivered to the

manager to be acknowledged and processed to be followed in maintaining the company image. Furthermore, if it is important to be acknowledged by the top management, the manager can directly communicate to Business Unit Group (GUU) manager and together inform the top management.

2. The recording and process of communication and consultation with communities in the Group Business Unit (GUU) are managed by Assistant of Human Resources and General Section representing the manager to communicate/relate with the regional executive conference (Muspida), District Military Command (Koramil), police, religious leaders, traditional leaders as well as the surrounding community. All the results of communication occurred must be delivered to the manager to be acknowledged and processed to be followed in maintaining the company image. Furthermore, if it is important to be acknowledged by the top management, the manager can directly communicate to Business Unit Group (GUU) manager and together inform the top management.

The recording and process of communication and consultation with communities in the Head Office are managed by Assistant of Human Resources and General Section representing the manager to communicate/relate with the regional executive conference (Muspida), District Military Command (Koramil), police, religious leaders, traditional leaders as well as the surrounding community. All the results of communication occurred must be delivered to the manager to be acknowledged and processed to be followed in maintaining the company image. Furthermore, if it is important to be acknowledged by the top management, the manager can directly communicate to Business Unit Group (GUU) manager and together inform the top management.

Status: Full Compliance	
--------------------------------	--

6.10

Growers and mills deal fairly and transparently with smallholders and other local businesses.

6.10.1 Minor

FFB prices prevailing in Pulu Raja Mill Unit has been demonstrated well in document of "The 3rd party FFB Purchase Price and Volume" is published every day. Pricing is determined by the Manager of Palm Oil Mill of PTPN IV Pulu Raja mills Unit and include:

- The Prices of Crude Palm Oil (CPO) and Palm Kernel (Kernel)
- The Prices of Crude Palm Oil (CPO) and Palm Kernel (Kernel) after being deducted by freight
- The yield of palm oil %
- The yield of palm kernel %

Management Unit has a document, namely Regulations of Directors of PT. PTPN IV (Persero) No.

6.10.2 Major

04.01/PER/13.1/IV/2014 dated 30 April 2014 on Guidelines of Purchases of oil palm fresh fruit bunches (FFB) of PT. PTPN IV (Persero). The regulations (Chapter V. The formulation of Prices and Payment Procedures), Part One Article 15 Formulation of Prices, describes the calculation of FFB purchase price, CPO and Palm Kernel prices according to the price submitted by Marketing Department (exclusive 10% VAT).

The results of field observations during the assessment stage-02 show that the FFB purchase price has been informed at the weighing location of the Pulu Raja POM.

6.10.3 Minor

The document observations show that the work agreement between the company and contractor is fair, legal, and transparent and agreed (signed) by both parties. The interviews with FFB transportation contractors (CV Pratama Mitra Lestari) also show that the work agreement between the company and contractors is fair, legal, and transparent and paid timely.

There is evidence of payments made by PTPN IV Unit of Pulu Raja has been done timely which are equipped with documents in the form of contract work calculations, the Minutes of Contract Work Handover, Payment Summary of Contract Work, Payment Request Letter, Receipt of payments that have been received by the contractor and signed, and evidence of Bank Cash Expenditure.

6.10.4 Minor

The interviews with FFB transportation contractors (CV Pratama Mitra Lestari) show that the work agreement between the company and contractors has been paid timely.

Status: Full Compliance	
--------------------------------	--

6.11

Growers and millers contribute to local sustainable development wherever appropriate.

6.11.1 Minor

PTPN IV Pulu Raja business unit has implemented the recommendations of social impact management, among others, the availability of the Minutes of Aid Consultation of Social and Environment Responsibility of PTPN IV Pulu Raja Business Unit with Government of Pulau Rakyat Subdistrict dated 15 September 2014. The results of these consultations are as follows:

- Procurement of Construction of Neighborhood health center (*Posyandu*) huts in 8 (eight) villages around Pulu Raja Estate.
- Assistance of roads hardening in 6 (six) villages around Pulu Raja Estate.
- Assistance of tree seedlings in 3 (three) villages around Pulu Raja Estate.
- Assistance of computer and sofa chairs at the district office and two (2) villages around Pulu Raja Estate.

Related to Minutes of Aid Consultation of Social and Environment Responsibility of PTPN IV Pulu Raja Business Unit with Government of Pulau Rakyat Subdistrict, Head Office of PTPN IV approved Partnership Program and Community Development (PKBL) in 2015 in the form of procurement of Construction of Neighborhood health center (*Posyandu*) huts in 8 (eight) villages around Pulu Raja Estate, for example Persatuan Village.

6.11.2 Minor

The interviews with Management Unit and Document study show that there is no sharecropper scheme (scheme smallholders, PIR / TRNAS, KKPA, partnerships).

Status: Full Compliance

6.12

No forms of forced or trafficked labour are used.

The interviews with Management Unit and document study show that there is no use of illegally traded labor (trafficked) or labour who are forced in any form. All employees work through an agreement known and signed by both parties.

Status: Full Compliance

6.13

Growers and millers respect human rights

The management unit has not been able to demonstrate policy to respect the human rights that are communicated to all levels of employees and operations. **Nonconformance No. 2015.10**

Root of the Problem:

The company has not made circular letter on the treatment to respect the human rights among fellow workers at the unit from the highest level to the lowest level.

Corrective Action:

- Company will make circular letters to be distributed to all sections regarding the policy of the treatment to respect the human right.
- Company showed circular No. PUR/SE/10/III/2015 dated on 2 March 2015 from the unit manager of Pulu Raja. The letter contained the guidelines of human right equality, for example, the right to self-development, right to live, right to justice, and right to welfare. The company also demonstrated the policy dissemination on 2 March 2015 attended by 28 employees (attendance list available).

Preventive Action:

Circular on the treatment to respect human right of fellow workers at the unit has been made.

Auditor Conclusion:

Based on the information above **the non-conformance 2015.10 is Closed.**

Status: Full Compliance

PRINCIPLE #7 Responsible development of new plantings

7.1

A comprehensive and participatory independent social and environmental assessment is undertaken prior to establishing new plantings or operations, or expanding existing ones, and the results incorporated into planning, management and operations.

PTPN IV Pulu Raja Business Unit has been operated since 1920, and to date estate operations have carried out replanting of the 4th generation and there is no new development.

	Status: Full Compliance	
7.2	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.	
	PTPN IV Pulu Raja Business Unit has been operated since 1920, and to date estate operations have carried out replanting of the 4th generation and there is no new development.	
	Status: Full Compliance	
7.3	New plantings since November 2005, have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.	
	PTPN IV Pulu Raja Business Unit has been operated since 1920, and to date estate operations have carried out replanting of the 4th generation and there is no new development.	
	Status: Full Compliance	
7.4	Extensive planting on steep terrain, and/or on marginal and fragile soils, is avoided.	
	PTPN IV Pulu Raja Business Unit has been operated since 1920, and to date estate operations have carried out replanting of the 4th generation and there is no new development.	
	Status: Full Compliance	
7.5	No new plantings are established on local peoples' land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.	
	PTPN IV Pulu Raja Business Unit has been operated since 1920, and to date estate operations have carried out replanting of the 4th generation and there is no new development.	
	Status: Full Compliance	
7.6	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 free, prior and informed consent and negotiated agreements.	
	PTPN IV Pulu Raja Business Unit has been operated since 1920, and to date estate operations have carried out replanting of the 4th generation and there is no new development.	
	Status: Full Compliance	
7.7	Use of fire in the preparation of new plantings is avoided other than in specific situations, as identified in the ASEAN guidelines or other regional best practice.	
	PTPN IV Pulu Raja Business Unit has been operated since 1920, and to date estate operations have carried out replanting of the 4th generation and there is no new development.	
	Status: Full Compliance	
7.8	New plantation developments are designed to minimise net greenhouse gas emissions.	
	PTPN IV Pulu Raja Business Unit has been operated since 1920, and to date estate operations have carried out replanting of the 4th generation and there is no new development.	
	Status: Full Compliance	
PRINCIPLE #8 Commitment to continuous improvement in key areas of activity		
8.1	Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.	
	The management unit of PTPN IV Pulu Raja has conducted a lot of improvement follow-ups in various fields such as:	
	➤ Sustainable Business Improvements on Pesticides Reduction Aspects such as the plan of <i>Paraquat</i> use in 2015 is 632 liters, there is a reduction of 400 liters compared to the use in 2014. In controlling " <i>Oryctes</i> " beetle attacks,	

with minimizing chemical use, which is by using *Feromone* and fish nets wrapped around the stem of plants so that the beetles are caught and picked by workers

- Sustainable Business Improvements on **Waste Reduction Aspects** such as reducing waste generated by the mill operations, the management unit utilizes wastewater for manuring and empty fruit bunch through composting activities.
- Sustainable Business Improvements on **GHG emissions aspects** such as the management unit conducts dissemination to villagers around the plantation and workers for not doing any burning activities on of domestic waste/garbage generated. It is also supported by the "sign boards" that are placed on the area of estates and employees housing.
- Sustainable Business Improvements on **Social Aspects** such as road improvements of the village around the company (Persatuan village), School building renovation, Providing Scholarships of Community Development program at schools around the plantation.

	Status: Full Compliance	
--	--------------------------------	--

3.2. Summary of Assessment Report of Supply Chain Requirement

Clause	(Module E) CPO Mills - Mass Balance Requirements
E.1	Definition
E.1.1	<p>Certification for CPO mills is necessary to verify the volumes of certified and uncertified FFB entering the mill and volume sales of RSPO certified producers. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. In that scenario, the mill can claim only the volume of oil palm products produced from processing of the certified FFB as MB.</p> <p>PTPN-IV Pulu Raja Mill currently receives FFB from smallholder estates of as much as 40% of the total FFB processed and also receives FFB from third parties (suppliers and contractors) as much as 60% of the total FFB processed. Based on the data obtained, Pulu Raja POM implements Mass Balance supply chain system.</p> <p>SOP Supply Chain of PTPN-IV-04-01 Pulu Raja Business Unit No.MR-04-01 applicable since 17 November 2014, which was made by Processing Assistant, acknowledged by the Head of Plant and Processing Department, approved by the Business Unit Manager.</p> <p>The procedures describe the following eg FFB Receipt: The vehicles delivering FFB into Pulu Raja POM are checked first, if there is CSPO certification label then CSPO stamp is given to Fruit Delivery Note (SPB) (certified FFB). On the other hand, if the vehicles deliver FFB into Pulu Raja POM without CSPO label then CSPO stamp is not given to Fruit Delivery Note (SPB) (non-certified FFB).</p>
	Status: Full Compliance
E.2	Explanation
E.2.1	<p>The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the CB in the public summary of the P&C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced should then be recorded in each subsequent annual surveillance report.</p> <p>Tonnages production of certified CPO and Kernel will be verified at the annual monitoring (ASA-01) and after Pulu Raja POM is certified.</p>
	Status: Full Compliance
E.2.2	<p>The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).</p> <p>Pulu Raja POM has not registered to RSPO supply chain IT platform.</p> <p>Nonconformance 2015.11</p>
	Status: Nonconformance No. 2015.11
E.3	Documented procedures
E.3.1	<p>The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:</p> <ol style="list-style-type: none"> Complete and up to date procedures covering the implementation of all the elements in these requirements; The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site procedures for the implementation of this standard. <p>There are procedures of SOP Supply Chain of PTPN-IV-04-01 Pulu Raja Business Unit No.MR-04-01 applicable since 17 November 2014, which was made by Processing Assistant, acknowledged by the Head of Plant and Processing Department, approved by the Business Unit Manager.</p>

The procedures describe the following:

- 1) Definitions
- 2) Procedures

- FFB Receipt
 - The vehicles delivering FFB into Pulu Raja POM are checked first, if there is CSPO certification label then CSPO stamp is given to Fruit Delivery Note (SPB) (certified FFB). On the other hand, if the vehicles deliver FFB into Pulu Raja POM without CSPO label then CSPO stamp is not given to Fruit Delivery Note (SPB) (non-certified FFB).
 - Certified and non-certified FFBs are taken to the loading ramp to be sorted
 - After being sorted then FFBs are ready to be processed
- Processing:
 - Certified and non-certified FFBs are processed together (mixed)
 - Palm kernel production from certified and non-certified FFBs is stored in the same warehouse (not separated)
 - Oil production (CPO) from certified and non-certified FFBs is stored in the same storage tank (not separated)
- Delivery:
 - After the unit receives DO (delivery order), then CPO and Palm Kernel are ready to be sent in accordance with the contents of the delivery order
 - Production of certified and non-certified CPO which has been mixed is transported by tank trucks with CSPO Mass Balance label
 - Production of certified and non-certified Palm Kernel which has been mixed is transported by trucks with CSPO Mass Balance label
- Documentation and delivery:
 - Verified Fruit Delivery Notes of FFB, CPO, and palm kernel are recapitulated

Status: Full Compliance

E.3.2

The site shall have documented procedures for receiving and processing certified and non-certified FFBs.

Pulu Raja POM has been able to demonstrate the mechanism of separation of certified and non-certified products in the records model made starting from incoming FFB until processed FFB in the documents of **Production Monthly Report of Incoming & Processed FFB** which describe recording mechanism of the separation of certified and non-certified products, such as incoming FFB data, processed FFB data, CPO and Kernel production data, CPO and kernel extraction data.

Interviews with Mill Manager (Head of Processing) indicate that the recording mechanism of certified and non-certified FFB can be explained well.

Status: Full Compliance

E.4

Purchasing and goods in

E.4.1

The site shall verify and document the volumes of certified and non-certified FFBs received.

Pulu Raja POM has been able to demonstrate the mechanism of separation of certified and non-certified products in the records model made starting from incoming FFB until processed FFB in the documents of **Production Monthly Report of Incoming & Processed FFB** which describe recording mechanism of the separation of certified and non-certified products, such as incoming FFB data, processed FFB data, CPO and Kernel production data, CPO and kernel extraction data, which were verified daily by Mill Manager.

The application of this mechanism will be the observation material for the auditor's team during the next surveillance.

Status: Full Compliance

E.4.2	The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.
	Pulu Raja POM has not been able to demonstrate the procedures/work instructions regarding the provision of information to the certification institutions if there are production (CPO and kernel) exceeding the number projected. Nonconformance 2015.12
	Status: Nonconformance 2015.12
E.5	Record keeping
E.5.1	
a.	The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis.
b.	All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO.
c.	The site can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three months. However, a site is allowed to sell short.(ie product can be sold before it is in stock.)
a.	The management unit of Pulu Raja POM has procedures and mechanisms for recording the receipt of certified and non-certified FFB in the Production Monthly Reports of Incoming & Processed FFB . This reports also record delivery (shipment) and existing inventory (stock). The application of this mechanism will be re-observed by the team of auditors if Pulu Raja POM has been certified and by the next surveillance.
b.	The calculation of the volume of palm oil (CPO) and palm kernel in accordance with the conversion ratio in RSPO will be re-observed by the team of auditors if Pulu Raja POM has been certified and by the next surveillance.
c.	Sales Application of Mass Balance based on positive stock by Pulu Raja POM will be re-observed by the team of auditors if Pulu Raja POM has been certified and by the next surveillance.
	Status: Full Compliance
E.5.2	
	In cases where a mill outsources activities to an independent (not owned by the same organization) palm kernel crush, the crush still falls under the responsibility of the mill and does not need to be separately certified. The mill has to ensure that the crush is covered through a signed and enforceable agreement.
	PULU RAJA POM does not perform the processing by themselves nor outsource to independent palm kernel crusher. Pulu Raja POM only performs sales.
	Status: Full Compliance

3.3. Conformity Checklist of Certificate and Logo Use *(Only apply for Surveillance Assessment Report)*

1.	Evidence of permission or approval certificate and logo from Certification Body which submitted by Client	X or √
ST-2	Will be verified during the next assessment (ASA-01)	√
	Status: Compliance	
2.	Implementation of certificate and logo used by Client comply with size and type (shape) against Guideline of Logo Use	X or √
ST-2	Will be verified during the next assessment (ASA-01)	
	Status: Compliance	
3.	Implementation of Certificate and Logo is not used on product	X or √
ST-2	Will be verified during the next assessment (ASA-01)	
	Status: Compliance	
4.	Controlling of Certificate and Logo, including withdrawing inappropriate logo.	X or √
ST-2	Will be verified during the next assessment (ASA-01)	
	Status: Compliance	

3.4. Summary of RSPO Partial Certification.

Management units that taken as samples for partial certification are Tanah Itam Ulu Management Unit, Pasir Mandohe Management Unit and Sawit Langkat Management Unit		
2.1	There is compliance with all applicable local, national and ratified international laws and regulations.	X or√
	PT Perkebunan Nusantara IV have been showed the evidences of compliance with the regulation: <ul style="list-style-type: none"> • Have gained the Land Use Right in form of HGU • Have gained the environment License document in form of AMDAL • Have conducted the zero burning in replanting activity • Have obtained the Plantation Business License in form of IUP 	√
	Status: Complied	
2.2	The right to use the land can be demonstrated, and is not legitimately contested by local communities with demonstrable rights.	X or√
	All the areal operated by the PT Perkebunan Nusantara IV are <i>Erftatch rights</i> , the land tenure since the Netherland Colonial which have been nationalization by Indonesian government.	√
	Status: Complied	
6.3	There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all parties.	X or√
	PT Perkebunan Nusantara IV shows the procedures (No. Doc 07.02, 1 August 2012) regarding customer and environment complaint handling policy. Based on the SOP, complaint handling mechanisms can be divided into three types: <ul style="list-style-type: none"> • Any complaints from customers and the environment are recorded in written form and addressed to the managing director equipped with accurate data and delivered through the company secretary of Medan head office. • Units that received complaints from customer and environmental are allowed receiving customer complaints as stipulated in ISO procedure. • Handling of complaints from customers and the environment must be responded or resolved accurately and quickly and become the evaluation in the future to prevent from happening repeatedly. 	√
	Status: Complied	
6.4	Any negotiations concerning compensation for loss of legal or customary 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.	X or√
	There is no customary rights in all the areal operated by the PT Perkebunan Nusantara IV because the land are <i>Erftatch rights</i> , the land tenure since the Netherland Colonial which have been nationalization by Indonesian government.	√
	Status: Complied	
7.3	New plantings since November 2005, have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.	X or√
	There are no new planting and new development since November 2005 in all PT Perkebunan Nusantara IV operation area. The activity conducted is only replanting.	√
	Status: Complied	
7.5	No new plantings are established on local peoples' land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.	X or√
	There are no new planting and new development since November 2005 in all PT Perkebunan Nusantara IV operation area. The activity conducted is only replanting.	√
	Status: Complied	
7.6	Local people are compensated for any agreed land acquisitions and relinquishment of	X or√

	rights, subject to their free, prior and informed consent and negotiated agreements.	
	There are no new planting and new development since November 2005 in all PT Perkebunan Nusantara IV operation area. The activity conducted is only replanting.	√
	Status: Complied	

3.5 Identification of Findings, Corrective Action, Observations, Opportunity for Improvement and Noteworthy Positive Components.
3.5.1 Identification of Findings, Corrective Actions and Observations at ST-2 Assessment

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
2015.01	1.3.1	Dissemination of integrity code and ethical behavior policy Company has not been able to demonstrate the evidence of policy dissemination of for prosperous life without corruption to the operation.	Estate and POM	Minor	ASA-01	Company must demonstrate the evidence of policy dissemination for prosperous life without corruption to the operation.	Observation on 25 March 2015. Root of the problem: <ul style="list-style-type: none"> - In Pulu Raja Unit, the handbook on the customs of corruption and graft has not been accepted to be handed to each worker. Corrective Action: <ul style="list-style-type: none"> - Providing standardized guidelines for technicians by central management to be handed to all workers. - There is evidence of dissemination available in the form of book submission of Code of Conduct, Guidelines for Conflict of Interest and Customer Complaint System (Whistleblower System) by the staff of Human Resources of Pulu Raja Unit to all workers (harvesters, warehouse operators, technical and estate administration staffs, manager assistant, the nearest school, contractors). Receipts by employees available. Preventive Action: <ul style="list-style-type: none"> - Staffs of Human Resources will conduct a monitoring by providing all workers who do not achieve the book of code of conducts, corruption, graft, and 	Open	

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							<p>management systems on the violation of those three.</p> <p>Auditor Conclusion: PTPN IV Pulu Raja has demonstrated the evidence of dissemination in the form of book submission of Code of Conduct, Guidelines for Conflict of Interest and Customer Complaint System (Whistleblower System). However, the evidence handed to the auditor has not described when (the date) the acceptance and dissemination were conducted. Based on the corrective evidence above the non-conformance 2015.01 is still open.</p>		
2015.02	2.1.1	<p>Compliance with Regulation</p> <ul style="list-style-type: none"> The management unit utilizes the third party to do the main work (harvesting). It is not in accordance with Regulation of the Labor Ministry No. 9 year 2012. 	Estate	Major	Prior to certificate issued	<ul style="list-style-type: none"> The management unit of PTPN IV Pulu Raja must demonstrate evidence of the compliance with applicable rules and regulation. 	<p>Observation on 1 June 2015. Root of the Problem: Decree of harvest workers (permanent) has not been issued by headquarters of Medan.</p> <p>Corrective Action: PTPN-IV Unit Pulu Raja demonstrated evidence in the process of improvement on the use of permanent workers for harvesting as the main work in its operational area, namely: 1) Letter from Director of Human Resources and General No. 04. Dir.SDM&Umum/X/492/V/2015 dated on 18 May 2015 on Medical Screening of Future Employees of PTP IV Unit Pulu Raja using the service of Health Clinic</p>	Closed with observation	3 June 2015

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							<p>(PT. Prima Medica Nusantara) on the routine check-up of Blood, Sugar, Urine, Heart Test (EKG), Rontgen and Physical Diagnostic.</p> <p>2) Decree of the Directors of PT Perkebunan Nusantara V No. 04.15/Kpts/R/20/IV/2015 dated on 9 April 2015 on the Name of Future Harvest Employees/Loading Officers Joining the Health Test in the Operational Area of Unit Group of PT. Perkebunan Nusantara IV.</p> <p>3) There are 97 names of future employees from each Afdeling (Afd.I – 17 workers, Afd.II – 17 workers, Afd.III – 20 workers, Afd.IV – 13 workers and Afd.V – 30 workers) who will have medical screening as one of the requirements of permanent worker promotion for the main work (harvesting) in operational area of PTPN-IV Unit Pulu Raja.</p> <p>4) PTPN-IV has also demonstrated the mechanism of labor promotion as supporting evidence in the process described in the Procedure of Basic Guidance and Working Instruction section Human Resources No. 04.15.01A until 04.15.01A June 2013 on the Recruitment and Promotion of Employee from each</p>		

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							category. Preventive Action: Utilizing permanent employees to do the main work. Auditor Conclusion: PTPN IV Pulu Raja has been able to demonstrate evidence of worker promotion for the main work (harvesting) in operational area. Auditor team will observe it related to the implementation consistency. Non-conformance 2015.02 is still closed with observation.		
2015.03	4.1.1	Implementation of the procedure of harvested FFB quality Result of field observation in Afdeling I showed that there is implementation of harvest in the form of FFB fraction of 0 and fraction of 00 which are not in accordance with the established procedure regarding FFB suitable to harvest.	Estate	Major	Prior to certificate issued	Management unit should be able to demonstrate the implementation of operational activities and to have improvement system according to procedure owned by the company.	Observation on 25 March 2015 <ul style="list-style-type: none"> Root of the Problem: Dissemination to new promoted harvest workers regarding criteria of ripened crops has not been held. Corrective Action: <ul style="list-style-type: none"> - Conducting a dissemination regarding criteria of ripened crops to harvest workers. - Company could demonstrate evidence of dissemination on the criteria of ripened crop for harvesters in AFD 2 (attached with attendance list) as well as the evidence of field sorting by FFB inspectors. Preventive Action: 	Closed	25 March 2015

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							<p>Field sorting by foreman assistant, foreman 1, harvest foreman and fruit inspectors. Fines imposed to harvesters in accordance with applicable provision.</p> <ul style="list-style-type: none"> Auditor Conclusion: Based on the evidence above the non-conformance 2015.03 is closed and will become observation material for the auditor team during the next assessment visits. 		
2015.04	4.4.1	<p>Implemented water management plan available</p> <p>The management unit has a policy memorandum of the riparian maintenance no. PUR/SE/30/XI/2014 dated on 17 November 2014 containing a ban on the chemical application at 50 meters on either side of the riparian. Field observation in AFD II Block 88 D showed that there has been no boundary of chemical spray area in the riparian of surface water flow.</p>	Estate	Minor	ASA-01	The management unit ensures that the entire implementation of surface water management activities at the estate is in accordance with the established regulation.	<p>Root of the Problem: Boundaries for chemical spray area in the riparian are not available yet.</p> <p>Corrective Action: Constructing boundaries for chemical spray in the area identified as riparian.</p> <p>Preventive Action: Monitoring and evaluating the condition of riparian management.</p> <p>Observation: Company is able to show the boundary signs of chemical spray area in the form of spray ban warning board and marking the main staples which are not allowed to spray in the riparian, for example in the riparian at Afdeling 2 Block 88D.</p> <p>Auditor Conclusion:</p>	Closed	25 March 2015

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							Based on the improvement evidence above the non-conformance 2015.04 is closed.		
2015.05	4.6.11	Periodic medical screening of the spray workers The management unit of PTPN IV Pulu Raja has not regularly performed medical check-up (the last check-up was on 11 February 2013). It has not been conducted yet in 2014.	Estate	Major	Prior to certificate issued	The management unit of PTPN IV Pulu Raja must demonstrate evidence that they have performed periodic medical screening to workers working with chemicals.	Observation on 25 March 2015. Root of the Problem: Company has not demonstrated evidence of periodic medical screening. Corrective Action: <ul style="list-style-type: none"> Medical screening based on the approval of the board of directors requested by the unit through Pabatu Hospital. The company is able to show the request of medical screening to the Head of Human Resources on 17 February 2015. The medical screening was scheduled on 3 March 2015, but PTPN IV Pulu Raja is not able to show the result of the medical test of the employees concerned. Corrective Action: Performing a periodic medical screening for the employees of Pulu Raja. Auditor Conclusion: Based on the information above the non-conformance 2015.05 is Open. Observation on 20 May 2015 The company showed the result of health test for employees (chemical officers, Afdeling clerks and warehouse clerks) conducted by the Center of Occupational Health and Safety:	Closed	20 May 2015

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							<ul style="list-style-type: none"> Spirometry for 20 employees was conducted on 3 March 2015. The result showed that 19 employees are in normal condition and 1 experienced restriction and mild obstruction. Audiometry for employees was conducted on 3 March 2015. The result showed that 17 employees did not experience NIHL and 3 employees did. Cholinesterase was conducted on 3 March 2015. The result showed that all 20 employees are in normal condition. <p>Based on the information above the non-conformance 2015.05 is Closed.</p>		
2015.06	5.1.3	Recording of environmental management reporting according to applicable regulation Document review of the report of RKL/RPL semester 1 year 2014 showed that there is still parameter of environment has not been managed and monitored in accordance with recommendation of RKL/RPL document such as: the rate of soil erosion, surface water, odor, aquatic biota (plankton, benthos, nekton), social unrest, public perception, public health, the use of public facilities.	Estate	Minor	ASA-01	The management unit ensures all activities of environmental management and monitoring has been in accordance with the direction of RKL/RPL.	Root of the Problem: Environmental management and monitoring performed has not been in accordance with direction of RKL/RPL. Corrective Action: Adjusting the regular reports of environmental management according to the direction of RKL/RPL. Preventive Action: Monitoring and routinely evaluating parameters of environmental management and monitoring.	Open	

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							Observation on 25 March 2015: Company showed a letter of application for environmental parameters testing that have not been tested on 14 December 2014 to the headquarters of PTPN IV Medan. Auditor Conclusion: Company has not been able to show that environmental management and monitoring have met the direction of RKL/RPL. Non-conformance 2015.06 is Open.		
2015.07	5.2.4	HCV monitoring result. The management unit has not been able to show the actual condition of the monitoring of riparian area and wildlife management in plantation area.	Estate	Minor	ASA-01	The management unit ensures the monitoring of HCV has been conducted in accordance with the management plan that has been set.	Observation on 25 March 2015. Root of the Problem: Company has not conducted regular monitoring the condition of riparian management and existing in plantation area. Corrective Action: <ul style="list-style-type: none"> Monitoring the condition of riparian area management and wildlife in plantation area. Company demonstrated the monitoring of the planting of bamboos and trees in, for example, Afdeling 1 in the period of January-February 2015. During the period of January 2015, there were 55 clumps of bamboos alive out of 75 planted. The company also demonstrated the monitoring of wildlife existing in plantation area. For example, in February 2015 	Closed	25 April 2015

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							<p>there were 21 kinds of birds found as well as 6 kinds of fish and 8 kinds of mammals and 12 kinds of reptiles.</p> <p>Preventive Action: Monitoring the condition of riparian management and wildlife regularly.</p> <p>Auditor Conclusion: Based on the information above the non-conformance 2015.07 is closed and will become observation material for auditor team during the next assessment visits.</p>		
2015.08	4.6.6 5.3.2	<p>Chemical waste and containers are responsibly discarded</p> <p>1) Used packaging of pesticide are still not registered and placed in an officially licensed Hazardous Waste Temporary Landfill.</p> <p>2) Field observation at the central warehouse of POM Pulu Raja showed that there are still agrochemical packaging stored in inappropriate places.</p> <p>3) Field observation in Afdeling II showed that the management of used agrochemical packaging (by discarding and dumping them in the trash) is not according to applicable regulation.</p>	Estate and POM	Major	Prior to certificate issued	The management unit ensures that the entire management of agrochemical packaging waste has been in accordance with applicable regulation.	<p>Observation on 25 March 2015: Root of the Problem:</p> <p>1) The management of agrochemical packaging still does not meet the applicable regulation. It must have a license.</p> <p>2) Officers in the field do not understand the procedures for the management of agrochemical packaging waste in Afdeling II.</p> <p>Corrective Action:</p> <ul style="list-style-type: none"> Storing and registering all hazardous waste including agrochemical packaging in a licensed hazardous waste temporary warehouse. <p>Preventive Action:</p>	Closed	20 May 2015

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							<p>Monitoring and registering all agrochemical packaging stored at the estate and mill.</p> <p>Auditor Conclusion: Company still has no evidence that all agrochemical packaging have been stored and registered in Hazardous Waste Temporary Warehouse of POM Pulu Raja (based on the actual condition of hazardous waste currently in the temporary warehouse) and transported by licensed hazardous waste collectors (proven by the manifest of hazardous waste delivery). Based on the information above non-conformance 2015.08 is Open.</p> <p>Observation on 20 May 2015. Company has been able to show evidence of improvement due to hazardous waste management, such as:</p> <ol style="list-style-type: none"> 1) Recording evidence of used agrochemical packaging in Hazardous Waste Temporary Warehouse of POM Pulu Raja, for example in Hazardous Waste Logbook for incoming waste on 6 August 2015 in the form of used jerry cans of chemicals with retention time up to 6 August 2015. 2) Delivery evidence of hazardous waste in the form of covering letter on 6 February 2015 regarding used packaging of chemicals at the central warehouse of POM Pulu Raja which were delivered to 		

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							<p>Hazardous Waste Temporary Warehouse of POM Pulu Raja as many as 476 pieces. There is also evidence of cooperative agreement between PTPN IV and CV Amindy Barokah as a licensed hazardous waste collector. The waste was transported on 13 May 2015.</p> <p>3) There is a procedure of hazardous waste management No. Doc. 02 on 2 January 2015 stating that all agrochemical used packaging is stored in Hazardous Waste Temporary Warehouse. There is evidence of dissemination to employees in the form of photographs related to agrochemical packaging management.</p> <p>Based on information above the non-conformance 2015.08 is Closed.</p>		
2015.09	5.3.3	Implementation of waste management Field observation in AFD II housing showed that there are still former domestic wastes burning at the back of the housing.	Estate	Minor	ASA-01	Management unit ensures that domestic waste management has been in accordance with management plan that has been set.	<p>Observation on 25 March 2015.</p> <p>Root of the Problem: The employees do not understand how to manage household domestic waste</p> <p>Corrective Action:</p> <ul style="list-style-type: none"> • Making holes of organic and inorganic waste in each housing and making temporary landfill/TPAS in some places. • The company is able to show dissemination on the ban of waste burning on 17 March 2015 to all unit employees attended by 20 participants (attendance 	Open	

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							list and photographs available). Preventive Action: Making warning signs containing the ban of waste burning and conducting dissemination of the prohibition of waste burning. Auditor Conclusion: However, the company has not been able to show the implementation and program related to the making of temporary landfill/TPAS. Based on information above the non-conformance 2015.09 is still Open.		
2015.10	6.13.1	Respect for human rights policy The management unit has not been able to demonstrate policy to respect human rights which are communicated to all levels of employees and operations.	Estate and POM	Major	Prior to certificate issued	The management unit demonstrated policy to respect human rights which are communicated to all levels of employees and operations.	Observation on 25 March 2015 Root of the Problem: The company has not made circular letter on the treatment to respect the human rights among fellow workers at the unit from the highest level to the lowest level. Corrective Action: <ul style="list-style-type: none"> Company will make circular letters to be distributed to all sections regarding the policy of the treatment to respect the human right. Company showed circular No. PUR/SE/10/III/2015 dated on 2 March 2015 from the unit manager of Pulu Raja. The letter contained the guidelines of human right equality, for example, the 	Closed	25 March 2015

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							<p>right to self-development, right to live, right to justice, and right to welfare. The company also demonstrated the policy dissemination on 2 March 2015 attended by 28 employees (attendance list available).</p> <p>Preventive Action: Circular on the treatment to respect human right of fellow workers at the unit has been made.</p> <p>Observation:</p> <p>Auditor Conclusion: Based on the information above the non-conformance 2015.10 is Closed.</p>		
2015.11	MB. E 2.2	<p>Registration through (RSPO IT Platform/e-trace) POM Pulu Raja has not registered to RSPO Supply Chain IT Platform.</p>	POM	NC	Prior to certificate issued	POM Pulu Raja should register through (RSPO IT Platform/e-trace).	<p>Observation on 25 March 2015 Root of the Problem: Company is not aware of and in coordination with the headquarters related to e-trace registration.</p> <p>Corrective Action: Company has registered to RSPO Supply Chain through (RSPO IT Platform/e-trace) on 11 March with member ID RSPO_PO1000002335</p> <p>Preventive Action: Performing occupational procedure according</p>	Closed	25 March 2015

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							to applicable SOP. Auditor Conclusion: Based on information above the non-conformance 2015.11 is Closed.		
2015.12	MB E 4.2	Procedure of the provision of information regarding the excessive production POM Pulu Raja has not been able to demonstrate procedure/work instruction regarding the provision of information to certification body if there are excessive productions (CPO and kernel) than previously projected.	POM	NC	Prior to certificate issued	POM Pulu Raja demonstrated procedure/work instruction regarding the provision of information to certification body if there are excessive productions (CPO and kernel) more than previously projected.	Observation on 25 March 2015 Root of the Problem: The company has not had procedure on the provision of information to certification body if there are excessive productions. Corrective Action: Making work instruction regarding excessive production of CPO and palm kernel contained in the procedure of the provision of information and production claims of CPO and PK with the document number 18 on 2 January 2015. The procedure has made it clear that if the amount of CPO and PK sold is greater than the amount claimed, then the unit manager as the representative of the company is obliged to officially inform the certification body about the different amount of CPO and PK. Preventive Action: Routinely monitoring the production of CPO and PK. Auditor Conclusion: Based on the information above the non-conformance 2015.12 is Closed.	Closed	25 March 2015

3.5.2 Opportunity for Improvement

No	Ref Std	Descriptions
1	2.2.2	Inventory and maintenance of HGU boundary poles as legal boundary supports
2	2.2.4	Follow-up process of the settlement of land disputes between the company and occupants at (Afdeling 1)
3	3.1.2	The use of the number and types of seeds in replanting plan
4	4.7.3	The management unit has the opportunity to evaluate the quality standard and the lifetime of PPE used in accordance with existing risk analysis
5		The management unit has the opportunity to evaluate the third party (contractors) relating to the compliance of minimum wage requirement and Labour Social Assurance membership for pieceworkers.
6	4.1.3	Consistency in recording daily work plan at (the Afdeling).
7		Training for all personnel relating to supply chain implementation
8		There is procedure of communication and claims for RSPO certified products

3.5.3 Noteworthy Positive Components

No	Ref Std	Descriptions
1	-	The management unit of PTPN IV Pulu Raja has the commitment for the application of sustainable oil palm plantation.
2	-	Competent personnel in accompanying audit activities as well as the availability of documents.

3.6 Summary of Arising Issues from Public, Management and Auditor Response

Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
Environment Office of Asahan District <ul style="list-style-type: none"> Until recently there has never been any complaint from public around the plantation regarding environmental pollution. The company has not reported medical waste management in the quarterly report of hazardous waste. All regular semester/quarterly reports have been regularly submitted to the institution. For example, quarterly report of effluent, quarterly report of hazardous waste, semester report of RKL/RPL implementation. The company must improve the performance of environmental management and monitoring in accordance with recommendation of environment office. The company is encouraged to be in coordination with environment office regarding assistance during soil/air sampling. 	<ul style="list-style-type: none"> Related to the issue, in every Quarter and Semester the company conducts Monitoring to Environmental Parameters according to RKL/RPL. Unit of Pulu Raja does not have Medical Waste. The medical waste mentioned belonged to Polikbun which is a supporting branch of Pabatu Hospital. Routinely reporting has been conducted to relevant agency in accordance with applicable regulation. The improvement of Environmental Parameter Monitoring has been performed. The company also has made an application of testing to Review Section (04.11) on Environmental Management and Monitoring that has been monitored and tested in accordance with Document of RKL/RPL. If there is a testing by Environment Bodies of North Sumatera Province through Review Section, it will be better if Environment Bodies concern discuss with Environment Office of Asahan District since in this case the company acts as the service consumer of the test. 	<p>Environmental management in Unit PTPN IV Pulu Raja has been well-conducted. The auditor team has done the verification and it is described in principle 5.</p>
Plantation Service of Asahan District <ul style="list-style-type: none"> The company has obtained class estate II based on the assessment of plantation business in 2012. The compliance of the company to environment is quite good and it already has EIA. The company uses natural predator in the form of barn owl to control rats. Until recently there has never been land fire within the operational area of the company. The company is expected to provide facilities and 	<ul style="list-style-type: none"> The company has obtained Classification of Estate based on the Decree of the Head of Asahan District No.206-HUTBUN/2013 dated 28-05-2013 The company has owned EIA since it was established and was revised in 2006 along with the implementation of Land Application. It was also with the establishment of Compost factory proven by Document of RKL/RPL. In order to eliminate rats in plants area the company has conducted monitoring and calculating the number of attacks by the rats every month. 	<p>Environmental management in Unit PTPN IV Pulu Raja has been well-conducted. The auditor team has done the verification and it is described in principle 4.</p>

Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
<p>infrastructure for land fire in accordance with situation and condition on the field.</p> <ul style="list-style-type: none"> There have never been any reports from the communities regarding land conflicts. 	<ul style="list-style-type: none"> There have never been land fires due to the program of Zero Burning. It is also proven by the Hydrant Cars ready to operate. The company has prepared the anticipation of fire on land and in POM in accordance with the regulation of OHS (Procedure of emergency handling). Until recently there have never been land disputes with the community in accordance with the HGU established. 	
<p>Department of Labor of Asahan District Ir. Hj. Samnida, MM (Head of the Norms of OHS Supervision) Tukiman (Head Section of the Norms of OHS Supervision)</p> <p>Results of the meeting:</p> <ul style="list-style-type: none"> Activities of Guiding Committee of OHS in the management unit have been consistently running well with routine reporting. Periodic inspection for mill engines. The management unit has implemented a minimum wage according to the regulation and workers have been registered in the membership of BPJS Employment. The management unit needs to improve and to maintain the implementation of OHS which has been carried out in accordance with the norms of OHS and applicable regulation. The management unit needs to improve supervision on the use of PPE for workers. <p>Muhammad Syafii (Head of Industrial Relation)</p> <ul style="list-style-type: none"> Worker Union of Bun Pulu Raja has registered its commission to Department of Labor. 	<ul style="list-style-type: none"> Monthly report of Guiding Committee of OHS is submitted on a monthly basis, on a semester basis and on an annual basis to Department of Labor of Asahan District. The result of mill engines inspection by doing Check Sheet Preventive is submitted to Department of Labor of Asahan District. Regional Minimum Wage has been adjusted to the regulation and has been registered to BPJS of employment. Has been adjusted to OHS Standard and Procedure. Company appeals to all employees to always use PPE when working. <ul style="list-style-type: none"> The commission of Worker Union of Unit Pulu Raja for the period of 2014 to 2019 has been registered to Department of Labor of Asahan District. 	<p>Environmental management in Unit PTPN IV Pulu Raja has been well-conducted. The auditor team has done the verification and it is described in Criteria 4.7 and principle 6.</p>



Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
<ul style="list-style-type: none"> The management unit has formed Bipartite Cooperation Institution. Meetings and activities of the bipartite institution are reported regularly. There have been no issues of industrial relation submitted to Department of Labor. The management unit must ensure that any works using the third parties (contracted labor) in accordance with the Regulation of Labor Ministry No. 19/2012 are not the main works, for example, harvesting. The management unit must ensure the requirements of the working agreement between company and the third parties (contracted labor) are in accordance with applicable regulation. For example, the fulfillment of minimum wage, membership of BPJS, ensuring the availability of PPE for contracted labors, as well as evaluating the third parties (pieceworkers) regarding the fulfillment of the requirements in the agreement. 	<ul style="list-style-type: none"> Commission of Bipartite Cooperation Institution has been formed and registered in Department of Labor of Asahan District. Until now there have been no disputes of Industrial Relation between management and the workers. Pieceworkers in Unit Pulu Raja are only hired to do “upkeep worker” of replanting not as harvesters. The management unit has accomplished the terms of agreement as appropriate with the third parties. The implementation is evaluated. 	
National Land Agency of Asahan District Abd. Rahim Lubis (Head of Section II). <ul style="list-style-type: none"> There is no permit for a new location and or the addition of HGU. Pulu Raja Business Unit has had the HGU valid until 31 December 2030. The concession is equipped with maps of the areas of land. The Boundary Poles are in accordance with the provision of State Minister of Agriculture KBPN No. 3/1997 (Article 22 paragraph 2). For example, the monument of bricks/concrete blocks coated with cement or concrete with the least size of 0.30 x 0.30 m of the least height of 0.60 m and stands on a stone base inserted into the ground with the least size of 0.70 x 0.70 x 0.40 m. 	<ul style="list-style-type: none"> The addition of HGU and company's location does not happen. HGU and the maps of the company area have been owned by unit Pulu Raja. Boundary poles of the company existing in each boundary HGU are well-maintained and identified at each Afdeling. Land disputes with the communities do not occur since the area of the company does not exceed the concession. 	Environmental management in Unit PTPN IV Pulu Raja has been well-conducted. The auditor team has done the verification and it is described in Criteria 2.2.

Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
<ul style="list-style-type: none"> There are no land disputes between communities and business unit Pulu Raja. 		
<p>Orika Village, Pulau Rakyat Subdistrict of Asahan District Zulkifli (Head of Village)</p> <ul style="list-style-type: none"> 99% of Orika villagers work at the company of PTPN IV. Historically, Orika villagers who came from Java Island were specialized to work at the sector of oil palm plantation of PTPN IV. People are allowed to utilize the facilities belonged to the company. For example, tents, vehicles and so on. It is easier for them to do so because of their status as employees. Grievance of workers can be submitted orally or through the worker union. Workers submit their complaints to the head of division to be delivered to the manager before it is followed-up by civil section. Typically, it takes 2 days from the submission of the complaint to the realization. Request for information is submitted through a letter. As an example, the local government submitted a letter to the company for the Preparation of Election 2014. There are no water contamination and others caused by the activities of the company. The company provides clean water for all employees. To avoid and resolve conflicts among villagers, local government in cooperation with Babinkamtibmas (police officers), Babinsa (TNI) and PaPam (security guard of the company). The area of PTPN IV is not occupied or claimed whether by local villagers or from other villages. The boundary of HGU with other areas are clear and unequivocal marked by the poles and artificial trench. 	<ul style="list-style-type: none"> In the sixties some of the Orika villagers indeed were contracted villagers from Java Island but today the villagers/employees in Pulu Raja Business Unit especially in Orika Village are descendants and some of them are from others area such as from Unit Nah Nirung Ulu, Unit Sidamanik and Unit Sibosur. Facilities owned by the company can be accessed the villagers from the neighboring villages such as Road Access to the house of worships, sport field, employees hall, schools, kindergarten, bus and pools and so forth. Until today there is no grievance from workers due to the good relation between the management and employees. They feel comfortable working in the company. The request was followed-up by providing facilities such as Venue, snacks, sound-system and dispensation of work to workers and KPPS officers. It is because every quarter or semester of the year the company conducts Environmental Parameter Monitoring in accordance with RKL/RPL. The availability of clean water for household needs is prepared by constructing clean water installation which has been running well. There are no disputes with people. The boundary poles of National Land Agency and <i>bekoan</i> trench at the border of the land concession have become evidence of the ownership of Pulu Raja Business Unit which does not exceed the concession, so 	<p>Public relation between Pulu Raja Business Unit with the communities is well-performed. The auditor team has done verification and it is described in principle 6.</p>

Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
	people cannot occupy or claim the land.	
<p>Manis Village, Pulau Rakyat Subdistrict of Asahan District Tumin (Secretary of the Village) Siswadi (Community Leader)</p> <ul style="list-style-type: none"> Manis Village is located outside the concession area of the company of PTPN IV consisting of 6 (six) sub-villages; two sub-villages namely Sub-Village I (Afdeling II) and V (Afdeling I) are administratively parts of Manis Village. About 20% of Manis Village residents work in PTPN IV. However, the number increases up to 30% during replanting. There are no water pollution and other pollutions due to the activities of PTPN IV. PTPN IV routinely provides assistance to the residents of the village such as carrying out mass circumcision and providing groceries. In April 2014 PTPN IV planned to build Integrated Health Center and to provide seeds of rain tree (<i>samanea saman</i>) in Subvillage VI, however, there has been no realization until now. There was replanting in 2013 at Afdeling II Block 5 and 6. It was because of the attack of <i>wawung</i> or beetles eating the coconut leaves belonged to the residents in Subvillage II and III. Before the replanting the heads of village are invited to the location. The company management delivers several things, among others: disseminating that there will be replanting, cattle are not to trespass the location and both parties should maintain the area of replanting. The area of PTPN IV is not occupied or claimed whether by 	<ul style="list-style-type: none"> Subvillage I in Afdeling II and Subvillage V in Afdeling I of Manis Village are included in the HGU area of Unit Pulu Raja while others villages are not. Replanting provides more job opportunities for people around the company so the unemployment rate can be reduced. Water and environmental pollution do not occur because the company continues to monitor environmental parameters existing in the area of the company and reports it to environmental testing agency of Asahan District. The company can assist the villages as long as they are included in CSR programs. The programs are proposed annually to the Headquarters. The company can assist the villages as long as they are included in CSR programs. The programs are approved annually to the Headquarters. The development of Integrated Health Center has been approved by the Headquarters, now just waiting for the realization of all the villages. <i>Oryctes</i> control is carried out by spraying insecticide in the form of Scud and plucking the cocoon as early larvae before turning into "<i>wawung</i>" (<i>oryctes larva</i>). Control measures have been presented to the public Manis Village. The boundary poles of National Land Agency and <i>bekoan</i> trench at the border of the land concession have become evidence of the ownership of Pulu Raja which does not exceed the concession, so people cannot occupy or claim the land. 	<p>Public relation between Pulu Raja Business Unit with the communities is well-performed. The auditor team has done verification and it is described in principle 6.</p>

Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
<p>local villagers or from other villages. The boundary of HGU with other areas are clear and unequivocal marked by the poles and artificial trench.</p>		
<p>Tunggul 45 Village, Pulau Rakyat Subdistrict of Asahan District Untung (Head of Village)</p> <ul style="list-style-type: none"> • Replanting creates new job opportunities for villagers especially for women. • Mechanism Grievance of the workers is submitted to Foreman One then to the Assistant before going to the Manager. • The company provides health facilities for workers free of charge. • The area of PTPN IV is not occupied or claimed whether by local villagers or from other villages. The boundary of HGU with other areas are clear and unequivocal marked by the poles and artificial trench. • Realization of CD: mosquito fogging, mass circumcision, groceries, free medical treatment, sacrificial animals, Ramadan safari, compensation for orphans and mosque development. 	<ul style="list-style-type: none"> • Replanting provides more job opportunities for people around the company so the unemployment rate can be reduced. • Until today there is no grievance from workers due to the good relation between the management and employees. They feel comfortable working in the company. • The boundary poles of National Land Agency and <i>bekoan</i> trench at the border of the land concession have become evidence of the ownership of Pulu Raja which does not exceed the concession, so people cannot occupy or claim the land. • Rural Social Development is implemented during the events such as Company Anniversary, Religious Holiday, and Production Thanksgiving. All events are planned by the representative of headquarters at the unit. 	<p>Public relation between Pulu Raja Business Unit with the communities is well-performed. The auditor team has done verification and it is described in principle 6.</p>
<p>Persatuan Village, Pulau Rakyat Subdistrict of Asahan District Datuk Muda Haidir (Head of Village)</p> <ul style="list-style-type: none"> • There is fine, harmonious relation between village and the company. • The company's assistance in the form of road hardening as long as 1 (one) kilometer in 2013. No more assistance since then. • In 2013 PTPN IV promised to build Integrated Health Center and road hardening but until now it has not been done yet. • PTPN IV has never made a planned, narrowed CSR program in accordance with the needs of local communities. 	<ul style="list-style-type: none"> • Road hardening conducted by Pulu Raja Business Unit was from CSR fund which was provided according to the proposal from the village. The company included the proposal into CSR program of Headquarters. • Related to Minutes of Aid Consultation of Social and Environment Responsibility of PTPN IV Pulu Raja Business Unit with Government of Pulau Rakyat Subdistrict, Head Office of PTPN IV approved Partnership Program and Community Development (PKBL) in 2015 in the form of procurement of Construction of Neighborhood health center (Posyandu) huts in 8 (eight) villages around Pulu Raja Estate, for 	<p>Public relation between Pulu Raja Business Unit with the communities is well-performed. The auditor team has done verification and it is described in principle 6.</p>

Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
<ul style="list-style-type: none"> The area of PTPN IV is not occupied or claimed whether by local villagers or from other villages. The boundary of HGU with other areas are clear and unequivocal marked by the poles and artificial trench. Requesting assistance to PTPN IV is difficult to be granted. In 2013 the representative of the village requested for assistance to PTPN IV to organize <i>wayang kulit</i> show, in 2014 requested for assistance to develop At-Taqwa mosque. However, the company did not respond the requests. The presence of the company creates job opportunities for the residents of Persatuan Village. 	<p>example Persatuan Village.</p> <ul style="list-style-type: none"> CSR Program based on the annual plan has been in accordance with the needs of local communities. The application of CSR is based on the needs of village. The HGU does not exceed the limit so people do not claim the territory of the company. The requests can be accepted if they are accommodated in the budget which should obtain approval from the board of director, and this has been communicated to the village associated with the process. The requests can be accepted if they are accommodated in the budget which should obtain approval from the board of directors, and this has been communicated to the village associated with the process. Replanting provides more job opportunities for people around the company so the unemployment rate can be reduced. 	
<p>LSM – AMAN, WWF, Sawit Watch, WALHI</p> <p>No information</p>		

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 and audit team to acknowledge a field assessment and agree for all content explained in this assessment report, included of nonconformities issues.</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>PT PERKEBUNAN NUSANTARA IV (Persero) Head of Standardization and Certification/ Management Representative</p>  <p><u>Dhanny Hermawan</u> 1 August 2015</p> </div> <div style="text-align: center;"> <p>Mutuagung Lestari Lead Auditor</p>  <p><u>Octo H.P.N Nainggolan</u> 5 June 2015</p> </div> </div>

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

No	Institution/NGO/Community	Address	Phone/Email	Form of Communication	Date of Contact	Response	
						Yes	No
1	Environmental Agency	Asahan District, North Sumatera	-	Interview	10 February 2015	√	
2	Forestry and Plantation Agency	Asahan District, North Sumatera	-	Interview	10 February 2015	√	
3	Labor and Social Agency	Asahan District, North Sumatera	-	Interview	10 February 2015	√	
4	National Land Agency	Asahan District, North Sumatera	-	Interview	10 February 2015	√	
5	Manis Village Secretary (Tumin) and Community Leader (Siswadi)	Manis Village, Sub District of Pulau Rakyat, District of Asahan	-	Interview	10 February 2015	√	
6	Village Head of Orika (Zulkifli)	Orika Village, Sub District of Pulau Rakyat, District of Asahan	-	Interview	10 February 2015	√	
7	Village Head of Tunggul 45 (Untung)	Tunggul 45 Village, Sub District of Pulau Rakyat, District of Asahan	-	Interview	10 February 2015	√	
8	Village Head of Persatuan (Muda Haidir)	Persatuan Village, Sub District of Pulau Rakyat, District of Asahan	-	Interview	10 February 2015	√	
9	Aliansi Masyarakat Adat Nusantara		rumahaman@cbn.net.id	Kuesioner via Email	04 Februari 2015		√
10	Sawit Watch Indonesia		info@sawitwatch.or.id	Kuesioner via Email	04 Februari 2015		√
11	Wahana Lingkungan Hidup Indonesia		informasi@walhi.or.id ; info@walhi.or.id	Kuesioner via Email	04 Februari 2015		√
12	Labor Union Head	Orika Village, Sub District of Pulau Rakyat, District of Asahan	-	Interview	10 February 2015	√	
13	Local Contractor (FFB)	Sub District of Pulau Rakyat, District of Asahan	-	Interview	10 February 2015	√	
14	World Wild Found Indonesia		suhandri@wwf.or.id ; wwf-indonesia@wwf.or.id	Kuesioner via Email	04 Februari 2015		√

Appendix 2. Assessment Program

DATE	9 – 12 February 2015	
ACTUAL DURATION	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
Monday, 9 February 2015		
06.00 - 08.30	JAKARTA → MEDAN	• ON / STV / NK / DN
09.00 - 15.00	MEDAN → PTPN-IV (PULU RAJA)	• ON / STV / NK / DN
16.00 - 17.00	OPENING MEETING	• ON / STV / NK / DN
Tuesday, 10 February 2015		
08.00 - 12.00	• Stakeholders Consultation to Related Government Institution (Asahan District Government and local NGO)	• DN / NK
08.00 - 12.00	• Stakeholders consultation to Nearest village and community leader	• ON / STV
12.00 - 14.00	BREAK	
14.00 - 17.00	• Field Observation PULU RAJA Mill : WWTP (IPAL), Process Operations, OHS (K3), Supply Chain (Rantai Pasok), Hazardous Waste Management (LB3), etc..	• ON / STV
14.00 - 17.00	• Document Observation and Previous Non-conformances Verification (Stage-01)	• DN / NK
Wednesday, 11 February 2015		
08.00 - 12.00	Field Observation: • Best Agricultural Practices (Manuring, Spraying, Harvesting, Nursery) • Worker Welfare (payments, complaint mechanism, Safety and Health, Child Labour, etc..) • Hazardous Waste Material (B3) management • Legal operational and Conservation Area • Worker facilities (housing, health clinic, clean water, etc) and • Land Fire facilities, Storage, ect.. ➤ PULU RAJA Estate Afdeling II ➤ PULU RAJA Estate Afdeling IV	• ON / STV • NK / YHS
12.00 - 14.00	BREAK	
14.00 - 17.00	Continue Field Observation PULU RAJA Estate (Afdeling II & IV) Legal operational and Conservation Area	• ON / STV
14.00 - 17.00	Document Review & Field Observation Clarification	• DN / NK
Thursday, 12 February 2015		
08.00 - 09.30	• Audit Finding Conclusion Preparation	• ON / STV / NK / DN
09.30 - 10.30	• CLOSING MEETING	• ON / STV / NK / DN
11.00 - 18.00	• PULU RAJA → MEDAN	• ON / STV / NK / DN