

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

Stage-1 Stage-2 Surveillance Re-Certification

Name of Management Organisation : Adolina Palm Oil Mill – subsidiary of PT Perkebunan Nusantara IV

Plantation Name : PT Perkebunan Nusantara IV - Adolina Estate

Location : Village of Batang Terap, Sub District of Perbaungan, District of Serdang Bedagai, Province of North Sumatera, Indonesia

Certificate Code : **MUTU-RSPO/110**

Date of Certificate Issue : 02 April 2018 Date of License Issue : 02 April 2018

Date of Certificate Expiry : 01 April 2023 Date of License Expiry : 01 April 2019

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ST-2	19 – 22 March 2017	Muhammad Rinaldi (Lead Auditor Witnessed), Oktovianus Rusmin (Lead Auditor Witnesser), Sofyan Hadi Lubis, Mahmud Firdaus, Dwi Haryati	Ganapathy Ramasamy	Ardiansyah

Assessment	Approved by MUTUAGUNG LESTARI on:
ST-2	02 April 2018

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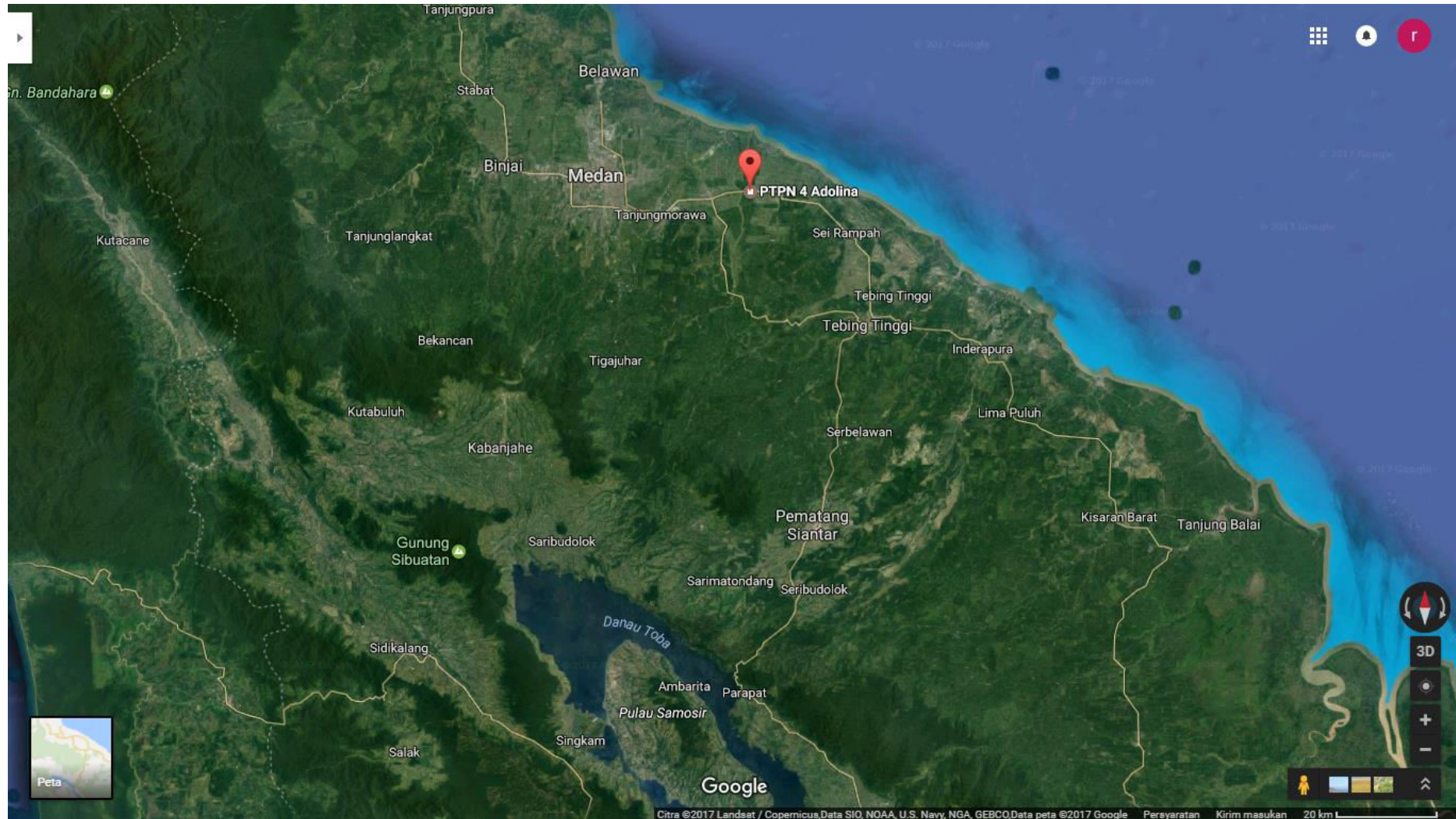
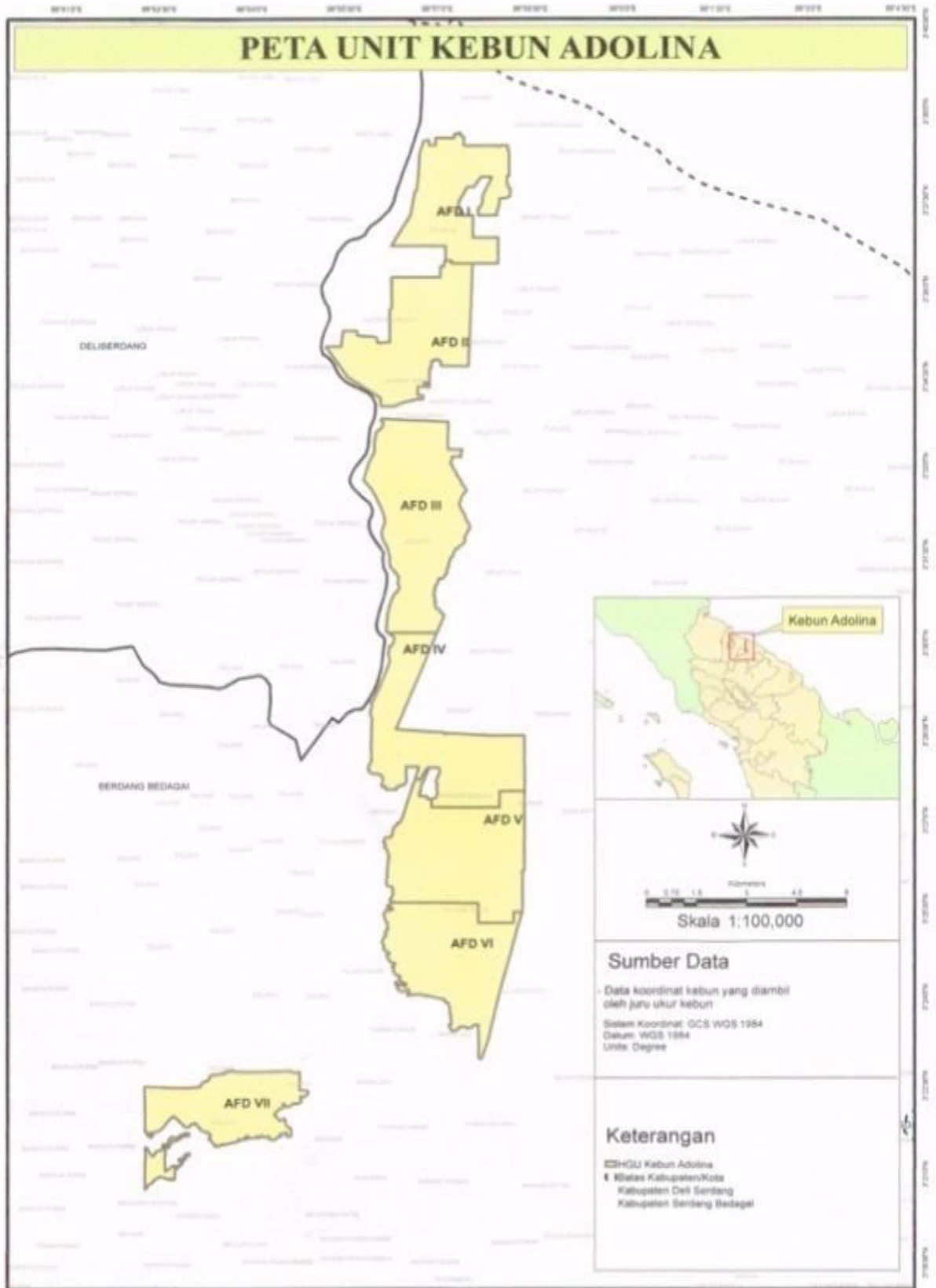
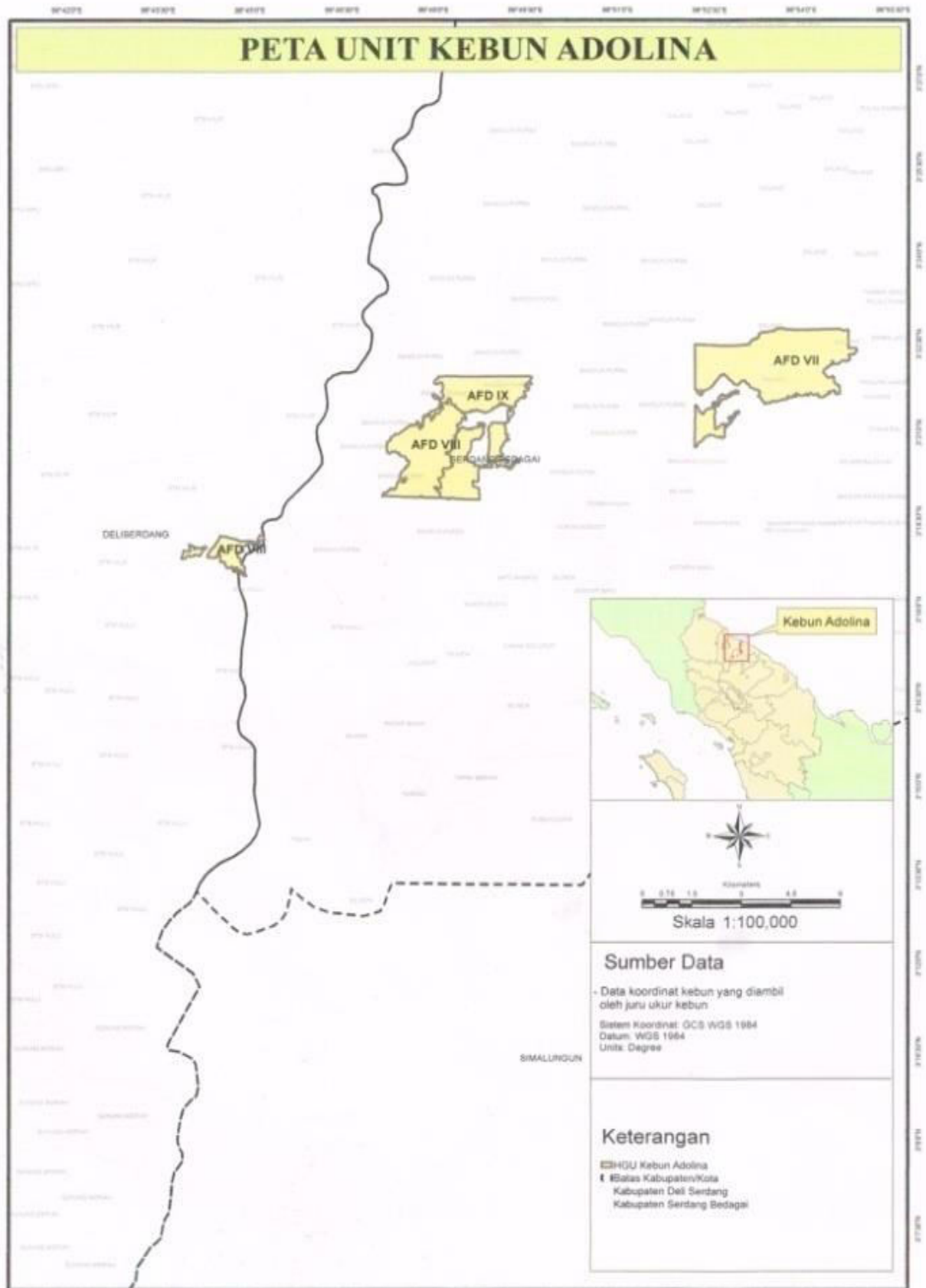


Figure 2. Operational Map of PT Perkebunan Nusantara IV–Adolina





Glossary

AMDAL	:	Analisis Dampak Lingkungan (Environmental Impact Assessment)
ASA	:	Annual Surveillance Assessment
BOD	:	Biological Oxygen Demand
BPJS	:	Badan Penyelenggara Jaminan Sosial (Social Assurance Body)
BPN	:	Badan Pertanahan nasional (National Land Agency)
CLA	:	Cooperative Labour Agreement
CSR	:	Corporate Social Responsibility
CITES	:	Critical Threatened Endangered species
CPO	:	Crude Palm Oil
DOS	:	Dolok Sinumbah
DB (dB)	:	Decibel
EFB	:	Empty Fruit Bunch
FFA	:	Free Fatty Acid
EWS	:	Early Warning System
FFB	:	Fresh fruit Bunch
GHG	:	Green House Gas
HCV	:	High Conservation Value
HGU	:	<i>Hak Guna Usaha</i> (Land Use Title)
HIRAC	:	Hazard identification Risk Assessment and Control
HR	:	Human Resources
ISO	:	International Standards Organization
IUP	:	<i>Izin Usaha Perkebunan</i> (Plantation Business Permit)
KER	:	Kernel Extraction Rate
LA	:	Land Application
LB3	:	<i>Limbah Bahan Berbahaya dan Beracun</i> (Hazardous Waste)
MSDS	:	Material Safety Data Sheet
NGO	:	Non Government Organisation
OHS	:	Occupational Health and Safety
OER	:	Oil Extraction Rate
PK	:	Palm Kernel
PKB / CLA	:	<i>Perjanjian Kerja Bersama</i> (Collective Labour Agreement)
PPE	:	Personnel Protective Equipment
PTPN IV	:	PT Perkebunan Nusantara IV
P & C	:	Principle and Criteria
POM	:	Palm Oil Mill
POME	:	Palm Oil Mill Effluent
PPKS	:	<i>Pusat Penelitian Kelapa Sawit</i> (Oil palm research center)
RKL-RPL	:	<i>Rencana Kelola Lingkungan – Rencana Pemantauan Lingkungan</i> (Environmental Management Plan – Environmental Monitoring Plan)
RKAP	:	Rencana Kerja Anggaran Perusahaan
RSPO	:	Roundtable on Sustainable Palm Oil
RTE	:	Rare, Threatening, Endangered
SE	:	Surat Edaran (Circular Letter)
SI	:	Satuan Inspeksi (Inspection)
SIO	:	Surat Izin Operator (Operator License)
SMK3	:	Sistem Manajemen Keselamatan dan Kesehatan Kerja (Occupational Health and Safety Management System)
SPI	:	Satuan Pengawas internal (Internal Control Unit)
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)
TBM	:	Tanaman Belum Menghasilkan (Immature Plant)
UKL- UPL	:	Environmental Management Efforts / Environmental Monitoring Efforts
UPDKS	:	<i>Ulat Pemakan Daun Kelapa Sawit</i> (Oil Palm Tree Leaf Caterpillar)
WHO	:	World Health Organization
WTP	:	Water Treatment Plant
WWTP	:	Waste Water Treatment Plant

1.0 SCOPE OF THE CERTIFICATION ASSESSMENT			
1.1 Assessment Standard Used		<ul style="list-style-type: none"> • <i>RSPO Principles and Criteria (P&C) for for the Production of Sustainable Palm, National Interpretation Principles and Criteria RSPO 2013 for Indonesia (July 2016).</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	
1.2.2	Contact person	Ade Reza Kurniawan	
1.2.3	Organisation address and site address	<ul style="list-style-type: none"> • RSPO registered company: Jalan Letjen Suprpto No.2, 20151, Medan, North Sumatera, Indonesia. • Office: District of Serdang Bedagai and District of Deli Serdang, Province of North Sumatera, 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	Khayamudin Panjaitan	
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	Palm Oil Mill and supply base <ul style="list-style-type: none"> • Adolina Mill and Adolina 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
	Adolina Mill	Village of Batang Terap, Sub District of Perbaungan, District of Serdang Bedagai, Province of North Sumatera, Indonesia	N 3° 34' 3"
			E 98° 56' 50"
1.4.2	Location of Certification Scope of Supply Base		

	Name of Supply Base	Location	Coordinate	
			Latitude	Longitude
	Adolina Estate	Village of Batang Terap, Sub District of Perbaungan, District of Serdang Bedagai, Province of North Sumatera, Indonesia	N 3° 34' 3"	E 98° 56' 50"
1.5 Description of Area Statement				
1.5.1	Tenure			
	• State		8,961.08	Ha
	• Community		-	Ha
1.5.2	Area Statement			
	• Total area		8,961.08	Ha
	• Mature area		6,753.00	Ha
	• Immature area		357.00	Ha
	• Seedling Area		280.82	Ha
	• Nursery		8.00	Ha
	• Reserve Area		97.30	Ha
	• Infrastructure (roads, canal, market, transmission line)		531.54	Ha
	• Emplishment / Workers Quarter		118.14	Ha
	• Swamp		6.00	Ha
	• WWTP (Waste Water Treatment Plant)		1.00	Ha
	• Unplantable Area		70.40	Ha
	• Area for School Building SMU Negeri Cilawan		1.00	Ha
	• Highway Plan		13.88	Ha
	• Replanting		723.00	Ha
	• HCV (include in planted area)		177.08	Ha
1.6 Planting Year and Cycles				
1.6.1	Age profile of planting year			
	Planting Year	Hectarage (Ha)		Total
		Adolina Estate		
	1993	15.00		15.00
	1997	1,290.00		1,290.00
	1998	402.00		402.00
	1999	490.00		490.00
	2000	235.00		235.00
	2001	72.00		72.00
	2003	784.00		784.00
	2004	139.00		139.00
	2005	237.00		237.00
	2006	500.00		500.00

	2007		963.00		963.00		
	2008		898.00		898.00		
	2010		619.00		619.00		
	2011		11.00		11.00		
	2013		98.00		98.00		
	2016		357.00		357.00		
	TOTAL		7,110.00		7,110.00		
1.6.2	New Planting area after January 2010		-	Ha			
1.6.3	Planting Cycle		2 nd Cycle				
1.7 Description of Mill and Supply Base							
1.7.1	Description of Mill						
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel	
				Out put (ton)	Extraction (%)	Out put (ton)	Extraction (%)
	Adolina POM	30	155,496.05	36,701.00	23.57	7,574.65	4.86
	<i>*Production data source from 12 months before assessment (March 2016 – February 2017)</i>						
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)	%
	Adolina Estate	8,961.08	7,110	130,867.60	19.38	130,867.60	100
	TOTAL	8,961.08	7,110	130,867.60	19.38	130,867.60	100
	<i>*Production data source from 12 months before assessment (March 2016 – February 2017)</i>						
1.7.3	FFB description from other source						
	Name of sources/Organisation (RSPO certified / non- certified)	Type of Organisation	Number of smallholders	Production Area (Ha)	Supplied to Mill		
					FFB (tonnes/year)		
	Estate Marihat (RSPO Non-Certified)	Subsidiary of PTPN IV	-	3954.20	547.17		
	Estate Tanah Raja (RSPO Certified)	Subsidiary of PTPN III	-	3350.07	1,092.07		
	Estate Sei Putih (RSPO Certified)	Subsidiary of PTPN III	-	2694.49	555.46		
	Estate Sarang Ginting (RSPO Certified)	Subsidiary of PTPN III	-	3051.72	1,028.96		
	Estate Silau Dunia (RSPO Certified)	Subsidiary of PTPN III	-	4963.62	80.37		
	Estate Rambutan (RSPO Certified)	Subsidiary of PTPN III	-	6490.80	151.51		
	Estate Gunung Bayu (RSPO Non-Certified)	Subsidiary of PTPN IV	-	6910	155.85		
	Estate Sei Kopas (RSPO Non-Certified)	Subsidiary of PTPN IV	-	4154	599.77		

	FFB Supplier (RSPO Non-Certified)	Independent	-	-	20,615.29			
	Total				24,826.45			
	<i>*Source Production Data on 12 months before assessment (March 2016 – February 2017)</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 verify in the survailance assasement</i>							
1.8.2	Product selling							
	Tonnage of selling product	Actual selling product period						
	CSPO	-						
	CSPK	-						
	CPO under other scheme trading (e.g ISCC, RFS)	-						
	CPO under conventional trading (if any)	-						
	PK under other scheme	-						
	PK under conventional trading (if any)	-						
1.8.3	Estimate of Certified FFB Claim							
	Name of Estate(s)	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)			
	Adolina	8,961.08	7,110	137,411	20.35			
	TOTAL	8,961.08	7,110	137,411	20.35			
	<i>*Projected FFB production for 12 months of certificate (02 April 2018 – 01 April 2019)</i>							
1.8.4	Estimate of Certified Palm Product Claim							
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel		Supply Chain Module
				Out put (ton)	Extraction (%)	Out put (ton)	Extraction (%)	
	Adolina POM	30	137,411	32,979	24	6,871	5	MB
	<i>*Projected CSPO and CSPK production for 12 months of certificate (02 April 2018 – 01 April 2019)</i>							
1.9 Other Certifications								
	ISO 9001:2008	Certificate no. 161000766 issued by TUV NORD Periode of certificate 28 th January 2010 to 27 th January 2013						
	ISO 14001: 2004	Certificate No. 081040076 issued by TUV NORD Periode of certificate 27 th January 2013 to 28 th January 2015						
	OHSAS 18001:2007	-						
	ISCC	-						
	Others	-						

1.10 Time Bound Plan						
1.10.1	Time Bound Plan for Other Management Units					
	Management Unit		Estate (Supply Base)	Time Bound	Location	Status
	Mill	Time Bound				
	Pabatu	2015	Pabatu	2015	Serdang Bedagai, Sumatera Utara	Certified September 2015
	Dolok Ilir	2015	Dolok Ilir	2015	Simalungun, Sumatera Utara	Certified September 2015
			Laras	2018	Simalungun, Sumatera Utara	Stage-2 Audit
	Pulu Raja	2015	Pulu Raja	2015	Asahan, Sumatera Utara	Certified August 2015
	Adolina	2018	Adolina	2018	Serdang Bedagai dan Deli Serdang, Sumatera Utara	Audited on March 2017
	Bah Jambi	2018	Bah Jambi	2018	Simalungun, Sumatera Utara	Certified
			Marihat	2018	Simalungun, Sumatera Utara	Certified
			Bah Birung Ulu	2018	Simalungun, Sumatera Utara	Stage-1 Audit
			Tonduhan	2018	Simalungun, Sumatera Utara	Stage-1 Audit
			Marjandi	2018	Simalungun, Sumatera Utara	Stage-2 Audit
			Marjandi HGU on progress	2019	Simalungun, Sumatera Utara	-
	Dolok Sinumbah	2018	Dolok Sinumbah	2018	Simalungun, Sumatera Utara	Stage-2 Audit
			Dolok Sinumbah HGU on progress	2019	Simalungun, Sumatera Utara	-
			Balimbingan	2018	Simalungun, Sumatera Utara	Stage-2 Audit
	Mayang	2018	Mayang	2018	Simalungun, Sumatera Utara	-
			Bukit Lima	2018	Simalungun, Sumatera Utara	-
	Gunung Bayu	2018	Gunung Bayu	2018	Simalungun, Sumatera Utara	-
			Tanah Itam Ulu	2018	Simalungun, Sumatera Utara	-
	Tinjowan	2018	Tinjowan	2018	Simalungun, Sumatera Utara	-
			Aek Nauli	2018	Simalungun, Sumatera Utara	-
			Padang Matinggi	2018	Simalungun, Sumatera Utara	-
	Air Batu	2018	Air Batu	2018	Asahan, Sumatera Utara	Stage-1 Audit
	Berangir	2018	Berangir	2018	Labuhan Batu Utara, Sumatera Utara	Stage-1 Audit
	Sawit Langkat	2018	Sawit Langkat	2018	Langkat, Sumatera Utara	Stage-1 Audit
	Pasir Mandoge	2018	Pasir Mandoge	2018	Asahan, Sumatera Utara	Stage-1 Audit
			Sei Kopas	2018	Asahan, Sumatera Utara	Stage-1 Audit
	Timur	2019	Timur	2019	Mandailing Natal, Sumatera Utara	-
			Balap	2019	Mandailing Natal, Sumatera Utara	-
	Ajamu	2019	Ajamu	2019	Labuhan Batu Utara, Sumatera Utara	-
			Meranti Paham	2019	Labuhan Batu Utara, Sumatera Utara	-
			Panai Jaya	2019	Labuhan Batu Utara, Sumatera	-

					Utara	
	Sosa	2019	Sosa	2019	Padang Lawas, Sumatera Utara	-
	PT Agro Sinergi Nusantara	2020	PT Agro Sinergi Nusantara	2020	Aceh Barat, Aceh	-
	PT Sinergi Perkebunan Nusantara	2020	PT Sinergi Perkebunan Nusantara	2020	Morowali Utara, Sulawesi	-
1.10.2	Progress of Associated Smallholders and Outgrowers for Certifiable Standard					
	PTPN IV- Adolina POM does not have scheme smallholders. The other supplier of Adolina POM are include to other scope in accordance with the time bound plan.					

2.0 ASSESSMENT PROCESS	
2.1 Assessment Team	
ST-2	<ol style="list-style-type: none"> 1. Muhammad Rinaldi (Lead Auditor Witnessed). Indonesian citizen, Diploma of Oil Palm Plantation. He has experience 4 years working as Assistant Agronomy since 2009. He has attended training RSPO Lead Auditor, training of Auditor ISPO, training of Lead Auditor ISO 9001-2008, training of ISO 14000, training of HCV identification, training of OHS management system, training of potential and conflict resolution. Experienced in auditing in relevant scheme (ISPO) since 2014 with the aspects of land legality, environmental, social, occupational health and safety, Best Management Practices, Conservation and worker welfare. During this assessment he was observed and audit on Legal, social and SCCS. 2. Oktovianus Rusmin (Lead Auditor Witnesser). Bachelor's Degree in Social & Political Sciences Department of Anthropology. The working experience, consist of: Coastal Project-Department of Anthropology in Indonesian University (Pilot Project of Mangrove Rehabilitation in coastal area of South Sulawesi) as Social Supervisor (1999-2001), Center of Anthropology-Indonesian University (Research and Publication) as Researcher (2002 – 2014), The Forest Trust-Indonesia (Consultant of Sustainable Forest Management) as Social Advisor (2004 – 2010) and eForest Consultant (HCV Identification and Social Impact Assessment) as staff (2010 – 2011). Already participated in several training, consist of: Forest Management Auditor (FSC Standard), Environmental Management System ISO 14001, ISO 9001:2008, Conflict Resolution, Human Right, Verification System of Wood Legality, Training Lead Auditor of ISPO & RSPO Scheme. Had participate in Sustainable Forest Certification (Eco Labelling Indonesia Standard), Gap Analysis of FSC Standard. He was numerously involved in audit of sustainable palm oil certification since 2011 for Indonesian Sustainable Palm Oil (ISPO) and RSPO Scheme in Indonesia & Malaysia as Auditor and <i>Lead Auditor</i>. 3. Mahmud Firdaus (Auditor). Diploma in Supervisor Food Quality Assurance and Bachelor on Management at Bogor Agricultural University. He is experienced in the field of Quality Assurance (QA) and personnel competence (auditor center) with the last position for each field is the coordinator. The types of training that have been followed are training of ISPO lead auditors, ISO 14001: 2004, RSPO Awareness, GHG training, ISO 9001: 2008, ISO 17021 & ISO 17065 training, Palm Oil Production training, Peat Management training, HACCP and food safety management system. During this assessment he was observed and audit on best management practices and Planning. 4. Dwi Haryati (Auditor). Indonesian citizens. Bachelor of Agriculture Department of Agriculture. She has experienced on Palm Oil Plantation as Sustainability staff. Training have been followed include : Training Auditor ISPO, Quality Management ISO 9001-2008, ISO 14001 Environmental Management, ISO 17021 & 17065, HCV, General Health Safety Expert, Health Safety Management System, Workshop GHG by the ISPO Commission, Palm Oil Mill Processing, Best Practice in Peat Management, Mapping Potential and Conflict Resolution in Production Forest. RSPO audit experience since March 2015 and ISPO since May 2014. During this assessment he was observed and audit on Transparency, Occupational Health and Safety, and Worker Welfare. 5. Sofyan Hadi Lubis (Auditor) Master's Program in Environmental and Natural Resource Management and Bachelor of Social Economic Agriculture. Has been involved as a researcher at the Research Centre of Forestry and Climate Change and Cooperation IPB-ETH Zurich Swiss-NUS Singapore regarding carbon stock analysis. The training has been followed, among other climate change mitigation and adaptation for agricultural productivity in Southeast Asia, Asian Carbon Update and Network and Climate Change Mitigation and Adaptation for Agricultural Productivity, Environmental Impact Assessment (EIA), Lead Auditor ISPO (Indonesian Sustainable Palm Oil), IHT-RSPO, ISO 9001, HCV, ISO 14001, Calculation of Greenhouse Gases (GHG), ISCC Plantation Audit and Land Use Assessment, Green Industry and ISCC EU and Plus Basic Training. Furthermore, he also worked as a staff environmental consulting firm and currently working as an auditor in the certification body (PT Mutuagung Lestari). He has has conducted audits for ISPO scheme, RSPO and ISCC in oil palm plantations, Indonesia as an auditor. During this assessment he was observed and audit on environment, GHG, conservation, and waste management aspect
2.2 Assessment Methodology, Assessment Process and Locations of Assessment	
2.2.1	Figure of person days to implement assessment

ST-2	Number of auditors : 4 auditor Number of days for ST-2 at site : 3 days Number of working days for ST-2 at site : 12 Working days
2.2.2	Assessment Process
ST-2	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT Perkebunan Nusantara IV (Adolina POM) to the requirements of RSPO Principles and Criteria 2013 by INA-NITF, July 2016 (Endorsed by the RSPO Board of Governors meeting on 30th September 2016) and 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).</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 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 ST-2 The assessment program please find Appendix 2</p>
2.2.3	Location of Assessment
ST-2	<p>Number of units in this certification activity are two estates, which supply the raw material (FFB) to one palm oil mill. In conducting the assessment, the team of auditors used the $0.8\sqrt{y}$ formula to determine the management units sampling to be focused on and also considered the issues raised by stakeholder. Based on this formula, the team of auditors determined that the sampling locations are one palm oil mill (Adolina POM) and one estates (Adolina Estate)</p> <p>Adolina Estate</p> <ol style="list-style-type: none"> 1. Division 6 Block 97BK. Observation legal boundary conditions No. 49. 2. Division 6 Block 97BN. Observation legal boundary conditions No. 45. 3. Division 6 Block 16K. Observation legal boundary conditions No. 22. 4. Division 6 Block 97BL/S. Observation related to Ganoderma disease attack. 5. Division 6 Block 97BJ/97BI. Observation related to HCV area in the form of riparian river. 6. Division 6 Block 13D. <ul style="list-style-type: none"> - Observation related to replanting area on 2013 - Observation regarding to pest control with beneficial plant (<i>Turnera Sp.</i>) - Interview with pest and disease officer related to training, implementation of procedure and worker welfare. 7. Division 6 Block 16K. <ul style="list-style-type: none"> - Observation related to replanting area on 2016 - Observation regarding to pest control with beneficial plant (<i>Turnera Sp.</i>) - Observation related planting technique using the method hole in hole - Observation related to EFB application - Observation related to soil management using legume cover crop 8. Division Office. Interview with pesticide applicator related to implementation of procedure, worker welfare, OHS implementation, training/socialization about HCV and company policies. 9. Afdeling VIII blok 2007 AE. Observation and interview about harvesting techniques, criteria of ripe fruits, PPE, first aid bag, mechanism of information request, insurance, delivery of complaints and grievances, regular medical checkup, training given, rules of worker union and gender committee as well as to crosscheck employee status and wages.

10. **Housing Afdeling VIII.** Field observations the facilities and infrastructure provided for employee welfare, environmental hygiene and sanitation.
11. **Block 03-A Afd II – BPN Pole No. 27-M.** Observation related to legal boundary.
12. **Block 03-B Afd II – BPN Pole No. 27-S.** Observation related to legal boundary.
13. **Block 03-B Afd II.** Observation related to HCV area (sacred cemetery) monitoring.
14. **Block 03B and 98E Afd II.** Observation related to the riparian river management.
15. **Block 03-B Afd II.** Observation related to HCV area and wildlife species monitoring.
16. **Housing complex Afd II.** Observation related to housing facilities and domestic waste management.
17. **Chemical storage Afd II.** Observation related to work safety in chemical storage.
18. **Block 06K Afd II.** Observation related to land application management
19. **Afdeling 8 block 07AE (Harvesting Activity).** showed that personnel have understand the harvesting procedure as well as harvesting technique based on occupational health and safety, including the procedure in case of work accident's occurrence. Personnel understand and wear the PPE based on its function and type. The foreman was no brought the first aid box to the field. Harvester informs harvesting mechanism and technique as SOPs.
20. **Afdeling 8 (emplacement area / housing).** Observation of housing facilities for worker.

Adolina POM

21. **Sterilizer Station.** Interview about safety work implementation, PPE's and work accident.
22. **Boiler Station.** Auditor was interview boiler operator, boiler man has license. Company was provide PPE's every year. Fibers and shell is used as fuel to reduce fossil fuel consumption and maximize renewable energy.
23. **Engine Room.** Auditor was observe engine room condition, all operator was using PPE's, fire extinguisher that known it was no monitoring form
24. **Hydrant simulation.** There was no available good pipe and nozzle (not standby condition), water pressure was can't rech higher point.
25. **Weighbridge Station.** Observation of supply chain procedure.
26. **Loading Ramp.** Observation and interview with sortation personnel related to personnel understanding over sortation procedure, the implementation of sortation, fruit criteria, fruit separation with ripeness and rawness criteria.
27. **Water Treatment Process (WTP).** Observation related to water consumption.
28. **Central chemical storage.** Observation related to chemical containers management.
29. **Central Workshop.** Observation related to OHS, worker welfare and emergency response.
30. **Empty Bunch Area (EBA).** Observation related to EFB management.
31. **Hazardous waste storage.** Observation related to LB3 including chemical containers management.
32. **WWTP.** Observation related to mill effluent management activities and OHS implementation.

Stakeholder

33. Bangun Purba Tengah Village and Adolina Village. Interview related to environmental issue, land conflict, community development and contribution to local people.
34. Government agency of Serdang Bedagai District and Deli Serdang District (Labour and Transmigration Agency, Environment Agency, Plantation Agency, National Land Agency). Interview related to environmental issue, land conflict, regular reporting and labor issue.

2.3 Stakeholder Consultation and Stakeholders Contacted	
2.3.1	Summary of stakeholder consultation process.
ST-2	<p>Summary of stakeholder consultation process</p> <p>Consultation of stakeholders for Adolina POM subsidiary of PTPN IV was held by:</p> <ol style="list-style-type: none"> 1. Public announcement on the MUTU website (www.mutucertification.com) and RSPO website (www.rspo.org) at February 16th 2017. 2. Stakeholder consultations with NGOs have been conducted by sending questionnaires via email to several NGOs

	<p>(WWF, Walhi, Sawit Watch) on March 16th 2017.</p> <p>3. Public consultation meeting with internal stakeholders (worker union, committee gender, local contractor and local communities) by interviews at March 20th, 2017.</p> <p>4. Stakeholder consultations with government have been conducted by interview to several governments in Deli Serdang and Sedang Bedagai District on March 20th, 2017.</p> <p>Numbers of input from stakeholders were clarified by Adolina POM subsidiary of PTPN IV</p>
2.3.2	Stakeholder contacted
	<i>Please find appendix 1</i>
2.4 Determining Next Assessment	
	The next visit (ASA-1) will be determined 9-12 months after certified issued.

3.0 ASSESSMENT FINDINGS

3.1 Summary of Assessment Report of the RSPO Certification

MUTUAGUNG LESTARI has conducted an assessment of ADOLINA Palm Oil Mill, subsidiary of PT Perkebunan Nusantara IV. Operation consisting of one (1) mill and one (1) oil palm estate.

During the assessment, there were thirty two (32) Nonconformities were assigned against Major Compliance; sixteen(16) nonconformities, were assigned against Minor Compliance Indicators sixteen(16); and one (1) nonconformance against supply chain requirement for CPO mill and six (6) 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 actions that had been reviewed and accepted by Auditors in form of documentation evidence(s) e.g. (*document record/photographic/etc*). Those corrective action(s) taken that consist of thirty two (32) Major non-conformities and one (1) SCCS non-conformity had been closed out shall be verified during next assessment.

MUTUAGUNG LESTARI found that ADOLINA Palm Oil Mill , subsidiary of PT Perkebunan Nusantara IV complied with the requirements of **Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INA-NITF, July 2016 (Endorsed by the RSPO Board of Governors meeting on 30th September 2016) and 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).**

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 The business unit has a list of stakeholder that consist of local government, Government agencies, public figure, NGO, labour union, business non governmental. Any requests for information from the public are recorded in the estate office personnel. Company has the SOP No.60 Information Request and Responses effective date on August 1, 2012. The business unit appointed Assistant of Human Resources and General of the operational unit to respond any requests for information from stakeholders.		
1.1.2 The business unit has procedures (SOP Communication and Consultation with the Community) to provide constructive feedback to the stakeholders but not yet include establishing a time frame in response to requests for information. Nonconformance No.2017.01 with Major category		
1.1.2	Status: Nonconformance No.2017.01 with Major category	Open
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 The business unit has a document that can be accessed by the public, which are listed in the SPO Policy on January, 2		

2015. It has classified the types of information that can be accessed by stakeholders. The documents are company's general information such as vision and mission, productivity, CSR, etc which can promote the image of the company. While the documents which are confidential such as management reports, work order letter and other confidential letters are not publicly accessible. Based on interviews with the estate office staff, 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: Comply

**1.3
Growers and millers commit to ethical conduct in all business operations and transactions.**

1.3.1
The business unit has policy containing a commitment to integrity and ethical behavior code are contained in the Code of Conduct (COC) written in 2013. Chapter V describes the Prohibition For Business People. This chapter contains the code of conduct with respect to conflict of interest, Corruption, Collusion and Nepotism and bribery, political activities, drugs and gambling, and misconduct which are prohibited for the business people. Every person is prohibited to conduct corruption, collusion, nepotism and bribery (Gratuities).

The COC has been socialized to employees on December 28, 2016. The COC also communicated through posters and giving pocket book to employees.

There is not enough evidence that the policy has been communicated to the stakeholder. **Nonconformance No.2017.02 with Minor category**

1.3.1 Status: Nonconformance No.2017.02 with Minor category

Open

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
The business unit has a complete list of regulations in first semester of 2016 that includes local regulations, national regulation and international regulation. The regulations related to Land aspect, Plantation aspect, Environment aspect, OHS aspect, etc. During audit, the company has showed compliance for the regulations, for example:

Legality aspect

- The business unit has had a land use title as proof of tenure. This is in conformance with Government Regulation No. 40 of 1996
- The business unit has Plantation Business Permit as proof of land utilization. This is in conformance with the Regulation of the Minister of Agriculture No. 98 of 2013.

Environmental aspect

- The business unit has environmental document in accordance with government regulation (*Peraturan Pemerintah No. 27 / 2012*). The document are SEIA, RKL/RPL and UKL/UPL.
- The business unit has hazardous waste storage (TPS LB3) lisenca approved by local government in accordance with government regulation (*Peraturan Pemerintah No. 101 / 2014*).
- The business unit has land application lisenca approved by local government in accordance with government regulation (*Peraturan Pemerintah No. 82/ 2001*).

BMP aspect

Evidence on compliance with applicable national laws in plantation aspect are :

1. Use of license pesticide allowed by the government :

The business unit had pesticide document allowed based on pesticide book issued by agriculture and forestry of Indonesia Government such as Paratop 276 SL (parakuat diklorida), Marshal 5 G (Karbosulfan 5%), Gempur 480 SL (Isoprofil amina glifosat 480g/l), Amcothene 75 SP (Asefat 75,05%), and Decis 25 EC (Deltametrin 25g/l).

OHS Aspect

- The Company already has an OHS Committee organizational structure in which there is a fire fighting structure and

has conducted fire emergency training / simulation activities on May 31, 2016. This has been in accordance with Labor Ministerial Decree No. 186 of 1999.

- The Company have seven (7) licensed Boiler's Operator in accordance with Minister of Manpower Regulation no. 01 of 1988 concerning the Qualifications and Terms of Boiler Operators.
- Has have three (3) licensed electrical technician in accordance with Minister of Manpower Regulation No.33 of 2015.
- Has have two (2) licensed welders in accordance with Minister of Manpower Regulation No. 02 of 1982
- Has compliance to Article 3 of the Safety Act for example has HIRAC, has procedure of handling emergency responses, has provide the PPE to the workers.

There are several non-compliance with regulatory such as : **Non conformance No.2017.03 with Major category.**

1. Statute No. 13 of 2003, Section 50 relating to Employment:
Based on field visits and interview with personal who work on the block 07 AE afdeling VIII conducting harvesting (take loss fruits) but no formal working ties.
2. Regulation of Labour Ministry No. 19 Year 2012 on condition the delivery of some work to other companies:
Based on the document review of work order contractors recapitulation, there is a harvest activities undertaken by third parties.
3. Plantation Business Permit (IUP) states that the license must report the development of the plantation business every quarter, semester and yearly. However, the company has not been able to show evidence of the plantation business reporting.
4. Has not been able to show the evidence reporting of labor periodically. This is not in accordance with Statue no.7 of 1981.

2.1.2

As described at the indicator 2.1.1 that the company has a complete list of regulations in first semester of 2016. The system covering legal requirement noted in monitoring and evaluation of legal compliance prosedur No. Document: PML/MR/08, revision 02, effective date February 01/2012. In the procedure has been explained that the person responsible for the management of these documents are the Head of General Affairs and and Human Resources. The company has kept a list of rules and regulations in first semester of 2016 at the Head of General Affairs and Human Resources Departement and has distributed to each division office in hardcopy and softcopy.

2.1.3

To ensure compliance with relevant regulation, the company has conducted an evaluation of regulations in first semester of 2016. But, the company not be able to show the results of the evaluation in 2nd semester of 2016. It is not in accordance with monitoring and evaluation of legal compliance procedure No. Document: PML/MR/08, revision 02, effective date February 01/2012, which explained that the evaluation carried out every 6 months. **Based on the explanation, it is found Non conformance No.2017.04 with Minor category.**

2.1.4

The system covering legal requirement noted in monitoring and evaluation of legal compliance prosedur No. Document: PML/MR/08, revision 02, effective date February 01/2012. In the procedure has been explained that the person responsible for the management of these documents are the Head of General Affairs and and Human Resources.

As described in indicator 2.1.3 that to ensure compliance with relevant regulation, the company has conducted an evaluation of regulations in first semester of 2016. But, based on verification of regulation in first semester of 2016 known there are regulations that has changed but the company has not conducted updates to these regulations, such as regulation related to managemen of hazardous waste (LB3) and plantation business permit. **Based on the explanation, it is found Non conformance No.2017.05 with Minor category.**

2.1.1	Status : Non Conformance No. 2017.03 with Major category	Open
2.1.3	Status : Non Conformance No. 2017.04 with Minor category	
2.1.4	Status : Non Conformance No. 2017.05 with Minor category	

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

The business unit has showed documents of land tenure ownership/control listed in the document, among others:

- To land tenure document indicated by the Decree of the Head of National Land Agency (BPN) with total area , among others:
 - Head of National Land Agency Decree - No. 85/HGU/BPN/94 dated December 13, 1994 with an area of 7,057.2 Ha with a validity period till December 31, 2024
 - Head of National Land Agency decree No. 164/HGU/BPN RI/2009 dated December 7, 2009 with an area of 850.99 Ha with a validity period till December 27, 2034
 - Head of National Land Agency decree No. 163/HGU/BPN RI/2009 dated December 7, 2009 with an area of 957.19 Ha with a validity period December 27, 2034
 - The Head of National Land Agency Regional Office of North Sumatra Province Decree No. 01-540.1-22-2006 dated June 19, 2006 covering an area of 95.7 Ha validity period till September 12, 2041
- The land concession document written in Plantation Business Permit (IUP) with Governor of Sumatera Utara Decree No. 522.2/56/BPPTSU/2/1.3/V/2015 dated August 8, 2012 about Plantation Business Permit for PT. Perkebunan Nusantara IV- Adolina Business Unit by granting the area of concession with covering an area of 8,961.08 Ha in accordance with National Land Agency Decree with a Mill capacity of 30 tons/hour.

PTPN IV- Adolina Business Unit shown the management history in the company profile document that explains:

1926	Established on 1926 by the Dutch government by name Cultuur Maatschappij NV Onderneming (NV CMO), which is engaged in tobacco cultivation
1938	Tobacco converted to oil palm and rubber (NV Serdang Cultuur Maatschappij (SCM))
1942	Taken over by the Japanese government
1946	Taken back by the Dutch government (NV SCM)
1958	Taken over by the Indonesian government (State Plantation Corporation) (based on the Law of the Republic of Indonesia Number 86 year 1958 dated December 27, 1958 on Nationalization of Dutch-owned company)
1960	PT. Perkebunan Nusantara changed into New PT. Perkebunan Nusantara North Sumatera V
1978	Changed into PT. Perkebunan VI
1996	PT. Perkebunan VI, PT. Perkebunan VII, PT. Perkebunan VIII into PT. Perkebunan IV

The business unit shows the Area Statement document period December 2016 with the total area of 8,961.08 hectares. Based on this, it is known that the operational areas in accordance with the Land Use Title area.

2.2.2

The business unit shows Map and Monitoring Boundaries Pole Inventory for each Division for period Semester II year 2016 which explains the position and the number of poles and the conditions. For example, in Division 6 there are 91 poles with the number of missing poles 2 units.

Based on the field visit in Division 6 pole No.49 block 97BK, pole No. 45 block 97BN, pole No. 22 block 16H, it is known that the condition of the boundaries pole in the Estate area are still in good condition and there are no planting outside the boundaries, however Adolina Business Unit has not been able to show the map of the location of boundary poles and poles number issued by the relevant agencies. **Non-conformance no. 2017.06 with Minor category.**

The business unit has Standard Operating Procedures of Land use title boundaries pole Maintenance with No.SPO 12.0 (Revision 2) dated January 2, 2015 which describes the person in charge of the boundary poles, the action to be taken if the pole is damaged/lost and the monitoring period were performed every 6 months.

2.2.3

Based on interviews with heads of Bangun Purba Tengah village, there is a dispute of land on 2007, but has been resolved. The business unit has shown evidence of dispute settlement by negotiations mechanism which is involving multiple parties.

The evidence of settlement among others legalization letter No. 03/PTTSDBT/IX/2010 about the returning of land use of PTPN IV with compensation of plants and palm oil trees in Division 9 on 19 September 2012. The official report signed by: Manage Unit, affected parties, Head of Bangun Purba village, Head of Bangun Purba sub-district and Notary Office.

2.2.4 & 2.2.5

Based on interviews with heads of Bangun Purba Tengah village, once there is a dispute of land in 2007, however has been resolved. Based on the field in section II, IV and VIII, it is not identified as areas of dispute/conflict.

2.2.6

There are code of conduct of the company which explained that the company is not use violence in keeping the peace and orderliness. Based on the result of interview with leader of Adolina village & Bangun Purba Tengah village and field observation there are not any indication of use of confrontation and intimidation by company to resolve a land dispute.

2.2.2	Status : Non conformance No. 2017.06 with Minor category
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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, 2.3.2, 2.3.3 & 2.3.4

The business unit has SPO of conflict area management No.4 (revise 2) january 2, 2015 has explain that problem solving of conflict area is conducted by negotiation which involves leader of dispute area and determine the compensation done by negotiation until they reach agreement. Calculations carried out with reasonable prices in accordance with the taxable value and state of the areas. In SOP does not distinguish how to calculate compensation based on gender, transmigrator, local community or ethnic group.

Based on the interview with leader of Adolina and Bangun Purba Tengah Village and document review Land Use of Title & Indonesian Laws No 86 on 1958, that explained the company's area come from the area of the dutch-owned company. For dispute areas in the form claims by local communities have been resolved with the involvement of government. (verified 2.2.3)

	Status: Comply
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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

The business unit has shown "Rencana Jangka Panjang (RJP)" document for 2015-2019 period. It document has been approved by main director of PTPN IV on November 2014. Based on that document, there is several information regarding to the hectarage of plantation, production budget of FFB and CPO/PK, cost projection, strategic plan, and etc.

Rencana Jangka Panjang (RJP) document is base for arrange annual budget plan. The annual budget plan in the company are called RKAP (*Rencana Kerja Anggaran Perusahaan*). in every year, it document are reported by unit manager and evaluated by head office PTPN IV. The progress and report usually in forms of management report (LMKS 9). The company also has monitoring systems on "N4X systems". The systems include information about plan and realization, explanation, solution, time limit and Person in charge to solve the problems.

3.1.2

The business unit has not been able to show 5-years replanting plan document. **This is raise as Non conformance No.**

2017.07 with Minor category

3.1.2	Status: Non conformance No. 2017.07 with Minor category
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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

Basic Guidelines Document and Work Instruction PT. Perkebunan Nusantara IV (Persero) which was made and approved by the Managing Director in June 2013 which contains Basic Guidelines Document and Work Instruction for :

1. Agronomy SOP, contains : Nursery, Replanting, Mature Upkeep up to transport
2. Mill SOP, contains : contains : weighbridge station, loading ramp station, boiler station up to guidelines work for laboratory, equipments, chemicals material, and sample analysis.

The document has covered all the major processes, available in each work unit division, also part of PPD (document centralization) and using Bahasa so it can understood by employees. Based on field observation and interview with harvest workers in Division 8 block 07AE it is known that the worker has understood the SOP of harvest.

4.1.2

Monitoring for SOP renewal refers to the implementation of quality management system through document control procedures (PML/MR/01 revision 01 August 6, 2010). The procedure is set if there is a document change, draft changes made at least by Kepala Dinas and Sub Kepala Dinas by applying for a revision. Once approved by the competent authorities, the draft follows procedures for creation of new documents. SOP has distributed in accordance with document control procedures (PML/MR/01 revision 01 August 6, 2010) and created using a language understood by the employee. The company carries out internal audit by *Satuan Pengendali Internal (SPI)*. SPI is a team formed by PTPN IV Head Office to monitor the operation of the unit in accordance with SOP and established long term plan. Internal audit activities are conducted every 6 months covers all existing SOP such as Agronomy SOP, Mill SOP and Management SOP. The result of internal audit are then followed up in accordance with corrective action procedure (PML/MR/04) and preventive action (PML/MR/05) signed by management representative on August 6, 2010, integrated with quality management system.

The business unit has not able to show the SOP for internal audit that is conducted by SPI. **This raise as Non conformance No. 2017.08 with Minor category**

4.1.3

Document “Daftar Ikhtiar hasil pemeriksaan dan Saran/Rekomendasi” period May 2015 – October 2016 which are made by SPI PT. Perkebunan Nusantara IV dated November 18, 2016 stated that there are 33 findings in terms of operation and management. The findings have been followed up in accordance with the previous corrective plan. Document is then sent to the SPI for verification.

4.1.4

The business unit has Perkebunan Nusantara IV Management Rules (No. 04.01/PER/13.1/IV/2014, april 30, 2014) about procurement guidance of fresh fruit bunch (FFB). The rule explains for example FFB acceptance procedure, FFB quality, formulation price and procedure of payment. Based on a visit in Weightbridge, it is knowed that all supplier has accompanied with a delivery permit letter. This is in accordance with the procedure.

There are four contractors which has a fixed partnership agreement in supplying FFB to Adolina POM, there are; CV Rifagara, UD. Dicky S., CV. Cakrawala dan UD. Gintar.

Documentation for total FFB origin from contractor recorded on Monthly Management Report, for example on January 2017 dari UD. Gintar as much as 672,040 kg; CV. Cakrawala as much as 502,220 Kg; CV Rifagara as much as 183,410 Kg.

4.1.2	Status: Non conformance No. 2017.08 with Minor category
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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

Soil fertility management is listed in fertilization management procedure (No. Dok. A.10) which was created and authorized by the President Director in June 2013. This procedure is made to maintain soil fertility by giving fertilizer into the soil nutrients that have been taken by the plant. The company also has SOP for utilization of palm oil waste (Documents RSPO and ISPO No. SPO 17 January 02, 2015). Contents of procedure describe the utilization of Palm Oil Mill waste as follows :

1. Empty bunches waste utilization
2. Palm Oil Mill Effluent (POME) utilization
3. Shell utilization
4. Solid waste utilization
5. Fibre waste utilization

SOP implementation and monitoring are shown by data on soil fertility management in 2016 stated the application of empty bunches in Division 1,2,3 dan 6 are 30,975.33 Kg, POME application are 95,955.342 Litre in Division 2. Monthly report POME application stated in January has been applied 5,678.994 Litre while in February are 6,199.542 Litre. Realization of Palm Oil waste utilization is verified by the Adolina Estate Manager every month.

4.2.2

The business unit has program document and realization of Palm Oil fertilization for 2016. Recommendation for fertilization made by PPKS Medan and includes leaf nutrient condition, fertilizer type and specification, Fertilizer dosage, fertilization method, time and frequency of fertilization, and efforts to increase fertilizer effectiveness.

Record of fertilizer use on PT. Perkebunan Nusantara IV Adolina Estate 2015 – 2016 includes urea usage of 19,482.11 Kg (in 2015) and 2,135.89 in 2016. Meanwhile, MOP fertilizer in 2015 is used as much as 18,555.75 Kg and in 2016 as much as 372,074.87 Kg.

The realization of fertilization refers to fertilization programs that have been made for example :

1. Fertilization of Mature Area in November 2016
 - Dolomite application plan of 1,730,021 kg for 1,275,010 palm tree with an area of 10,200 ha and realized 100%
 - *Montys liquid carbon* of 7.06 liters for 235 palm tree with an area of 4.68 Ha realized 100%
2. Fertilization of Mature area III in 2013
 - NPK application plan 14.8.25 + 1 TE of 35,752,76 kg for 13,001 palm tree with an area of 98 Ha realized 100%
 - Dolomite application plan of 23,027.75 Kg for 12,581 palm tree with an area of 93 Ha realized 100%

The business unit may also show records of fertilizer use per ton of FFB production such as the use of fertilizers in 2016 like :

- Division II uses 0.05 tonnes of NPK fertilizer 14.8.25 + 1 TE for each ton of FFB production
- Division VI uses 0.06 tonnes of NPK fertilizer 14.8.25 + 1 TE for each ton of FFB production
- Division VI uses 0.07 tonnes of NPK fertilizer 14.8.25 + 1 TE for each ton of FFB production.

4.2.3

The business unit has a document of Basic Guidance on Fertilization Management (No. Doc. A10 dated 01 January 2013) in which there is Work Instruction (IK) on soil analysis and leaf analysis. Soil analysis conducted once in 1-5 years and leaf analysis conducted every year. Soil and leaf analysis are conducted by third party. However, in the document has not set about the frequency / periodic for visual observation. **This is raise as Non conformance No. 2017.09 with Minor category**

Fertilization of plants should be based on fertilizer recommendations that refer to the results of leaf and soil analysis. The result of the analysis is a monitoring of changes in nutrient status.

The business unit conducted the land test last time on 27 November 2015 in the laboratory "binalab". Leaf sample testing was conducted by the Medan Palm Oil Research Center on June 21 to July 1, 2016. The result of soil test stated that the

clay is 52,9%, dust 11,7% and sand 35,4%. Leaf analysis was performed in accordance with Adolina Estate Manager letter dated July 2, 2016 No.ADO/04.04/VII /2016. At the time of the audit activities conducted Adolina Estate has not received leaf analysis results from PPKS Medan. The results of leaf and soil analysis are used as the basis of fertilizer recommendation.

4.2.4

The business unit undertook the application of nutrient recycling through the application of empty bunches and palm oil mill effluent (POME) applications in accordance with SOP of Palm Oil Waste Utilization – Document RSPO and ISPO No.SPO 17 January 02, 2015. The nutrient recycling strategy is listed in RKAP (Rencana Kerja Anggaran Perusahaan) which is published annually.

Adolina Estate apply the empty bunches to dominant sandy areas. Based on Actual document Empty Bunch Application, application is only done in Division I, II, III (seeding area), and IV. Besides empty bunches, the company also implemented applications of palm oil mill effluent (POME). Other wastes such as fiber and kernel shells are applied to boiler fuel. Nutrient recycling strategy also includes the rest of the palm oil trees from replanting.

Recording of the application of empty bunches of PT. Perkebunan Nusantara IV Adolina Estate :

- In January 2016 has been applied empty bunches of 1,998,430 kg
- In June 2016 has been applied empty bunches of 2,690,620 Kg
- In December 2016 has been applied empty bunches of 5,048,890 Kg

4.2.3 | Status: Non conformance No. 2017.09 with Minor category

4.3

Practices minimize and control erosion and degradation of soils.

4.3.1

The business unit have High Conservation Value (HCV) Identification Result documents Adolina Estate PT. Perkebunan Nusantara IV In District Serdang Bedagai and Deli Serdang Year 2011 which was conducted in collaboration with Research Institute of North Sumatera University, Medan. In the document obtained information Adolina Estate has a type of land that is dominated type or ordo *Iceptisol, Entisol, and Ultisol* as well fragile soil type (fragile) not to be found in Adolina Estate PT. Perkebunan Nusantara IV. The map has a scale of 1:100,000. Company have the opportunity to improve the quality of soil type maps with a reference scale of 1: 50,000. **OFI**

4.3.2

Management strategies for planting on sloping areas with terraced contours such as listed in the document replanting (replanting) No.A.02 published in June 2013. Contour terrace made with size 400 cm wide. In addition the company also applies individual terrace method with provisions for the area with a slope of 2-60 to 6-120. The document also describes areas with a slope angle of 400 is not planted oil palm.

To prevent soil erosion preservation is done mechanically through contour terrace and frond stacking. Realization of making contour terrace is contained in the inventory report document stating Division VIII with a land area of 573 Ha has been made 178,809 m long contour terrace.

4.3.3

The business unit shows the basic guidance document and work instructions on road and bridge maintenance (No. Dok A.09) June 2013. Maintenance of roads regulated by the company is about the maintenance of main road and collection road along with the way of road maintenance. Based on RKAP documents in 2017 known that there is a budget for road maintenance of Rp 76,949,000.

The road maintenance records are contained in the document of the daily plant working report collection. In December obtained data on Division VIII there are road maintenance activities in block F and AG with the result of 250 Ha. Meanwhile on Division II road maintenance has been done in blocks 98B, 97AE, and 10A with the result of 150 m.

During field observation, it could be concluded that road condition in Adolina Estate were generally satisfactory, well maintained and able to be passed easily.

4.3.4 & 4.3.5

Based on the HCV / HCV Assessment document - Identification Result of High Conservation Value Adolina Estate PT. Perkebunan Nusantara IV District Serdang Bedagai and Deli Serdang in collaboration with Research Institute of the University of North Sumatera, Medan year 2011 known types of soil in Adolina Estate PT. Perkebunan Nusantara IV that is dominated type or ordo *Iceptisol, Entisol, and Ultisol*. In the Dudal-Soepraptoehardjo classification the soil type can be categorized as Podsollic and Red Podsollic, Alluvial, and Litosol. **No peat soil type found in area of Adolina Estate PT. Perkebunan Nusantara IV.** Management representatives also stated on Adolina Estate there is no peatland and dominant area of clay.

4.3.6

Based on the document HCV / HCV Assessment - Results of Identification of High Conservation Value Area of Adolina Estate PT. Perkebunan Nusantara IV stated that there is **no fragile land**. However, Adolina's Business Unit already has a method of handling marginal land (sandy soil, acid sulfate-containing soil and low organic matter content), for example by application of empty bunch.

Status: Comply

4.4

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

4.4.1

The Company has a river quality monitoring program recorded on RKL / RPL document, conducted every 6 months. The company has conducted testing of surface water quality in Kanal rivers, Galang rivers, Batu Gingging rivers and also has been testing the groundwater in first semester of 2016, But the company can not to show the testing of surface water quality and groundwater including Total Suspended Solid / TSS in 2nd semester of 2016. It was not in accordance with the water management plan described in the document RKL/RPL, the test is carried out every 6 months (first semester). Based on the explanation, it is found **Non conformance No. 2017.10 with Minor category**

4.4.2

Based on field visit to the *Kanal* riparian rivers Block 03B and 98E Afd. 2, known implementation of riparian protection have not been conducted in accordance with the management procedure riparian No. Documents: SPO-ADO-05 dated January 2, 2015 and HCV 2011. For example do enrichment plant and covercrops; installation of boundary markers of chemical applications, monitoring of landslides, etc. Based on the explanation, it is found **Non conformance No. 2017.11 with Major category**

4.4.3

Measuring and monitoring mill effluent is recorded in the SOP No. 17 dated January 2, 2015 related to factory waste utilization. The SOP explains that the volume and pH are monitored every day, while other parameters are monitored every months. Measuring mill effluent also refer to refers to permit from environment agency (SK No. 18.32/660/67/2015, dated February 13, 2015, and government regulation (*PermenLH* No. 28 / 2003), monitored every months.

The business unit has conducted testing of Mill Effluent quality periodically every month on accredited laboratory. The test results are in accordance with national regulation No. 28 & 29 / 2003 (BOD ≤ 5,000 mg / l). The test results periodically sent to the local government (*sighted: Cover letter No. Doc: Ado/K3/IO/SPS/10/VI/2016, dated August 17 / 2016*).

The business unit has the opportunity to have the waste water monitoring report adjusted to the report format specified in the waste water utilization permit from the Serdang Bedagai Regional Environment Office No. 18.32 / 660/67/2015. **OFI**

4.4.4

Based on field visit in Water Treatment Process (WTP), known operator has recorded water consumption through observation of flow meter. Average water consumption for factory less than 1.40 m³ / tFFB. Water consumption is still in accordance with the budget set by the company more than 1.50 m³/tFFB.

4.4.1	Status : Non conformance No. 2017.10 with Minor Category	Open
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4.4.2	Status : Non conformance No. 2017.11 with Major Category
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4.5

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

4.5.1

The company's IPM plan is contained in the SPO procedure of Plant Pests and Disease Control (No.dokumen.Unit Usaha.A08 June 2013). Potential pests identified are caterpillars, rat, and oryctes. Integrated Pest Management combines biological, physical, and mechanical control methods.

For nettle caterpillars and bag worm carried out global telling (observation of pests on 1 tree samples in 1 Ha). If found the population of pests (3-5 larvae) followed by effective telling (observation of 5 samples of trees per Ha). Results of observations showing larvae > 5 per palm leaf (threshold limit) were chemically controlled (stem injection with insecticide for bag worm), fogging at night for nettle caterpillar, and biologically by planting host plants of natural enemies UPDKS (are like *Turnera subulata*, *Antigonon leptosus*, and *Casia tora*).

IPM for rat begins with global telling (observing all trees). If the average attack rate of 5% per-block is continued with effective telling. If the percentage of trees is attacked > 5%, then the control is done. Pest control for rat by chemical method (rodenticide feeding) and biologically (using predator *Tyto alba*/gupon installation).

Based on the report of integrated pest control training the native species used for biological control are beneficial plants (*turnera*, *antigonon*, *euphorbia*) for host natural enemies UPDKS. Pesticide use is only done if the census and monitoring results of pest observation have crossed the threshold (not used as preventive/prophylactic).

Records of pest control implementation indicated by the company for example in January 2017 there is control of bag worm on Division I using Menthene 75 SP insecticide with dosage 20gr/tree. Pest control for nettle caterpillar on Division VII using 1.5 liter Decis with a dose of 250cc/Ha and EMOL 0.3 liter with a dose of 50cc/Ha. Pest control for rat on Division III whose percentage of attacks reached 32.80%.

In addition to pest control, the company also controls weeds such as those contained in the daily work report December 2016 :

1. Division VIII. Chemical applications in blocks A, G, H, F, K, L with yields of 30 Ha of materials used decis 7.50 lt/kg and emulgators 1.50 lt/kg.
2. Division VI. Chemical application such as circle spraying in blocks BK,BL,BM,BN, BO, BP, BQ, S, AB, AC, AD, AE, AF, AG with the result of 228 ha.

Based on the document rat attack on 2016 found the data regarding rat attack in afdeling III with tree attack amount of 1,088 (32,80%). Based on the SOP for Plant Pests and Disease Control known that threshold for rat attack is 20%. The company not able to show record action for controlling the rat attack above the threshold. **This is raise as Non conformance No. 2017.12 with Major Category**

4.5.2

The business unit presented the Reports on Integrated Pest Management (IPM) Training Results at PTPN IV which was held on April 6 – 8, 2015 located in Bah Jambi Estate. Training was attended by 33 participants with occupations of Agronomy assistants, pest officers, clerks of pests, pest mandors, and head of Agronomy affairs from 11 Estate. Trainer are the team of PPKS Marihat and provided material including Integrated Pest Management for Palm Oil, Integrated Pest Management for, UPDKS Integrated Pest Management and Field Practice. The training provided certificates to each participant. Adolina Estate sends 4 participants

The business unit has conducted limited pesticide training activities by the North Sumatra provincial pesticide commission on November 23 – 24, 2016 (class 1), November 25 – 26, 2016 (class 2), and November 28 – 29, 2016 (class 3). The training participants from the Adolina Estate are 30 people. Based on field visits on Division 6 blocks 13D and interviews with global telling officers it is known that the officers have been trained, understood the basic principles and understood the SOP for pest control and plant disease.

4.5.1	Status: Non conformance No. 2017.12 with Major Category
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4.6 Pesticides are used in ways that do not endanger health or the environment

4.6.1

The business unit has SOP on Hazardous Material Handling with ADO-PRO document number 4.3.12 revision 3 dated August 1, 2016. In the SOP describes the identification of hazardous materials, the installation of warning signs, the supply of MSDS, and how to handle it. The business unit already has a Material Safety Data Sheet that describes hazard identification, first aid mode, PPE used up to chemical composition. Company can show MSDS of all hazardous material owned eg Pesticide Gempur 480SL, Petrokum 0,005 RMB, and Marshal 48%.

In addition, the business unit has a policy document of the use of herbicide made from paraquat active, namely a circular letter from the Head of Agronomy Division of PT. Perkebunan Nusantara IV No.04.03, dated August 4, 2006 to Estate Group manager I, II, III, IV and V, regarding Supervision and Socialization of Paraquat Herbicide Terms of Use. The Company has a policy concerning the use of prohibited pesticide active ingredients contained in document No.04.04/SE/18/X/2016 which contains instructions from the director to all PTPN IV Estate that the use of pesticides with active ingredients Brodifakum and other pesticides according to the WHO classification is prohibited to be used.

The business unit's move to avoid the development of resistance is to integrate physical, chemical, and biological methods of handling in control decisions based on routine census results (EWS). Pesticides used by companies to control weeds such as those contain active Methyl Metsulfuron, Triklpir, Glifosat, and Paraquat. Meanwhile, for pest control, the company uses insecticides such as those with active ingredients of carbofuran, deltamethrin, and acetate.

4.6.2

Pesticide application program is listed in the Physical Standard of 2017 on the maintenance of Adolina's oil palm plantations. Physical standard of 2017 states the circle spray dose is 250cc / ha with rotation 4 times / year. Spray dose decreased when compared to the physical standard of 2015 which mentions the spray dose is 300cc / Ha. Company also shows the 2017 RKAP document stating the plan to use Acetate, Deltamethrin, and Emulgator semester 1 and 2 period 2017.

Records of the use of pesticides in 2015 respectively state the use of active pesticides containing Methyl Metsulfuron, triclopyr, and glyphosate of 759.24 Kg, 3.54 liter, and 13,623.67 liters. Period of 2016 the three pesticides have decreased their use volume such as methyl metsulfuron which was applied amounted to 720.85 Kg. While trichopliir was applied as much as 1 liter and glyphosate 1,583 liters. The Company has shown the Pesticide List document, but in the list there is no information about LD50 and the amount of active material use per ha. **This is raise as Non conformance No. 2017.13 with Major Category**

4.6.3

The business unit already has IPM plan in SPO Pest Control and Plant Disease (no.document: Unit.Usaha.A. June 08, 2013) as do pest observation/global telling every 1 week. The plan has been implemented in accordance with the procedure; there are recording realizations of global pest observation each week.

Based on data of the use of Adolina Estate chemicals, the use of paraquat dichloride in 2015 as much as 2.205.11 liters and in 2016 as many as 234.7 liters. There was a decreased in the use of chemicals by 1970.41 liters. Company also shows the PT. Perkebunan Nusantara IV Physical Books in general applicable to all PT. Perkebunan Nusantara IV groups where in 2016 inter row spraying doses per Ha for 1-1.15 ltr / Ha and for circle spraying is 300 cc / ha, while for 2017 fixed dosage per Ha for circle spraying and 250 kc/ha and for inter row spraying are not allowed to use chemicals and are preferable to manual control. Pesticides are not applied prophylactically. The pestisda application is performed only if the results of the routine census have crossed the threshold.

4.6.4

The business unit shows the document "banned pesticides and limited use" signed on 2 January 2012 by Estate Managers. There are several types of pesticides that are prohibited in the table in the document which amounts to 37 active ingredients. The reference document is from the pesticide commission of the agriculture department. However, the document does not refer to WHO 1A and 1B. Circular Letter of Agronomy Head of PTPN IV No.04.04 dated October 14, 2016 to Group Estate Manager I, II, III, IV and V concerning Supervision and Socialization of the Terms of Use Paraquat Herbicide, brodifakum and according to WHO 1A & 1B is prohibited from being reused.

The business unit is still using paraquat in the weed control but the volume of use from year to year has decreased for example in 2015 using paraquat of 2,205.11 liters and in 2016 the use of paraquat reduced by 1,970.41 liters to 234.7 liters.

4.6.5

The business unit has procedures for handling hazardous chemicals in SOP No. Ado-Pro-4.3.12 dated 1st August 2016. Pesticide operator has been trained on 23-29th November 2016. The company has been providing PPE for pesticide applicators.

4.6.6

Based on field visit to central warehouse, known chemical containers (hazardous waste) are stored temporarily on central warehouse. Chemical containers have been prepared well and labeled according to type of chemical products. It is in accordance with the procedure No. Doc: SPO-ADO-02, Revision 02, dated Jan 02, 2015.

Based on field visit, there was no ex pesticides container stored to hazardous waste storage, because has been handed over to the LB3 collector licence approval by national government (CV Amindy Barokah) dated Des 05, 2016.

4.6.7

The application of pesticide in the field has been following the method, which will minimize the negative risk. Including the direction to choose pesticide, to store pesticide, to use pesticide, such as the chosen pesticide formula should be based on the target because one pesticide formula is only effective for one specific target.

4.6.8

Based on document review and interview with the management it is explained that pesticide application activity is not done by air but using sprayer tool. This is also proven by the availability of sparyer tools at home rinse at each Division.

4.6.9.

Pesticide operator have been trained on 23-29th November 2016. The training provided includes a description of how to reduce the risk of exposure to pesticides. PPE has been determined in accordance MSDS should be used to reduce the direct contact with the chemical. Pesticide been able to demonstrate a good spraying technique. They can explain the areas that shouldn't be sprayed.

4.6.10

Interview with generators and personnel carriers LB3, known that they have understood the management of LB3. LB3 are stored in hazardous waste storage, and handed over to the LB3 collector license approval by national government (CV Amindy Barokah), after that reported to relevant agency in Serdang Bedagai District. *Sighted: #Receipt handover LB3 to CV Amindy Barokah dated 05 December 2016; #ex pesticide containers manifest number 0000082 AVT 150 pcs; #truck number BK 8332 MD; LB3 #receipt LB3 report to the Environment Agency dated 24 January 2017.*

4.6.11

The business unit have a regularly program medical check up for pesticide operator. Adolina estate of afdeling II and VI

has a list of the latest pesticide operator as many as 16 workers. This semester, the regularly medical check up was conducted on March, 2017, but not all workers have conducted a medical examination. For example in division 6 only conducted health checks to 2 pesticide operators from 10 workers. **Non conformance No. 2017.14 with Major categories.**

4.6.12

The business unit has a policy to preventing pregnant and breast feeding women from pesticide handling. According to interview with spraying team in afdeling II that woman workers who are pregnant and breastfeeding are prohibited from doing chemicals. Pregnancy test has conduct every month to all women workers.

4.6.2	Status: Non Conformance No.2017.13 with Major categories	Open
4.6.11	Status: Non Conformance No.2017.14 with Major categories	

4.7

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

4.7.1

OHS policy of PTPN IV Adolina business units was authorized by Chairman of the Workers Union and chairman guiding committee OHS on October, 5 2015, which is the company's commitment in the implementation of OHS on the operational activities at the POM and Estate. This policy available on Bahasa easily understood by all workers and contractors.

Non conformance No. 2017.15 with Major category

- The company already has documentation of OHS work programme in 2016, but no evidence of monitoring on the effectiveness of the work plan has been demonstrated.
- The Company has not presented work document of OSH related work program for 2017.

4.7.2

Non Conformance No.2017.16 with Major category.

1. Procedures of OHS Risk Management (No. Doc 4.2.1, 1 July 2015) was approved by the Chairman of OHS Guiding Committee. This document explains how, assessment, hazard identification and control. However the procedure is not clear that the risk precautions for the use of PPE is based on the product label / MSDS of materials.
2. The company already has a record of work accidents every month, but has not been shown an evaluation of HIRAC based on work accident data. Such as the risk of work being shot thieves that happened in July 2016.
3. Based on field visits at the mill, there are risk activities and areas such as people trapping FFB trucks in place (beside a truck bed) and iron floor in press area with porous condition. This is not yet covered by risk identification documents.

4.7.3

The Company provides safe working practices to workers involved in the operations. The management unit showed evidence of safety training such as for boiler operator, welder and electrician. The management unit shows an example of PPE through spending records in the form of rubber gloves, chemical mask, welding gloves, and long sleeves for sprayer . If there is any damage to the PPE will be replaced according to the availability in the warehouse. The business unit has opportunity to reassure the quality of PPE that workers use. **OFI**

4.7.4

Guiding Committee of Occupational Safety and Health of PTPN IV Adolina 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 December 2016 with the agenda of fire equipment, work place inspection and audit findings OHS . In addition, Guiding Committee of OHS has reported the activities of guiding committee of OHS on a quarterly basis to Manpower Agency of Serdang Bedagai District.

4.7.5

Procedures of work accident and emergency response, SOP Ado-Pro-4.3.16, date 1st August 2016. The purpose of this procedure is to provide to the employee, guests, contractor how to handle accidents or incidents so that control can be done quickly, precisely and according to the procedure. However there are some inconsistencies in the field, that is: **Non-Conformance No. 2017.17 with Minor category**

- Management unit has shown document of monitoring first aid box where located in the building, however has not shown monitoring for bags that are in field supervisor.
- The company has not been able to show of first aid training to the officer who responsible for the first aid kit.

4.7.6

All workers had been given medical treatment that was covered by accident insurance. The management unit shows evidence of payment of Labour Assurance (BPJS-TK) dues with the details permanent workers as many as 1197 workers.

4.7.7

The entire of work accident that has been recorded and monitored by the company, the note is submitted in document of work accident report. Based on Guiding committee of occupational safety and health reports fourth quarter, there is a recording of occupational accidents than in March 2016 to February 2017 to inform how many days of work lost.

4.7.1	Status: Non Conformance No. 2017.15 with Major category.	Open
4.7.2	Status: Non Conformance No. 2017.16 with Major category	
4.7.5	Status: Non Conformance No. 2017.17 with Minor category	

4.8
All staff, workers, smallholders and contractors are appropriately trained.

4.8.1

Based on the list of employees in 2017, the business unit is known to have a total employee of 197 people. Training programs in 2016 include: Coaching and counseling, ISO 9001 and ISO 14001, first aid accidents, certificate welders from Labor Ministry, internal unit, and best practice. In 2017 training programs will be conducted include: Increasing technical competence of harvesting mandor, training welder, rewending motor, panel builder, and electrical installation training. Based on the training programs, The business unit not able to show the training programs for all contracted worker such as HCV training, RTE training, LB3 management training, RSPO systems, SCCS training, etc. **this is raise as Non Conformance No. 2017.18 with Major category.**

4.8.2

The business unit has training records for realization of training programs for the 2016 - 2017 period such as :

1. Training / simulation activities of fire emergency response. Training was conducted on May 31, 2016. Participants Agusti, Suherman, M. Abduh, Syaiful HRP, Poniran.
2. Training of technical competence of harvesting mandor. March 14 – 16 (class III), March 15 – 17, 2017 (class IV), March 21 – 23, 2017 (class V). Participants: Sudarman, Sudin, Suprayetno, Rohmad, Ponijan, Edi Saputra, Hendri Purba, Suyanto, Ferry Sinaga.
3. First Aid training. Dated 26-28 January 2016. Participants: Safril Aswin.

Based on interview with mill employee, the personnel inform that the business unit had given training such as fire emergency response. The personnel has able to explained phase to phase regarding fire emergency response.

4.8.1	Status: Non Conformance No.2017.18 with Major categories
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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

- PTPN IV Adolina Estate and Mill has environmental document (RKL/RPL, 2004) approved by relevant agency. The area of 6143.1 Ha and processing capacity 30 tFFB/hour
- PTPN IV Adolina has environmental document (RKL, 2012) approved by relevant agency. The area of 7,057.20 Ha and processing capacity 30 tFFB/hour.
- PTPN IV Adolina Estate has environmental document (UKL/UPL, 2014) approved by relevant agency. The area of 1,900.37 Ha.

The environmental document has included with infrastructure construction analysis, roads analysis, drainage analysis, waste management analysis, conservation and replanting analysis.

Interview with environmental agency in Serdang Bedagai District, obtained information that the environmental study have passed public consultation involving local communities. For UKL / UPL document has been consulting with stakeholders on May 14, 2014.

5.1.2

Implementation of environmental management has been conducted in accordance with the matrix environmental management plan (matrix RKL), for example: LB3 stored on hazardous waste storage (TPS LB3) license approved by local government, POME management at an WWTP, land application, distribution of PPE (earplug / earmuf) to workers in the location of high noise, throw garbage at landfill (TPAS), locals recruitment, etc.

5.1.3

RKL / RPL is managed and monitored every 6 months and then reported to the relevant agency. But, the company not able to show evidence of monitoring the environmental impact of 2nd semester 2016 in accordance with the environmental management document (RKL/RPL), for example: water quality testing on Kanal rivers, Galang rivers, Batu Gingging and groundwater quality testing 2nd semester 2016 and so on. Based on the explanation, it is found **Non Conformance No. 2017.19 with Minor category**.

5.1.3

Status: Non Conformance No. 2017.19 with Minor category

Open

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

The business unit has identification HCV document on January 2011 with total area of 177.08 Ha. List of flora and fauna have been described in the HCV document.

5.2.2

The company has shown the monitoring of wildlife species period of 2016. Wildlife species identified are: Cerocok urang (*Alcedinis sp*), Bubut (*Centropus bengalensis*), Punai (*Fregeta sp*), Pecuk Ular (*Anhinga melanogaster*), Bajing (*Calloschurus notatus*), Tupai (*Lariscus insignis*), Musang (*Prionodon linsang*), etc.

But found **Non Conformance No. 2017.20 with Major category**.

- The business unit is not able to show the procedures that govern time monitoring of HCV & wildlife species and implementation document monitoring periodic for HCV area.
- Based on document review and field visit in Kanal riparian rivers, Block 03B and 98E Afd 2, known HCV management and wildlife species have not conducted in accordance with the recommendations of HCV document 2011.

Protection of protected species conducted by:

- Revised procedure (SPO) related to protected species. In the SPOs (SPO No. 9, Rev. 3, August 1, 2017) explained that the protected species monitoring schedule conducted once a year.
- Appoint officers responsible for monitoring protected species and HCV (SK No. ADO / Kpas / MU / 1 / 2018, dated January 25, 2018).
- Conduct socialize protected species and HCV to workers and local community. Invitations and attendance list of socialization activities available.
- Conduct monitoring of protected species periodically based on government regulation (PP No. 7/1999). Monitoring document of 2017 available.

Based on the above explanation, NCR No. 2017.20 is **declared closed**

5.2.3.

The business unit is able to show attendance socialization of flora and fauna as many as 35 people.

The company is not able to show document or procedure which explains sanctions if any workers conducted harm,

capture, or kill the wildlife species. Based on the explanation, it is found **Non Conformance No. 2017.21 with Minor category.**

5.2.4.

The business unit is not able to show documents the monitoring and evaluation of HCV and wildlife species periodically. Based on the explanation, it is found **Non Conformance No. 2017.22 with Minor category.**

5.2.5

Based on documents study and interviews with local communities obtained the information that there was not local public lands within the boundaries of the company's operations.

5.2.2	Status: Non Conformance No. 2017.20 with Major category	Open
5.2.3	Status: Non Conformance No. 2017.21 with Minor category	
5.2.4	Status: Non Conformance No. 2017.22 with Minor category	

5.3

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

5.3.1

LB3 identification are described in hazardous waste management SOP with Document Number: 02, dated January 2, 2015, such as: ex oils, ex batteries, ex chemical containers, ex majun, ex fertilizer and chemicals sacks. LB3 was among others sourced from the engine and vehicle maintenance activities, estate and factory activities, and household and office activities.

Factory waste identification are described in the procedure with document number: SPO 17 dated January 2, 2015. Among others: empty fruit bunches waste (EFB), POME, shell and fiber waste. The solid waste and effluent waste sourced from factory activities. The SOP also explains related to measuring and monitoring mill effluent, volume and pH mill effluent are monitored every day, while other parameters are monitored every 6 months.

Measuring mill effluent also refer to refers to permit from environment agency (SK No. 18.32/660/67/2015, dated February 13, 2015, and government regulation (*PermenLH* No. 28 / 2003), monitored every 6 months.

5.3.2

Based on review documents, known chemical and pesticides containers recorded on the Hazardous Waste bind card. If chemical and pesticides containers do not use again will be stored at the hazardous waste storage license approval by local government. And then handed over to LB3 collector license approval by national government (CV Amindy Barokah). After that reported to the related agency.

Based on field visit in the Central Warehouse, known chemical containers collected in the central warehouse with the condition are prepared and labeled according to type of products. Sometimes these containers are used by estate for sparying container. *Sighted; Receipt order of chemical containers by Afdeling 8 with No. 16/8/VII/2016, dated August 16/2016 for spraying containers.*

5.3.3

The business unit has conducted management actions in accordance with the waste management plan, it can be seen from the field observation and interviews that conducted by auditor, as follows:

- Based on field visit to housing estate and mill, known domestic waste is collected in the available bins and then disposed to landfill area.
- Based on filed visit to clinic, known clinical waste is collected in a special place and handed over to Hospital to be destroyed.
- Based on field visit to POM, known that the fibers and shell is used as fuel to reduce fossil fuel consumption and maximize renewable energy.
- Based on field visit to WWTP, known WWTP pond in well preserved condition; there was no leaks in waste ponds; flometer in condition to function properly.

But based on field visit to Housing Complex Afdeling 8, there was found the domestic waste buring activities. It was not

in accordance with the procedures with document no. SPO 20 dated January 2 / 2015 related to Domestic Waste Management. Based on the explanation, it is found Non Conformance No. 2017.23 with Minor category	
5.3.3	Status: Non Conformance No. 2017.23 with Minor category
5.4 Efficiency of fossil fuel use and the use of renewable energy is optimised.	
5.4.1 The business unit has been monitoring the use of renewable energy (fiber and shell). Total use of fiber 2016 as much as 21,690 tons and shells of 9,295.534 tonnes. The use of fiber and shell generates energy for turbines of 202,460 kWh. The efficiency of fossil fuel use with FFB processing of 154,926 tons are 1.30 kWh / tFFB.	
	Status: Comply
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 & 5.5.2 Based on interviews with management representatives, it is known that The business unit does not use burn method for land clearing. There are procedures that govern not to use the burn method in land clearing. The statement was confirmed by the Standard Operating Procedures (SOP) PT Perkebunan Nusantara IV (Persero) July 2007 Bidang Tanaman/Pabrik Kelapa Sawit SPO 02. Tanaman Baru. The replanting method is the method of land clearing, zero burning method and under planting method.	
	Status: Comply
5.6 Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.	
5.6.1 Identification of emission sources are described in the SPO Waste Management of Air Pollution (Doc. RSPO and ISPO No. SPO 14, January 2, 2015). For example: boiler emissions, emission generators. Identification of sources of GHG emissions are described in the SPO Inventory and Mitigation of Greenhouse Gases (No. SPO 10, January 2, 2015). For example: emissions from land clearing activities, emissions from fertilization activities, emissions from fossil fuel use activities, emissions from wastewater treatment plant activities.	
5.6.2 Implementation of GHG emission mitigation has been conducted in accordance with the GHG mitigation plan. It can be seen from field observation, interview and document review. <ul style="list-style-type: none"> - The business unit has been testing of smoke emissions in the Boiler and Generator for semester I and II / 2016 on accredited laboratory. The test results in accordance with government regulation (<i>Peraturan Menteri Lingkungan Hidup</i> No. 07/2007 (Boilers) and <i>Peraturan Menteri Lingkungan Hidup</i> No. 13/1995 (Generator). Mill have not the Ringelman Smoke Observation Chart. The smoke emission monitoring conducted by periodical testing. - The business unit has been testing mill effluent quality every month at accredited laboratorium. The test results of the period January - December 2016 in accordance with government regulation (<i>Peraturan Menteri Lingkungan Hidup</i> No. 29, 2003 (BOD <5,000 mg / l). It has been described in indicator 4.4.3 - The results of the field visit in the factory, it is known that fiber and shells are used as fuel for the boiler. Interviews with local people there was not problem of smoke pollution caused by the activities of estate and mill.	
5.6.3 The business unit is not able to show results of GHG emissions calculation in 2016 using the RSPO period PalmGHG. It is not in accordance with the SPO Inventory and Mitigation of Greenhouse Gases (No. Documents: SPO 10, January 2, 2015). In the procedure explained that the identification of sources of emissions and GHG emission calculations carried out every year by using PalmGHG Calculator. Based on the explanation, it is found Non Conformance No. 2017.24 with Minor category	

5.6.3	Status: Non Conformance No. 2017.24 with Minor category	Open
PRINCIPLE #6 Responsible consideration of employees and of individuals and communities affected by growers and mills		
<p>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.</p>		
<p>6.1.1 The business unit has a Social Impact Assessment PT Perkebunan Nusantara IV-Adolina Business Unit, September 2011. Document analysis was prepared in collaboration with the Research Institute of the University of North Sumatra (LP-USU). In the document has been included an assessment of:</p> <ul style="list-style-type: none"> • Infrastructure of surrounding villages • Problem of jobs in rural communities • Disputed of land ownership • Lack of financial capital support • access for transporting crops • Access of roads for residents <p>6.1.2 Data collection methods used in the making of SIA Report of Adolina business units among other Participatory of Rural Appraisal, Analysis of Strength, Weakness, Opportunity & Threat and Group Discussion. The evidence of participatory of making SIA report is documented on attendance list, for example:</p> <ul style="list-style-type: none"> • Attendance list on July 4, 2011, discussion with Suka Jadi Village, Damak Maliho Village, Bangun Purba Tengah village • Attendance list on June 30, 2011, discussion with Adolina Village, Sukasari Village, • Attendance list July 1, 2011 discussion with Bandar Kuala, Celawa Village, Bingkat Village, Pantai Cermin District, Lau Rempak village, Kota Pari village. <p>6.1.3 The business unit could not show plans to reduce negative impacts and enhance positive impacts which has been made with time management and has not shown the person in charge for implementing the plan. Non-Conformity No 2017.25 with Major Category</p> <p>6.1.4 The business unit has not showed the evidence of reviewing the Management and monitoring of social impact that involve the affected parties every 2 years Non-Conformity No 2017.26 with Minor Category</p> <p>6.1.5 Based on a field visit, Review of documents and interviews with workers of weighbridge and sorting, it is known that there is no FFB derived from smallholder schemes.</p>		
6.1.3	Status: Non Conformance No. 2017.25 with Major category	Open
6.1.4	Status: Non Conformance No. 2017.26 with Minor category	
<p>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.</p>		
<p>6.2.1 The business unit has communication procedure and consultation with people written in SOP of Communication and Consultation with Community in document number 03.02 august 1, 2012. In SOP explain that all communication and consultation with poeple is recorded and processed through the HR assistant. Based on interviews with village heads of Adolina and Bangun Purba Tengah, explained that communication with the company is done through the employees of</p>		

HR.

6.2.2

Based on procedure of Communication and Consultation with Community (number 03.02 august 1, 2012) explained that who is responsible for consultation and communication with the public is an assistant of Human Resources and Public. Based on interviews with village heads of Adolina and Bangun Purba Tengah, explained that communication with the company is done through the employees of HR.

6.2.3

The Business Unit has a list of stakeholders which informs stakeholders name, job title/department, contact number, and mailing address. The lists of stakeholders included are internal and external stakeholders. For example, Government Agencies, Police Office, Sub-district office, the village head, community leaders, NGOs, labor union, contractor and supervisor who are internal stakeholders.

Business Unit shows incoming and outgoing mail documents that describe the activities of communication with the surrounding community. For example the letter from Military Commander of District I (Bukit Barisan 7th Infantry Brigade Rimba Raya) regarding loan applications in order to training for the competition. The letter was sent on January 30, 2017 and has be responded on February 1, 2017 to give permission borrowing homestead of Amrita.

Status: Comply

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

Business Unit has a mechanism for dealing with complaints and dissatisfaction in the SOP of Internal Communication and Employee Grievance Handling (internal) (No. 19 (Revision 1) effective from January 2, 2015), SOP Handling Customer Complaints and Environment (external) (No. 13 (Revision 1) effective from January 2, 2015) and there are SOP of Communication and Public Consultation (No. SPO 03, revision 02, the effective date of January 2, 2015). In the SOP explained that the party responsible for internal complaint is the SP-Bun with managers and external complain is HR Assistant.

The business unit has a policy to protect the identity of the Whistle Blowing that stated in the documents of Infringement Complaint Management System (Whistle Blowing System) PT Perkebunan Nusantara IV (Persero) on 2013 in Article 10: Protection For Reporter.

6.3.2

Based on interviews with the labor union, it is explained that once there are complaints related to delays in the provision of rice supply, but such complaints have been negotiated and has been settled by the management.

The business unit show the records of grievance resolution process in the minutes of the meeting between the company and the labor union. For example, minutes of the meeting which took place on January 9, 2017 attended by 22 participants from the company and labor union that describes the process of complaints related to delays in the provision of supply of rice and has been completed by explaining the change of system in the purchase of supplies of rice and rice will be given on that day too.

Status: Comply

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.

6.4.1, 6.4.2 & 6.4.3

The business unit has SPO of conflict area manegament No.4 (revise 2) january 2, 2015 has explain that problem solving of conflict area is conducted by negotiation which involves leader of dispute area and determine the compensation done by negotiation until they reach agreement. Calculations carried out with reasonable prices in accordance with the taxable

value and state of the areas. In SOP does not distinguish how to calculate compensation based on gender, transmigrator, local community or ethnic group.

The evidence of settlement among others legalization letter No. 03/PTTSDBT/IX/2010 about the returning of land use of PTPN IV with compensation of plants and palm oil trees in Division 9 on 19 September 2012. The official report signed by: Manage Unit, affected parties, Head of Bangun Purba village, Head of Bangun Purba sub-district and Notary Office.

Status: Comply

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

The business unit have Letter No. 04.15/SE/13/IV/2016 dated 24 May 2016 concerning Provisions of Employee Salary and Special Allowance of 2016, Reference Decree of Dir. PTPN IV No: 04.15/Kpts/25/V/2016, dated 24 May 2016. The provision of the basic salary refers to North Sumatera Governor Decree No. 188.44/630/KPTS/2015 dated 30 December 2015 concerning the Minimum Wages of North Sumatera province in 2016. Observations results on wage records and interviews with estate and mill workers show that the management unit has paid the workers' wages in accordance with the Decree established.

6.5.2

The business unit have a Collective Labor Agreement (CLA) of PTPN IV in 2016 - 2017. The collective labor agreement has been registered to the North Sumatera Provincial Manpower and Transmigration Office (Registration 01 01/DFT/PKB/6/SU/I/2016) and was approved by Decree of Head of Manpower and Transmigration No. KEP.18-6/DTK-TR/2016 about Registration of Collective Labor Agreement on 27 January 2016. 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: Work Relation
- Chapter III: Weekdays and Hours
- Chapter IV: Exemption From Liability of Work
- Chapter V: Groups of Wages, Allowances and Unit
- Chapter VI: Health Care And Treatment
- Chapter VII: Occupational Safety and Health (OHS) and the equipment.
- Chapter VIII: Social Security and Welfare of Workers
- Chapter IX: Coaching Expertise And Skills And Education Support
- Chapter X: Rules of Work
- Chapter XI: Resolution of Industrial Dispute
- Chapter XII: Work Termination / Dismissal
- Chapter XIII: Validity Period of CLA
- Chapter XIV: Miscellaneous Provisions
- Chapter XV: Final Provisions

According to interview with head of worker union that known, the CLA has socialized to all workers and has understood by all workers.

6.5.3

Based on field observations in employees housing afdeling VIII, the company has provided decent housing with facilities such as electricity 24 hours, clean water, medical services and educational facilities for employees' children.

6.5.4

The business unit have a real effort to help workers get enough food resources and affordable through the construction of roads which easily passed on the location of the nearest market.

Status: Comply

<p>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.</p>	
<p>6.6.1 The business unit should respect the rights of all workers to form and join a trade union that is contained in the CLA of 2016-2017. PT Perkebunan Nusantara IV has the estate worker union (SP-Bun Adolina). It has been registered on the Manpower Agency of North Sumatera Province in decree No. 04/Kpts/SP.BUN-PTPN-IV/V/2014, dated May 14, 2014. According to the result of interview with the worker union, the company has given the opportunity for the workers to join or form the worker union.</p>	
<p>6.6.2 The meeting between the company and labour union is conducted periodically or where there is a significance issue raised. The minutes of meeting was held on February 2017, related on rice allowance. All the records of meeting are well documented and available in place.</p>	
<p>Status: Comply</p>	
<p>6.7 Children are not employed or exploited.</p>	
<p>6.7.1 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. The business unit has demonstrated evidence of company's policy documentation related to the child labor policy in documents, among others:</p> <ol style="list-style-type: none"> 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 Agreement with the third parties. 3. SOP with document number 03.02 dated 2nd January 2015 related 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 February 2017 which shows that there are no employees under 18 years old. <p>Based on the employees document study of PTPN IV Adolina in February 2017, 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.</p>	
<p>Status: Comply</p>	
<p>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.</p>	
<p>6.8.1 The business unit has a policy regarding anti-discrimination, equal opportunity and treatment in employment are contained in SOP No. 04.02. This 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. Based on interviews with employees, it is known that workers are very diverse origin, ethnicity, background, education, gender, and religion. Interviews with union and village revealed that the company open up employment opportunities for the community.</p>	
<p>6.8.2 Document review and interviews with management representative, it was explained that recruitment of the employees is based on identifying the needs of manpower. It is no discrimination involving gender, religious, ethnic origin and background all meet the criteria required by the company. All prospective employees have the right to employment in accordance with the requirements specified. Moreover, interviews with workers (harvester, warehouse officer, paramedic, etc.), also revealed that there is no indicating of discrimination issue.</p>	

6.8.3

Workers have the same opportunity in improving career. Promotion of employees based on skills, abilities, health and quality required by the job position. The business unit has the workers archive, consists of recruitment appointment, designation as contract workers period, job application letter, medical checkup of workers candidate, personal identity card and Curriculum vitae. According to interviews with workers show that there is no discrimination caused by SARA (ethnicity, religion and race) or caused by other things in the PTPN IV Adolina.

Status: Comply

6.9

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

6.9.1

The business unit has a policy to prevent sexual assault and sexual harassment, are contained in SOP with document number 06.02 dated 2nd January 2015 related 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. The business unit has empowerment of women in the structure of Unit Labor Union. However, based on a document review mechanism for handling sexual harassment is known that women's issues are not delivered through the empowerment of women so that shows that the organization does not deal with women's issues. Based on the explanation, raised the **Non-Conformance No. 2017.27 with Major category**.

6.9.2

The business unit's policies on protection of reproductive rights are contained in CLA between the company and worker union in 2016-2017 in article 27 and article 28, which stated:

- a. Menstruation leave for female employees as many as 2 days (on the first day and the second day)
- b. 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.

The 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

Adolina's estate have not shown any specific complaint mechanisms related to sexual harassment and have been clearly communicated to all levels of workers. **Non-Conformance No. 2017.28 with Minor category**

6.9.1 Status: Non-Conformance No. 2017.27 with Major category

6.9.3 Status: Non-Conformance No. 2017.28 with Minor category

Open

6.10

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

6.10.1

Adolina business unit determines the FFB purchase price with its own calculations which is made every day. Company show a price list specified in the Estimated Purchase Price of FFB Third Party document. For example, on 25 January 2017: Rp. 2,115; 26 January 2017: Rp. 2,105; 27-30 January 2017: Rp. 2,090; 31 Januari 2017: Rp. 2,065.

Based on a visit to the weighbridge, it is known that the price is informed by putting the prices prevailing on the day in the weighbridge office wall and is listed on the documentation of FFB payment to the third party.

6.10.2

The business unit shows the description of FFB Price in the Estimated Purchase Price of FFB Third Party document which explains the price of CPO and PK, Operating costs, extraction of CPO and PK and price of FFB was calculated as follows:

- Extraction of Oil palm and Palm Oil Kernel
- The price of CPO X palm oil extraction (%)
- Price Palm Oil Kernel X palm Oil Kernel extraction (%)
- Total extraction of palm oil + palm oil kernel X processed Fruit

Transactions are recorded in the Summary of FFB Revenue document that describes the delivery date, FFB quantity delivered, FFB price and total payment. For example, for CV Rifagara transaction date of 16-22 January 2017 with a total of 74,230 Kg of FFB and the price between Rp. 2,040-2,110 (according to the daily price).

6.10.3

The business unit shows FFB transaction agreement letter with 4 supplier, among other:

Name of supplier	No contact	Date of available	Date of finish
CV. Rifagara	ADO/SPPTBS/005/X/2016	12 October 2016	11 October 2017
UD Dicky S.	ADO/SPPTBS/002/III/2017	15 March 2017	01 November 2017
CV. Cakrawala	ADO/SPPTBS/001/III/2017	13 February 2017	07 February 2018
UD. Gintar	ADO/SPPTBS/004/X?2016	28 Augustus 2016	24 Augustus 2017

The contract describes the period, the quality of requirements, procedures for implementation, the transport system, term of the agreement, a weekly payments, settlement of disputes and the whole treaty signed by the Business Unit of Adolina and Supplier Party.

In addition, The business unit has an agreement with contractors for the service provision of operational activities, for example for FFB transport activities. Based on interview with the contractor of FFB transporter, it is known that the agreement has been made and agreed together.

6.10.4

Based on the Letter of Agreement, explained that payments are made every 1 week. The company shows Summary of FFB Revenue as the basis for FFB calculating payments. Recapitulation conducted for one week period, for example CV Rifagara with a recapitulation of payments for the period from periode 16-22 January and was paid through by Mandiri bank on 24 January 2017.

Based on interview with the contractor of FFB transporter, the payments has been done in accordance with time in the agreement and until this there is no issues about payments

Status: Comply

6.11

Growers and millers contribute to local sustainable development wherever appropriate.

6.11.1

The business unit's contribution to local development in the form of proposals from the surrounding villages business units. Some of the proposals submitted as repairing roads, improving irrigation, street paving and repair of canal. The approved and realization program of CSR in 2016 is the creation 750 m of irrigation channel in Bingkat Village.

6.11.2

Based on interviews with management unit, the company doesn't have smallholder scheme.

Status: Comply

6.12

No forms of forced or trafficked labour are used.

6.12.1

Document review and interviews with workers revealed that no migrant labour. There is no forced labour and illegal workers. Adolina Estate has not been able to show evidence of policies that govern the use of illegally trafficked or forced labor. **Non conformance No. 2017.29 with Major Category.**

6.12.2

The business unit shows that every worker has a work agreement and to work in accordance with the division of labour in the labour agreement. According to interviews with workers revealed that they are working with the place and the division of tasks in the work order.

6.12.3

Based on field observations and interviews with workers, there is no forced and illegal workers. They are working of task

in the work order.		
6.12.1	Status: Non Conformance No.2017.29 with Major categories	Open
6.13		
Growers and millers respect human rights		
6.13.1		
<p>The business unit's respect the human rights set out in the Policy no.07 effective dated on January 2, 2015. Based on interviews with workers in afdeling VIII and process station at the Factory, stated that workers can explain the freedom of human rights. There is no restriction from the company on basic human rights such as the prohibition to embrace a particular religion, the argument, the ban on worship and so on. Until the audit carried out no reported cases of human rights violations.</p>		
	Status: Comply	
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.		
<p>Based on documents review and interviews with village heads, it is known that the company had been there from the time of the Dutch governance and there are no land clearing activities in new areas from 2005 to the present. Planting carried out in 2005-2016 is replanting activities.</p>		
	Status: Comply	
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.		
<p>Based on documents review and interviews with village heads, it is known that the company had been there from the time of the Dutch governance and there are no land clearing activities in new areas from 2005 to the present. Planting carried out in 2005-2016 is replanting activities.</p>		
	Status: Comply	
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.		
7.3.1; 7.3.2		
<p>Based on documents review and interviews with village heads, it is known that the company had been there from the time of the Dutch governance and there are no land clearing activities in new areas from 2005 to the present. Planting carried out in 2005-2016 is replanting activities.</p> <p>To ensure that there was not new plantings in primary forest or HCV area, the company has shown evidence of <i>Liability Disclosure and Land Use Change Analysis (LUCA)</i> that has been sent to the RSPO Compensation Panel (rspocompensation@rspo.org) accepted years of 2016. All the units are free from non-compliant land clearance.</p>		
7.3.3; 7.3.4; 7.3.5		
<p>Based on documents review and interviews with village heads, it is known that the company had been there from the time of the Dutch governance and there are no land clearing activities in new areas from 2005 to the present. Planting carried out in 2005-2016 is replanting activities.</p>		
	Status: Comply	
7.4		
Extensive planting on steep terrain, and/or on marginal and fragile soils, is avoided.		
<p>Based on documents review and interviews with village heads, it is known that the company had been there from the time of the Dutch governance and there are no land clearing activities in new areas from 2005 to the present. Planting carried out in 2005-2016 is replanting activities.</p>		

	Status: Comply	
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.	
	Based on documents review and interviews with village heads, it is known that the company had been there from the time of the Dutch governance and there are no land clearing activities in new areas from 2005 to the present. Planting carried out in 2005-2016 is replanting activities.	
	Status: Comply	
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.	
	Based on documents review and interviews with village heads, it is known that the company had been there from the time of the Dutch governance and there are no land clearing activities in new areas from 2005 to the present. Planting carried out in 2005-2016 is replanting activities.	
	Status: Comply	
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.	
	Based on documents review and interviews with village heads, it is known that the company had been there from the time of the Dutch governance and there are no land clearing activities in new areas from 2005 to the present. Planting carried out in 2005-2016 is replanting activities.	
	Status: Comply	
7.8	New plantation developments are designed to minimise net greenhouse gas emissions.	
	Based on documents review and interviews with village heads, it is known that the company had been there from the time of the Dutch governance and there are no land clearing activities in new areas from 2005 to the present. Planting carried out in 2005-2016 is replanting activities.	
	Status: Comply	
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.	
8.1.1	<u>Environmental aspect</u>	
	The business unit has conducted continuous improvement in environmental action aspect, for example mill effluent testing, emissions testing, stored hazardous waste storage license approved by local government, etc.	
	<u>Social impact</u>	
	The business unit has been conducting a social impact analysis recorded in the report of the Social Impact Analysis (Social Impact Assessment) of PT Perkebunan Nusantara IV, September 2011. The activity has explain the management of every social impacts arising.	
	<u>BMP</u>	
	Continuous improvement on best practices aactivity are :	
	<ol style="list-style-type: none"> 1. Use of fertilizer based on recommendation. The recommendation refer to result of soil and leaf sampling 2. Residue of recycling tree on replanting activity 3. Application of EFB and POME for enrich nutrient. 	
	Status: Comply	

3.2 Summary of Assessment Report of Supply Chain Requirements

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>Palm Oil Mill Adolina uses RSPO supply chain modules mass balance (E) because they still receive FFB from uncertified plantation which is a third party (UD. GINTAR, CV. Cakrawala, UD Dicky S., CV. Rifagara).</p> <p>Based on SOP of Palm Oil Supply Chain (SPO.ADO-07 dated January 2, 2015 revision 2) explained that the use of the supply chain in the mill of PTPN IV are Mass Balance model because entire production of palm oil and palm kernel are mixed between certified and uncertified product.</p>
	Status: Comply
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>To estimate the production of FFB, CPO and PK which are produced by the Adolina POM for 12 months after the audit activities has been described in the report ST-2, among others: FFB: 137,411 Ton (yield 20,35 ton/ha) CPO: 32,979 ton (rendemen 24%) PK: 6,871 ton (rendemen 5%)</p>
	Status: Comply
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>Adolina POM has not register to RSPO supply chain IT platform. Non-Conformity No 2017.30 with Major Category</p>
	Status: Non-Conformity No 2017.30 with Major Category
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"> a. Complete and up to date procedures covering the implementation of all the elements in these requirements; b. 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>The business unit has procedures regarding to ensure the implementation of all the elements mentioned in the terms of SCCS for Mill, which listed in:</p> <ol style="list-style-type: none"> 1. SOP of Palm Oil Supply Chain No. SPO 07 dated January 2, 2015 (revision 2) which explains: <ul style="list-style-type: none"> • Supply Chain Model is Mass Balance • FFB derived from their own plantation, one parental plantation and FFB of 3rd party certified by RSPO marked

with stamps of CSPO (Certified Sustainable Palm Oil).

- The factory reports the shipments of CPO, PK, PKO and PKM to marketing and headquarters processing sections
- The marketing reports to the Supervisory Board and the Giver of Claim of RSPO (Greepalm, UTZ/E-trace) and include contract number and the name of the buyer, the type of crude palm oil and its derivatives, detailed information on the transport document.
- There is a flow diagram of the palm oil supply chain.

2. SOP of Provision of Information and Claims of Production No. SPO 18 dated January 2, 2015 (revision 2) which explains:

- The mill make a recapitulation production records of mass balance CPO, PK, PKO and PKM
- Managers should set a limit on the number of units of CPO, PK, PKO and PKM that can be sold or marketed in accordance with the number of certified (RSPO SCCS) by the certification body.
- Unit Manager is responsible for ensuring that the production of CPO, PK, PKO and PKM are not exceed the amount that can be claimed
- If there is any production number of CPO, PK, PKO and PKM sold greater than the certified amount, then the manager of the unit as the representative of the company must immediately notify the relevant sections in the main office in Medan to officially inform the certification body through written or electronic mail
- Reporting must inform in detail:
 - Sources of CPO, PK, PKO and PKM
 - The implementation period
 - The number of CPO, PK, PKO and PKM generated
 - Party who buy CPO, PK, PKO and PKM.
 - Available Flowchart of control, Registration, Revenue and Product Delivery

But in the SOP, the company may evaluate the SOP of supply chain with detailing the person responsible for the activities of the supply chain. (OFI)

Status: Comply

E.3.2

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

The business unit has procedures for Registration Control Acceptance and Delivery Product No. SPO 16 dated January 2, 2015 (revision 2) which explains:

1. Identification of the recording.
 - Recording must have a clear title or name, it can be written in the form (hard copy) and can be in the form of electronic data (soft file) either on the computer system
 - Recording for FFB reception and delivery activities of CPO, PK, PKO and PKM certified must be documented by using data of monthly, quarterly, semester and yearly
2. Storage recording.
3. Protection of recordings
4. Making of recording
5. The shelf life.
 - consider the norm of laws and regulations existed
 - wisdom of the leader as person in charge of records in the responsibility area
 - The shelf life of all records and reports shall be at least 5 years.

Status: Comply


E.4 Purchasing and goods in

E.4.1

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

<p>The business unit has procedures for Registration Control Acceptance and Delivery Product No. SPO 16 dated January 2, 2015 (revision 2) which explains:</p> <ol style="list-style-type: none"> 1. Identification of the recording. <ul style="list-style-type: none"> ➢ Recording must have a clear title or name, it can be written in the form (hard copy) and can be in the form of electronic data (soft file) either on the computer system ➢ Recording for FFB reception and delivery activities of CPO, PK, PKO and PKM certified must be documented by using data of monthly, quarterly, semester and yearly 2. Storage recording. 3. Protection of recordings 4. Making of recording 5. The shelf life. <ul style="list-style-type: none"> ➢ consider the norm of laws and regulations existed ➢ wisdom of the leader as person in charge of records in the responsibility area ➢ The shelf life of all records and reports shall be at least 5 years. <p>The Company may improve the quality of the SOP by adding a form / tabulation recording. OFI</p>	
	Status: Comply
E.4.2	
The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.	
<p>The business unit has mechanism of providing the information to the CB if over-production happen from tonnage of projected certified production. The mechanism is written in SOP of Information delivery and production claim no. SPO 18 dated January 2, 2015 revision2. SOP.</p>	
	Status: Comply
E.5	Record keeping
E.5.1	
<ol style="list-style-type: none"> 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.) 	
<p>Recording of balancing and shipment of RSPO-certified products will be verified again when Adolina POM has have RSPO certification. Adolina POM also has procedures that describe the separation between the FFB from certified plantation and not-certified plantation, CPO output from the mill, giving of the certified stamp, and documenting every monthly, quarterly, semester and yearly. Mill documents are stored for 5-year in accordance with the policies and SPO. The mechanism is contained in the SOP of Control, Registration, Acceptance and Product Delivery No. SPO 16 dated January 2, 2015 (revision 2)</p>	
	Status: Comply
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.	
<p>Adolina POM does not use outsourced activity to independent palm kernel crusher, however the whole kernel sent to Pabatu POM which is a subsidiary of PTPN 4.</p>	
	Status: Comply

3.3 Conformity Checklist of Certificate and Logo Use

1.	Evidence of permission or approval certificate and logo from Certification Body which submitted by Client	X or√
ST-2	Will be verify in the survailance assesement	√
	Status: Comply	
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 verify in the survailance assesement	√
	Status: Comply	
3.	Implementation of Certificate and Logo is not used on product	X or√
ST-2	Will be verify in the survailance assesement	√
	Status: Comply	
4.	Controlling of Certificate and Logo, including withdrawing inappropriate logo.	X or√
ST-2	<p>Based on field observation in the mill area, it can be seen that the management unit has used RSPO logo in some areas, for example around Processing Station, Central Warehouse, and Hazardous Waste Warehouse, and in some documents such as RSPO-ISPO Procedure. It is not in accordance with the RSPO Market Rules Communications, because it is not allowed to use the RSPO logo (both on the product and off product) prior to the issuance of Certificates of RSPO and are also not allowed to use the RSPO logo that can only be used by the RSPO Secretariat.</p> <p>Non compliance No 2017.31 with Major Category</p> 	X
	Status: Non compliance No 2017.31 with Major Category	

3.4 Summary of RSPO Partial Certification

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

PT Perkebunan Nusantara (PTPN) IV Time Bound Plan (TBP) is explained in point 1.10. PT Perkebunan Nusantara (PTPN) IV has informed the TBP progress, MUTU has considered that PTPN IV is complied with the RSPO requirement for TBP. The Time Bound Plan was revised and declared by PTPN IV on October 2017.

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

MUTU Auditor has verified company partial certification and concludes that:

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

2.1 Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
2.1.1	Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	<p>Yes and positive assurance is produced for these units.</p> <p>Auditor verification There are external audit that has been conducted for management units of Adolina, Bah Jambi, Dolok Sinumbah, Air Batu, Berangir, Sawit Langkat, Pasir Mandoge and Timur</p> <p>Internal audit conducted for management units of Sosa, Ajamu, Timur, Mayang, Gunung Bayu, PT Sinergi Perkebunan Nusantara, PT Agro Sinergi Nusantara and Tinjowan</p> <p>And positive assurance is produced for these units.</p>
2.1.2	<p>No replacement after dates defined in Nis Criterion 7.3 of:</p> <ul style="list-style-type: none"> • Primary forest. • Any area identified as containing High Conservation Values (HCVs). • Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3. 	<p>PTPN IV has submitted liability disclosure to RSPO.</p> <p>All management units of PTPN IV, based on company disclosure has no liability.</p> <p>PTPN IV has sent their liability disclosure and LUCAt to the RSPO Compensation Panel (rspocompensation@rspo.org in 2016. All the units are free from non-compliant land clearance.</p> <p>Auditor verification Auditor has verified the supporting evidence of</p>

		above the company statement. The above statement in accordance with the supporting evidence provided.
2.1.3	Any new plantings since January 1 st 2010 must comply with the RSPO New Plantings Procedure.	<p>No new planting/land clearing after 1st January 2010. All planting in PTPN IV management units are old plantation that was planted before November 2005.</p> <p>Auditor verification PTPN IV has sent their liability disclosure and LUCAt to the RSPO Compensation Panel (rspocompensation@rspo.org) in 2016. All the units are free from non-compliant land clearance.</p>
2.1.4	Any Land conflicts are being resolved through a mutually agreed process, e.g. RSPO Grievance procedure or Dispute Settlement Facility, in accordance with RSPO criteria 6.4, 7.5 and 7.6.	<p>There is no land conflicts.</p> <p>Auditor verification The company has SPO of conflict area management No.4 (revise 2) January 2, 2015 has explain that problem solving of conflict area is conducted by negotiation which involves leader of dispute area and determine the compensation done by negotiation until they reach agreement</p> <p>There is evidence of documented land dispute resolution for the uncertified units.</p> <p>Bah Jambi: land dispute has been settled through arbitrary way and won by PTPN IV</p> <p>Tonduhan Estate: Land dispute resolution process required to be documented including participatory mapping.</p> <p>Marjandi: All compensation processed must be documented and in accordance with FPIC principle. Land dispute map shall be available.</p>
2.1.5	Any Labour disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.	<p>There is no labor disputes.</p> <p>Auditor verification There is no information from public source and RSPO website on any labour conflict for uncertified unit of the group subsidiaries.</p> <p>The company has a mechanism for dealing with complaints and dissatisfaction in the SOP of Internal Communication and Employee Grievance Handling (internal) (No. 19 (Revision 1) effective from January 2, 2015), SOP Handling Customer Complaints and Environment (external) (No. 13 (Revision 1) effective from</p>

		<p>January 2, 2015) and there are SOP of Communication and Public Consultation (No. SPO 03, revision 02, the effective date of January 2, 2015).</p> <p>The Company has a policy to protect the identity of the Whistle Blowing that stated in the documents of Infringement Complaint Management System (Whistle Blowing System) PT Perkebunan Nusantara IV (Persero) on 2013 in Article 10: Protection For Reporter.</p>
<p>2.1.6</p>	<p>Any Legal non-compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.</p>	<p>The company has a complete list of regulations in 1st semester of 2016</p> <p>Auditor verification</p> <p>The company has a complete list of regulations in 1st semester of 2016 that includes local regulations, national regulation and international regulation.</p> <p>The procedure explains that the person responsible for the management of legal documents are the Head of General Affairs and Human Resources. The company has kept a list of rules and regulations in 1st semester of 2016 at the Head of General Affairs and Human Resources Departement and has distributed to each division office in hardcopy and softcopy.</p> <p>Adolina POM: there is an ongoing process for worker's contract agreement refer to manpower regulation.</p> <p>Bah Jambi: there is a HGU overlap with Dolok Sinumbah, other unit of PTPN IV as well.</p> <p>Dolok Sinumbah: compliance to government regulation is in fulfillment process</p> <p>Bah Birung Estate: the company is processing the shifting comodity permit from rubber to palm oil. The regulation compliance list needs to be updated. HGU on process for certain location.</p> <p>Tonduhan Estate: The regulation compliance list needs to be updated.</p> <p>Bah Birung: the company is processing the shifting comodity permit from tea plantation to palm oil. . HGU on process for certain location.</p> <p>Sawit Langkat: ensuring the legal for all are of the management unit.</p>

		<p>Sei Kopas: the certification unit is required to included local regulation into their regulation compliance list. The implementation of the all concerned regulation must be demonstrated. Plantation business permit of some area is on process. HGU on process for certain location.</p> <p>Pasir Mandoge: extend of HGU permit on process.</p> <p>Berangir: Palm Oil Processing Business Permit, plantation operasional reporting to the concerned local government institution, environmental plan and monitoring report is not yet available, still on process.</p> <p>Marjandi: Plantation business permit of some area is on process. Need further adjustment ction for the difference of operational area between the one stated in company HGU and company hectare statement.</p> <p>Air Batu: Need further adjustment ction for the difference of operational area between the one stated in company HGU and company hectare statement.</p>
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3.5 Identification of Findings, Corrective Action, Observations, OFI and Noteworthy Positive Components

3.5.1 Identification of Findings, Corrective Actions and Observations at ST-2 Assessment

NCR No.	: 2017.01	Issued by	: Dwi Haryati
Date Issued	: 22 March 2017	Time Limit	: 21 March 2018
NC Grade	: Major	Date of Closing	: 28 February 2018
Standard Ref. & Requirement	: 1.1.2 Records of requests for information and responses to the information requested shall be available.		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> Adolina's Estate already has a procedure (SOP for Communications and Community Consultation) to provide constructive responses to stakeholders but has not yet covered the timeliness of responding to requests for information.			
Root Cause Analysis <i>(filled by organization audited):</i> SOP has not set the period of response, because the Management has provided website facilities to obtain information for the public contained in www.ptpn4.co.id			
Corrective Action <i>(filled by organization audited):</i> Revise the SOP for Communication and Consultation with the Community by specifying the time period for responding to requests for information.			
Preventive Action <i>(filled by organization audited):</i> Conducting socialization to employees and communities around Adolina Estate			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> 05 February 2018 The Company has sent evidence of improvement in the form of: <ul style="list-style-type: none"> SOP of Communication and Consultation with Community SPO 03, revision 03, effective date 02 January 2017. This procedure explains all results of communications that occur should be submitted to the manager to be known and processed and will be informed to the community what the policy and follow-up that will be done by the company in handling the communication and consultation results within 3 months after the information received by the manager. the company has shown the Socialization of SOP changes to 22 workers from the Adolina unit on November 11, 2017, but there is no evidence of socialization to the community. NC No. 2017.01 is Open 28 February 2018 Adolina Estate has conducted socialization of communication and consultation procedures to the surrounding community, for example on 15 November 2017 which was attended by representatives of Ujung Rambung, Batang Terab, Galu Galu, Keling II, Adolina, paku, Perbaungan and Teluk Mirin subdistrict. Based on evidence of improvements submitted Nonconformity No. 2017.01 is closed and will be re-observed regarding stakeholder understanding of communication and consultation procedures.			
Verified by	: Dwi Haryati		

NCR No.	: 2017.02	Issued by	: Dwi Haryati
Date Issued	: 22 March 2017	Time Limit	: ASA-1
NC Grade	: Minor	Date of Closing	:
Standard Ref. & Requirement	: 1.3.1 There shall be a written policy committing to a code of ethical conduct and integrity in all operations and transactions along with the documentation of socialisation process of the policy to all levels of the workers and operations.		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i>			
Adolina's Estate already has a written policy that contains commitments on integrity codes and ethical actions in all operations and transactions. However, the documentation of the policy dissemination process has not been shown to relevant stakeholders.			
Root Cause Analysis <i>(filled by organization audited):</i>			
Corrective Action <i>(filled by organization audited):</i>			
Preventive Action <i>(filled by organization audited):</i>			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i>			
Verified by	:		

NCR No.	: 2017.03	Issued by	: Dwi Haryati
Date Issued	: 22 March 2017	Time Limit	: 21 March 2018
NC Grade	: Major	Date of Closing	: 12 March 2018
Standard Ref. & Requirement	: 2.1.1 Evidence of compliance with relevant legal requirements shall be available.		
Root Cause Analysis <i>(filled by organization audited):</i>			
<ul style="list-style-type: none"> • Based on field visits and interviews with personnel conducting harvesting (loose Fruit Collecting and FFB harvesting) activities but without formal employment ties. This is not in accordance with UU no 13/2003. • Based on document review, there are harvest workers which are the main activities undertaken by third parties. This is not in accordance with Permenaker No. 19 of 2012. • Has not been able to provide proof of reporting on the plantation business in accordance with the requirements within the business permit (IUP), which states in the clause deciding on the third article (5) that the licensee must report the development of the plantation business to the permit periodically every 6 months. • Has not been able to show evidence of reporting on Labor Day Report Periodically. This is not in accordance with UU No. 7 of 1981. 			
Root Cause Analysis <i>(filled by organization audited):</i>			
<ol style="list-style-type: none"> 1. Lack of supervision on harvesting work in afdeling, due to the absence of officer who monitor the harvesting activities 2. Lack of socialization the Prohibition of harvesting activities using personnel other than employees. 3. Unavailability of officer to report to related institution 			

4. There has been no monitoring of reports that sent to the relevant agencies

Corrective Action *(filled by organization audited):*

1. Make a circular letter from Estate Manager regarding the prohibition of using helper other than employees and socializing to all employees
2. PTPN4 Adolina Estate has conducted recruitment for harvester
3. Establish the officer who responsible for making agency reporting
4. Socialization related reporting schedule

Preventive Action *(filled by organization audited):*

1. Determine the officer who responsible for monitoring the harvesting activities
2. Monitoring the mandatory report to Agency
3. Monitoring completeness (Completeness of PPE, workers status, helper) during the harvesting activities

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

05 February 2018

The Company has shown evidence of improvement among others:

- Circular Letter No. ADO / SE / M / 57 / XII / 2017 dated December 18, 2017 related to prohibiting the use of outsourced personnel for harvesting activities and the prohibition of bringing family members.
- Decision Letter No. ADO / Kpts / MU / I / 2018 dated January 26, 2018 relating to the appointment of reporting officers
- Monitoring Program of report for 2018 that outlines mandatory reporting timeline. **Based on the report, it is known that there is no Reporting Obligation of Manpower**
- Evidence of Plantation Business Development Report Semester 1 year 2017 reported on 13 July 2017, **but for semester 2 of 2017 not yet shown**
- Evidence of Manpower Report on 2016 reported on 17 October 2016, **but for 2017 not yet shown.**

NC No. 2017.03 is open

28 February 2018

The Company has shown evidence of improvement among others:

- Harvesting monitoring form that explains the name, PPE, status (helper / family, daily worker) and description. The results of monitoring of harvest employees will be verified further at the next visit
- Worker selection on Adolina Estate was conducted on 15 - 17 February 2018. On February 6, 2018 Adolina Estate Manager has sent a list of names of workers who will follow the selection of candidates consisting of 211 employees.
- Evidence of Plantation Business Development Report Semester 2 of 2017 reported on January 17, 2018.
- Evidence of Manpower Report on 2017 reported on 30 January 2018.
- Monitoring Program of report for 2018 that outlines mandatory reporting timeline. Based on the report, it is known that Plantation Business Development Report conducted once a year. Hence in IUP stated that the report must be sent every six month.

NC No. 2017.03 is open

12 March 2018

Adolina Estate has demonstrated Reporting Monitoring Program 2018 which explains that the Plantation Business

Development Report to Serdang Bedagai District is done twice a year. Based on this, Non-Conformity No. 2017.03 is Closed.	
Verified by	: Dwi Haryati

NCR No.	: 2017.04	Issued by	: Sofyan Hadi Lubis
Date Issued	: 22 March 2017	Time Limit	: ASA-1
NC Grade	: Minor	Date of Closing	:
Standard Ref. & Requirement	: 2.1.3 A mechanism for ensuring compliance shall be implemented.		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i>			
The business unit not be able to show the results of the evaluation in 2 nd semester of 2016. It is not in accordance with monitoring and evaluation of legal compliance prosedur No. Document: PML/MR/08, revision 02, effective date February 01/2012, which explained that the evaluation carried out every 6 months.			
Root Cause Analysis <i>(filled by organization audited):</i>			
Corrective Action <i>(filled by organization audited):</i>			
Preventive Action <i>(filled by organization audited):</i>			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i>			
Verified by	:		

NCR No.	: 2017.05	Issued by	: Sofyan Hadi Lubis
Date Issued	: 22 March 2017	Time Limit	: ASA-1
NC Grade	: Minor	Date of Closing	:
Standard Ref. & Requirement	: 2.1.4 A system for tracking any changes in the law shall be available and implemented.		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i>			
Based on verification of regulation in first semester of 2016 known there are regulations that has changed but the business unit has not conducted updates to these regulations, such as regulation related to managemen of LB3 and plantation business permit.			
Root Cause Analysis <i>(filled by organization audited):</i>			
Corrective Action <i>(filled by organization audited):</i>			
Preventive Action <i>(filled by organization audited):</i>			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i>			

Verified by :	
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NCR No. :	2017.06	Issued by :	Muhammad Rinaldi
Date Issued :	22 March 2017	Time Limit :	ASA-1
NC Grade :	Minor	Date of Closing :	
Standard Ref. & Requirement :	2.2.2 Legal boundaries are demonstrated clearly and maintained.		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i>			
Adolina's Business Unit already has a map of the location of the boundary, but it can not be shown that the location of the boundary has been in accordance with the permit / cultivation rights (HGU).			
Root Cause Analysis <i>(filled by organization audited):</i>			
Corrective Action <i>(filled by organization audited):</i>			
Preventive Action <i>(filled by organization audited):</i>			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i>			
Verified by :			

NCR No. :	2017.07	Issued by :	Mahmud Firdaus
Date Issued :	22 March 2017	Time Limit :	ASA-1
NC Grade :	Minor	Date of Closing :	
Standard Ref. & Requirement :	3.1.2 An annual replanting program projected for a minimum of five years (but longer where necessary to reflect the management of fragile soils, see Criterion 4.3), with yearly review, shall be available.		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i>			
The Company has not been able to show a replanting program document for projection for at least the next five years and its annual evaluation.			
Root Cause Analysis <i>(filled by organization audited):</i>			
Corrective Action <i>(filled by organization audited):</i>			
Preventive Action <i>(filled by organization audited):</i>			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i>			
Verified by :			

NCR No.	: 2017.08	Issued by	: Mahmud Firdaus
Date Issued	: 22 March 2017	Time Limit	: ASA-1
NC Grade	: Minor	Date of Closing	:
Standard Ref. & Requirement	: 4.1.2 Checking or monitoring of operations procedures is conducted at least once a year.		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i>			
The business unit has not been able to show the SOP of inspection or monitoring in the form of Internal Audit conducted at least once a year by the Internal Audit Unit (SPI).			
Root Cause Analysis <i>(filled by organization audited):</i>			
Corrective Action <i>(filled by organization audited):</i>			
Preventive Action <i>(filled by organization audited):</i>			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i>			
Verified by	:		

NCR No.	: 2017.09	Issued by	: Mahmud Firdaus
Date Issued	: 22 March 2017	Time Limit	: ASA-1
NC Grade	: Minor	Date of Closing	:
Standard Ref. & Requirement	: 4.2.3 Records of periodical leaf, soil and visual analysis shall be available		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i>			
The business unit has a document of Basic Guidance on Fertilization Management (No. Doc. A10 dated 01 January 2013) in which there is Work Instruction (IK) on soil analysis and leaf analysis. However, in the document has not set about the frequency / periodic for visual observation.			
Root Cause Analysis <i>(filled by organization audited):</i>			
Corrective Action <i>(filled by organization audited):</i>			
Preventive Action <i>(filled by organization audited):</i>			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i>			
Verified by	:		

NCR No.	: 2017.10	Issued by	: Sofyan Hadi Lubis
Date Issued	: 22 March 2017	Time Limit	: ASA-1

NC Grade	: Minor	Date of Closing	:
Standard Ref. & Requirement	: 4.4.1 An implemented water management plan shall be in place.		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i>			
The company can not to show the testing of surface water quality and groundwater 2 nd semester of 2016. It was not in accordance with the water management plan described in the document RKL/RPL, the test is carried out every 6 months (first semester).			
Root Cause Analysis <i>(filled by organization audited):</i>			
Corrective Action <i>(filled by organization audited):</i>			
Preventive Action <i>(filled by organization audited):</i>			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i>			
Verified by	:		

NCR No.	: 2017.11	Issued by	: Sofyan Hadi Lubis
Date Issued	: 22 March 2017	Time Limit	: 21 March 2018
NC Grade	: Major	Date of Closing	: 26 February 2018
Standard Ref. & Requirement	: 4.4.2 Protection of water courses and wetlands, including securing and maintaining appropriate riparian and other buffer zones, at the time of or prior to replanting shall be demonstrated.		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i>			
Based on field visit to the <i>Kanal</i> riparian rivers Block 03B and 98E Afd. 2, known implementation of riparian protection have not been conducted in accordance with the management procedure riparian No. Documents: SPO-ADO-05 dated January 2, 2015 and HCV 2011. For example do enrichment plant and covercrops; installation of boundary markers of chemical applications, monitoring of landslides, etc.			
Root Cause Analysis <i>(filled by organization audited):</i>			
There are no officers responsible for managing the Riparian.			
Corrective Action <i>(filled by organization audited):</i>			
Installation of chemical application boundary marks.			
Preventive Action <i>(filled by organization audited):</i>			
<ul style="list-style-type: none"> - Set officer responsible for managing the Riparian. - Socialization of Riparian management to employees and local community representatives. - Monitoring river borders per quarter, and reporting to supervisor if there are chemical application boundary marks that need to be fixed. 			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i>			
26 January 2018			
The company has shown evidence of improvement:			

- Decision Letter on the appointment of officers responsible for managing the river and riparian (SK No. ADO / Kpas / MU / I / 2018, dated January 25, 2018).
- Photo installation of chemical boundary marks on riparian.
- Riparian monitoring document for September, 2017.
- Invitations and attendance list of socialization activities of riparian management to employees and local community representatives.

26 February 2018

The company has shown evidence of improvement:

- SOP revision of Riparian Management Mechanism (SOP No. 5 Revision 03 dated April 03, 2017). In SOP it is explained that riparian monitoring conduct per quarterly.
- Riparian monitoring document March 2017, June 2017, September 2017, and December 2017. In the monitoring report it is found that riparian in good condition, no encroachment and vegetation clearance, no chemist activity on riparian, and chemical boundary marks are in good condition.

Based on the above explanation, NCR No. 2017.11 is declared closed

Verified by : **Sofyan Hadi Lubis**

NCR No.	: 2017.12	Issued by	: Mahmud Firdaus
Date Issued	: 22 March 2017	Time Limit	: 21 March 2018
NC Grade	: Major	Date of Closing	: 12 March 2018
Standard Ref. & Requirement	: 4.5.1 Monitoring of Integrated Pest Management (IPM) plan implementation shall be available.		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i>			
Based on the document results of rat attacks data in 2016, found there had been a rat attack in division III with the number of trees attacked as much as 1.088 trees (32.80%). In accordance with SOP of plant pests and diseases it is known that the attack threshold is 20%, but the company has not been able to show the record of pest control results that exceed the threshold limit.			
Root Cause Analysis <i>(filled by organization audited):</i>			
No socialization related to Pest and Disease Control procedures to pest control officers, so officers do not understand the Threshold Value of Pest Rat Attack.			
Corrective Action <i>(filled by organization audited):</i>			
socialize threshold value of pest and disease attacks to pest control officers controlling for pest attacks that have exceeded the threshold value			
Preventive Action <i>(filled by organization audited):</i>			
Create Socialization Program according to Standard Operational Procedures that owned			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i>			
February 28, 2018			
Adolina Estate has shown evidence of improvements consisting of:			
1. Socialization of rat pest eradication conducted on November 25, 2017 in Afd 3. This activity was attended by 21 pest officers. from the evidence of socialization given known to eradicate pests conducted by using a rat trap.			

2. SOP related to the way of pest control which explains that:
- Manual control by installing a rat trap is done.
 - Chemical control is performed when an attack is more than 5%
 - Biological control is done by utilizing Tyto alba (owl)

Based on the evidence that has been submitted, there are several things that have not been shown, such us:

1. Records of rat pest control
2. Observation results after the control performed

Non-conformity No. 2017.12 is open.

March 12, 2018

The Company has showing the recording of rat pest control by applying rat poison in Afd III Block 10P on August 4, 2016, August 12, 2016, August 20, 2016 and August 27, 2016. Based on observations after the application note that:

- September 2016: there are pest attacks 8.11%
- October 2016: there are pest attacks 3.86%
- November 2016: there are pest attacks 2.11%
- December 2016: there are pest attacks 0.96%

Based on the evidence that has been submitted, Non-conformity No. 2017.12 is Closed.

Verified by : Mahmud Firdaus

NCR No.	: 2017.13	Issued by	: Mahmud Firdaus
Date Issued	: 22 March 2017	Time Limit	: 21 March 2018
NC Grade	: Major	Date of Closing	: 12 March 2018
Standard Ref. & Requirement	: 4.6.2 Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per Ha and number of applications) shall be available.		
Non-Conformance Description & Evidence observed (filled by auditor):			
The business unit has shown the Pesticide List document, but in the list there is no information about LD50 and the amount of active material use per ha.			
Root Cause Analysis (filled by organization audited):			
Adolina estate have not done reporting the use of the amount of active ingredient per Ha, because so far the reporting format contains only the amount of chemicals. There has been no socialization related to the calculation of LD 50			
Corrective Action (filled by organization audited):			
Conducting Socialization related calculations LD 50 to spraying worker and chemical warehouse worker. Adolina Estate updating the reporting format so that the amount of active ingredient per Ha can be reported.			
Preventive Action (filled by organization audited):			
Establish a PIC to take responsibility for calculating LD 50 Conducting socialization to the officers who have been established.			

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

February 28, 2018

Adolina Estate has shown evidence of improvements consisting of:

1. List of chemical expenditures from warehouses to Afdeling 2017 which describes the chemicals, months and quantities of chemicals that the warehouse releases to each Afdeling.
2. The needs of pesticides for the first semester of 2018 which describes the types of chemicals, active ingredients, units, volume needs, stock in the warehouse and information.

Based on the evidence that has been submitted, there are several things that have not been shown, such us:

1. LD50 data from each of the chemicals used.
2. Records of the use of the active ingredients of each chemical used in each Afdeling.

In addition, explanations related to the root cause analysis, Corective action and preventive action are not in accordance with the non conformity

Non conformity No. 2017.13 is open.

March 12, 2018

The management unit has shown LD50 (oral and dermal) recording of each of the chemicals used and the use of active ingredients per hectare. Based on LD 50 data it is known that the lowest LD50 is Topzone 276 SL of 236 mg / kg and the highest LD50 is Rally 20 WG and Santafuran 20 WG of > 5000 mg / kg. In addition, the management unit has also provided an explanation related to the root cause, corective action and preventive action so that **Non-Conformity No. 2017.13 is Closed.**

Verified by : Mahmud Firdaus

NCR No.	: 2017.14	Issued by	: Dwi Haryati
Date Issued	: 22 March 2017	Time Limit	: 21 March 2018
NC Grade	: Major	Date of Closing	: 20 March 2018
Standard Ref. & Requirement	: 4.6.11 Annual medical records of pesticide operators, and follow-up treatment of medical results, shall be available		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i>			
The business unit has not shown evidence of health checks for all Pesticide operators. For example, in the medical examination in March 2017, division 6 only conducted health checks to 2 pesticide operators from 10 workers.			
Root Cause Analysis <i>(filled by organization audited):</i>			
The examination is hyperkes examination, where the examination is performed only on a few employees only, not comprehensive on all pesticide operators.			
Corrective Action <i>(filled by organization audited):</i>			
Shows the results of health checks for all pesticide operators. Conduct a subsequent medical examination by following the pesticide operators that have not been checked.			
Preventive Action <i>(filled by organization audited):</i>			

PTPN4 Adolina Estate identifies all operators of pesticide, then establishes a program and monitoring the implementation of health checks

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

05 February 2018

The company has shown the results of medical examination conducted on 07 October 2017 to 114 workers with examination methods include: blood chemistry examination (including cholinestrase), urine test, X-ray and blood pressure. But the data not yet explain about type of work for each worker examined. Beside that, there is no evidence that all pesticide operators have been included in the health examination. Based on the explanation **NC No. 2017.14 is open.**

28 February 2018

Adolina Estate has shown evidence of improvements consisting of List of pesticide operators for each Afdeling in the Adolina Estate consist of 88 operators. The management unit need to explain the root cause. Based on the evidence NC No. 2017.14 is open.

20 March 2018

The management unit has futher explain related to root cause and NC No. 2017.14 is closed

Verified by : **Dwi Haryati**

NCR No.	2017.15	Issued by	Dwi Haryati
Date Issued	22 March 2017	Time Limit	21 March 2018
NC Grade	Major	Date of Closing	15 March 2018
Standard Ref. & Requirement	4.7.1 A health and safety policy shall be in place. A health and safety plan shall be documented and implemented, and its effectiveness monitored.		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i>			
<ul style="list-style-type: none"> The Business unit already has OHS work program document in 2016, but there is no evidence of monitoring on the effectiveness of the work plan. The Business unit has not presented OHS Work Program document for 2017. 			
Root Cause Analysis <i>(filled by organization audited):</i>			
The Adolina Estate Document Control Officer does not have a fixed PIC yet. So that during the audit, the officers are still confused about the request of documents and the making of documents.			
Corrective Action <i>(filled by organization audited):</i>			
Assigning a special officer to OHS P2K3 Adolina Estate make Management Review as a monitoring of the effectiveness of OHS work program			
Preventive Action <i>(filled by organization audited):</i>			
Scheduling for socialization of SOP SMK3 in socialization program 2018, so OHS activities can run in accordance with OHS standard. Create a document monitoring form related to the implementation of monitoring work program effectiveness.			

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

12 March 2018

The Company shows evidence of improvements:

- Work Program of P2K3 PT PN IV Adolina Estate Year 2017 and 2016 consist of meeting P2K3, OHS socialization, Risk Management, National OHS day, OHS inspection, emergency response training, P2K3 reporting to agency, internal audit and management review.
- Report of Management Review Summary of 2017 which contains the attend by 20 employee on December 26, 2018. Minutes of management review meetings with agenda for discussion of issues, action plans, personnel, settlement date and settlement status. The issues discussed are OHS Policy and commitment in 2018, work program of P2K3 year 2018, result of OHS inspection, evaluation of performance of OHS year 2017.
- Report on Management Review of OHS on 2016 which contains attendance list and meeting minutes

The company has not shown the PIC of OHS. Based on the explanation **NC No. 2017.15 is open.**

15 March 2018

The Company shows Decision Letter No. ADO / Kpts / MU / / / 2018 on Occupational Health and Safety Monitoring Officer in PT PN IV Adolina Estate. Based on the explanation **NC No. 2017.15 is closed.**

Verified by : **Dwi Haryati**

NCR No.	: 2017.16	Issued by	: Dwi Haryati
Date Issued	: 22 March 2017	Time Limit	: 21 March 2018
NC Grade	: Major	Date of Closing	: 15 March 2018
Standard Ref. & Requirement	: 4.7.2 A documented risk assessment shall be available and its implementation shall be recorded.		

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

- It has been shown Risk Management Procedure No. 4.2.1 dated July 1, 2015 that explains how to make, assessment and hazard identification and control. However, in the procedure does not explain that the risk-prevention measures for the use of PPE are based on the product label / MSDS of the material.
- The company already has a record of workplace accidents every month, but has not shown the evaluation of HIRAC based on data from the work accident. Such as work accidents that occurred in July 2016 which resulted in workers being shot by thieves. its not yet included in the risk identification document.
- Based on field visits at the mill, There are activities and areas at risk, for example there are people boarding a truck FFB not in the proper seat (beside the tailgate) and the presence of iron floor in the press area with corrosion conditions. This is not yet included in the risk identification document.

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

1. P2K3 Adolina Estate, has not updated SOP related to risk control
2. P2K3 Adolina Estate, less observant in conduct review of risk control
3. No inspection of FFB vehicles

Corrective Action *(filled by organization audited):*

1. update the SOP related to risk control.
2. revise the risk control review
3. re-identification of risks in FFB transport and damage floors in the mill

Preventive Action *(filled by organization audited):*

Conducted socialization related SOP changes / Updates and refreshment / recalling related SOP

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

12 March 2018

The company shows evidence of improvement:

1. OHS Risk Management Procedure No. Document Ado-Pro-4.2.1 revision 4 date effective August 1, 2016. Authorized by Unit Manager. In procedure 6.3 concerning Risk Control, it is explained that "Risk Control is performed by estimating the likelihood of occurrence of occupational hazards, occupational diseases and product labels / MSDS of materials according to the principle of risk control ie elimination, substitution, engineering, administration, and PPE.
2. Documentation and attendance list of management review meetings held on December 26, 2017.
3. Documentation of the minutes of the meeting on January 4, 2018 in the manager meeting room attended by the Head of P2K3, P2K3 secretary, risk management team, inspection team and security officer. This documentation contains information about the description of the agenda of revision OHS document, the control of FFB transport, and the use of the RSPO logo.
4. Revision of HIRAC on Production Security activities.
5. Revision of HIRAC on Cleaning of Press Station.
6. Socialization program of 2018 which contains socialization schedule of several activities, one of which is socialization of HIRAC Assessment in the first week of March 2018.

Based on the SOP, the management unit has not shown sufficient evidence of evaluation the risk of danger to be shot at high risk level (H) to decrease / reduction of risk level. Based on the evidence, **NC No. 2017.16 is open.**

12 March 2018

The company shows evidence of improvement:

- Evaluation of HIRAC Security activities on March 08, 2018 with the result that a risk control plan was implemented and effectively minimized the risk.
- Shows the workplace inspection document conducted monthly, but the inspection was done last September 2017. This indicates that the work **environment inspection activities are not conducted periodically.**

Based on the evidence, **NC No. 2017.16 is open**

15 March 2018

The company shows evidence of improvement consist of PPE inspection on 2017 – 2018, hydrant inspection, first aid box inspection on 2017 – 2018, work place inspection on 2017 – 2018. Based on the evidence **NC No. 2017.16 is closed.**

Verified by : **Dwi Haryati**

NCR No.	: 2017.17	Issued by	: Dwi Haryati
Date Issued	: 22 March 2017	Time Limit	: ASA-1
NC Grade	: Minor	Date of Closing	:
Standard Ref. & Requirement	4.7.5 A procedure for emergency and work accident shall be available in Indonesian Language; and the workers, who have attended First Aids training, are available in the working areas.		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i>			
<ul style="list-style-type: none"> The Business unit has shown the first aid box monitoring documents located in the building facilities, but has not been shown monitoring for the first aid bags in Mandor. The Business unit has not been able to show evidence of first aid training to the first aid officer responsible for the first aid kit. 			
Root Cause Analysis <i>(filled by organization audited):</i>			
Corrective Action <i>(filled by organization audited):</i>			
Preventive Action <i>(filled by organization audited):</i>			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i>			
Verified by	:		

NCR No.	: 2017.18	Issued by	: Mahmud Firdaus
Date Issued	: 22 March 2017	Time Limit	: 21 March 2018
NC Grade	: Major	Date of Closing	:
Standard Ref. & Requirement	4.8.1 Records of training program related to the aspects of RSPO Principles and Criteria shall be available		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i>			
<p>The business unit has not been able to show evidence of a training program covering all aspects of the RSPO P & C for the worker, such as HCV training and RTE species, pesticide / hazardous waste packaging training, RSPO system training and SCCS training.</p>			
Root Cause Analysis <i>(filled by organization audited):</i>			
<p>Training programs created by HR have not yet referred to the RSPO P & C.</p>			
Corrective Action <i>(filled by organization audited):</i>			
<p>PTPN 4 Adolina Estate has established training programs related to all aspects of the RSPO P & C.</p>			
Preventive Action <i>(filled by organization audited):</i>			
<p>PTPN 4 Adolina Estate socialize to officers (HR department) on how to create training programs covering R & D aspects of P & C.</p>			

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

Februari 5, 2018

The Company has shown the Socialization Program of 2018 which organizes socialization / training schedule related to P & C RSPO and SCCS, IPM Training, Change Procedure, OHS, administration system and policy the document has been listed monitoring planning and realization of activities.

In addition, the company showed evidence of SCCS-related training conducted by External Consultants on December 14, 2017 to 28 Adolina unit workers.

However, it has not been shown that the PIC of the Training Program (HR Department) has been given socialization related to the way the training program is created.

Based on the evidence that has been submitted Non conformity otherwise unfulfilled.

February 28, 2018

Adolina Estate have conducted a socialization of training programs proven by documentation of activities on 22 April 2017 that attend by 23 workers. Based on the explanation, Non-Conformity No. 2017.18 is closed.

Verified by : Mahmud Firdaus

NCR No.	: 2017.19	Issued by	: Sofyan Hadi Lubis
Date Issued	: 22 March 2017	Time Limit	: ASA-1
NC Grade	: Minor	Date of Closing	:
Standard Ref. & Requirement	: 5.1.3 Environment monitoring plan document, its implementation report, and the corrective plan (if non-conformance arises from the monitoring result) shall be available. This plan is reviewed on two-yearly basis.		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i>			
The Business unit not able to show evidence of monitoring the environmental impact of 2 nd semester 2016 in accordance with the environmental management document (RKL/RPL), for example: water quality testing on Kanal rivers, Galang rivers, Batu Gingging and groundwater quality testing 2 nd semester 2016 and so on.			
Root Cause Analysis <i>(filled by organization audited):</i>			
Corrective Action <i>(filled by organization audited):</i>			
Preventive Action <i>(filled by organization audited):</i>			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i>			
Verified by	:		

NCR No.	: 2017.20	Issued by	: Sofyan Hadi Lubis
Date Issued	: 22 March 2017	Time Limit	: 21 March 2018
NC Grade	: Major	Date of Closing	: 26 February 2018
Standard Ref. & Requirement	: 5.2.2 Wherever, threatened or endangered (RTE) species and or other HCVs are present or affected by the plantation and mill operations, an appropriate measures that are expected to maintain or enhance them shall be implemented through a management plan		
Non-Conformance Description & Evidence observed <i>(filled by auditor)</i> :			
<ul style="list-style-type: none"> The Business unit not been able to show the procedures that govern time monitoring of HCV & wildlife species and implementation document monitoring periodic for HCV area. Based on document review and field visit in Kanal riparian rivers, Block 03B and 98E Afd 2, known HCV management and wildlife species have not conducted in accordance with the recommendations of HCV document 2011. 			
Root Cause Analysis <i>(filled by organization audited)</i> :			
<ol style="list-style-type: none"> SPO has not clearly set about the monitoring period No special officers have been appointed to monitor HCV & wildlife species. 			
Corrective Action <i>(filled by organization audited)</i> :			
<ol style="list-style-type: none"> Revise the procedures Installation of boundary marks of chemical application on riparian (HCV area) 			
Preventive Action <i>(filled by organization audited)</i> :			
<ol style="list-style-type: none"> Appoint officers responsible for monitoring the riparian conditions including boundaries of river borders and other HCV areas. Socialization of HCV and wildlife species management to employees and local community representatives. Creating a monitoring program HCV and wildlife species on a regularly 			
Assessor Evaluation and Conclusion <i>(filled by auditor)</i> :			
26 January 2018			
The company has shown evidence of improvement:			
<ul style="list-style-type: none"> Revised procedure (SPO) related to protected species. In the SPOs (SPO No. 9, Revision 3, August 1, 2017), it is explained that the protected species monitoring schedule conducted once a year. Appoint officers responsible for monitoring protected species and HCV (SK No. ADO / Kpas / MU / I / 2018, dated January 25, 2018). Conduct socialize protected species and HCV to workers and local community. Invitations and attendance list of socialization activities available. Conduct monitoring of protected species periodically based on government regulation (PP No. 7/1999). Monitoring document of 2017 available. Riparian monitoring document for September, 2017. 			
26 February 2018			
The company has shown evidence of improvement:			
<ul style="list-style-type: none"> SOP revision of Riparian Management Mechanism (SOP No. 5 Revision 03 dated April 03, 2017). In SOP it is explained that riparian monitoring conduct per quarterly. Riparian monitoring document on March 2017, June 2017, September 2017, and December 2017. In the monitoring report it is found that riparian in good condition, no encroachment and vegetation clearance, no chemist activity on riparian, and chemical boundary marks are in good condition. 			
Based on the above explanation, NCR No. 2017.20 is declared closed			

Verified by :	Sofyan Hadi Lubis
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NCR No. :	2017.21	Issued by :	Sofyan Hadi Lubis
Date Issued :	22 March 2017	Time Limit :	ASA-1
NC Grade :	Minor	Date of Closing :	
Standard Ref. & Requirement :	5.2.3 Program(s) to socialize the status of protected, rare, threatened or endangered (RTE) to all workers shall be available, including records of appropriate sanction disciplinary measures to any individual working for the company who is found to capture, harm, collect or kill these species.		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i>			
The Business unit can not able to show a document which explains sanctions if any harm workers, capture, or kill the wildlife species			
Root Cause Analysis <i>(filled by organization audited):</i>			
Corrective Action <i>(filled by organization audited):</i>			
Preventive Action <i>(filled by organization audited):</i>			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i>			
Verified by :			

NCR No. :	2017.22	Issued by :	Sofyan Hadi Lubis
Date Issued :	22 March 2017	Time Limit :	ASA-1
NC Grade :	Minor	Date of Closing :	
Standard Ref. & Requirement :	5.2.4 Once the management plan is prepared, continuous monitoring documentation and report regarding the status of the RTE and HCVs are affected by the operations of the plantation and palm oil mill shall be available, and the results of monitoring are to be used to follow-up on the improvement of the management plan.		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i>			
The Business unit could not show documents the monitoring and evaluation of HCV and wildlife species periodically.			
Root Cause Analysis <i>(filled by organization audited):</i>			
Corrective Action <i>(filled by organization audited):</i>			
Preventive Action <i>(filled by organization audited):</i>			

Assessor Evaluation and Conclusion <i>(filled by auditor):</i>	
Verified by	:

NCR No.	: 2017.23	Issued by	: Sofyan Hadi Lubis
Date Issued	: 22 March 2017	Time Limit	: ASA-1
NC Grade	: Minor	Date of Closing	:
Standard Ref. & Requirement	: 5.3.3 A documented waste management plan to avoid or reduce pollution and its implementation shall be available		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i>			
Based on field visit to Housing Complex Afdeling 8, there was found the domestic waste burying activities. The was not in accordance with the procedures with document no. SPO 20 dated January 2 / 2015 related to domestic waste management.			
Root Cause Analysis <i>(filled by organization audited):</i>			
Corrective Action <i>(filled by organization audited):</i>			
Preventive Action <i>(filled by organization audited):</i>			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i>			
Verified by	:		

NCR No.	: 2017.24	Issued by	: Sofyan Hadi Lubis
Date Issued	: 22 March 2017	Time Limit	: ASA-1
NC Grade	: Minor	Date of Closing	:
Standard Ref. & Requirement	: 5.6.3 A monitoring plan and results of regular reporting on emission and pollutants from estate and mill operations using appropriate methods, shall be available.		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i>			
The Business unit not able to show the results of calculation of GHG emissions in 2016 using the RSPO period PalmGHG. It was not in accordance with the SPO Inventory and Mitigation of Greenhouse Gases (No. Documents: SPO 10, January 2, 2015). In the procedure explained that the identification of sources of emissions and GHG emission calculations carried out every year by using PalmGHG Calculator.			
Root Cause Analysis <i>(filled by organization audited):</i>			
Corrective Action <i>(filled by organization audited):</i>			
Preventive Action <i>(filled by organization audited):</i>			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i>			

Verified by :	
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NCR No. :	2017.25	Issued by :	Muhammad Rinaldi
Date Issued :	22 March 2017	Time Limit :	21 March 2018
NC Grade :	Major	Date of Closing :	20 March 2018
Standard Ref. & Requirement :	6.1.3 Plans for management and monitoring of social impacts to avoid or reduce negative impacts and promote positive ones, based on social impact assessment, through consultation with the affected parties, shall be available, documented and timetabled, including responsibilities for implementation.		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i>			
<p>The Business unit cannot able to display plans to reduce negative impacts and increase the positive impacts that have been drawn up with time management and have not shown the people responsible for implementing the plan.</p>			
Root Cause Analysis <i>(filled by organization audited):</i>			
<p>Do not have a Special Officer who responsible for making plans to reduce negative impact and increase positive impact</p>			
Corrective Action <i>(filled by organization audited):</i>			
<ul style="list-style-type: none"> • Establish special officers who responsible for making plans to reduce negative impacts and increase positive impact • Create a plan to reduce a negative impact and increse a positive impact 			
Preventive Action <i>(filled by organization audited):</i>			
<p>Create a program of negative impact reduction and increase positive impact periodically</p>			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i>			
March 12, 2018			
<p>The management unit has Showing the decre regarding CSR & Environment Officers and Stakeholders of Adonila estate set on January 6, 2018. Based on the decree there are 5 responsible PICs.</p> <p>The management unit has outlined a social management plan that explains the five social impact parameters that are managed, consisting of public facilities and social facilities, employment opportunities, work opportunities, disputes with farmers, access to transportation of plantation products through village roads and livestock grazing.</p>			
March 17, 2018			
<p>The management unit showing the monitoring impact management describing the distribution of timeframe for the implementation of social impact management in 2018. However, in the plan there is a planned business opportunity management plan planned for January 2018 and has not been implemented. Based on the explanation, it is known that the established plan has not been implemented properly, so that this Non-conformity is open.</p>			
March 20, 2018			
<p>The Company revised the program, in which the planned Opportunity Management plan planned for January 2018 was postponed to the second semester of 2018. Based on the above matters, this Non-Conformity is closed and will be observed in the next assessment related to its implementation.</p>			

Verified by :	Muhammad Rinaldi
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NCR No. :	2017.26	Issued by :	Muhammad Rinaldi
Date Issued :	22 March 2017	Time Limit :	ASA-1
NC Grade :	Minor	Date of Closing :	
Standard Ref. & Requirement :	6.1.4 The documented plan for management and monitoring of social impacts, shall be reviewed at least on two-yearly basis. If necessary, the plan should be updated. There shall be evidence that the review process includes participation of all affected parties.		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i>			
<p>The Business unit has not shown any evidence that a review process has been conducted every 2 years against a social impacts management and monitoring plan involving the participation of affected parties.</p>			
Root Cause Analysis <i>(filled by organization audited):</i>			
Corrective Action <i>(filled by organization audited):</i>			
Preventive Action <i>(filled by organization audited):</i>			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i>			
Verified by :			

NCR No. :	2017.27	Issued by :	Dwi Haryati
Date Issued :	22 March 2017	Time Limit :	21 March 2018
NC Grade :	Major	Date of Closing :	12 March 2018
Standard Ref. & Requirement :	6.9.1. A policy to prevent sexual and all other forms of harassment and violence, shall be documented, implemented and communicated to all levels of the workforce		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i>			
<p>Adolina's estate already has a policy regarding the prevention of all forms of sexual harassment, but they do not yet have a Gender Committee as a forum to deal with women's issues.</p>			
Root Cause Analysis <i>(filled by organization audited):</i>			
<p>Gender committees have not been established, as women's issues in the estate are discussed and handled by IKBI estate whose boards consist of wives of staff / employees and women workers.</p>			
Corrective Action <i>(filled by organization audited):</i>			
<p>Make a gender committee decree and its management list.</p>			
Preventive Action <i>(filled by organization audited):</i>			
<p>Socialization related to gender committees as a forum to handle women issues.</p>			

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

February 16, 2018

The company showed evidence of improvement:

1. List of present socialization of gender committees on 4 January 2018 located in front of the official house attended by 23 board members and members of the gender committee. The meeting discussed the socialization of policies related to the company's commitment to not exploit child labor and strongly opposed all forms of child trafficking. In addition, socialization was also undertaken by the organizers of the gender committee. Records of socialization accompanied by documentation in the form of photographs.
2. The 2018 gender committee program is the commemoration of the mother's day, the commemoration of the child's day, the socialization of the dangers of drugs, the practice of cooking, the environmental assessment, the assessment of medicinal and nutrition parks, diabetes / aerobic exercise and entrepreneurship training. The work program shown has not demonstrated the implementation of the policy to prevent all forms of harassment and sexual and other violence
3. Gender Committee Decree based on Decree Number ADO / MU / Kpts / 007 / 1 / 2018 set on December 6, 2018 with a board composition consisting of chair, secretary, treasurer and 5 members.

Based on the evidence presented, the auditor's judgment on the work program shown has not demonstrated the implementation of the policy to prevent all forms of harassment and sexual and other violence. Non-conformity is Open.

March 12, 2018

Adolina Estate already has a Gender Committee program which includes explaining the socialization of sexual harassment prevention & other violence. Based on the evidence **NC 2017.27 is Closed.**

Verified by : **Dwi Haryati**

NCR No.	: 2017.28	Issued by	: Dwi Haryati
Date Issued	: 22 March 2017	Time Limit	: ASA-1
NC Grade	: Minor	Date of Closing	:
Standard Ref. & Requirement	6.9.3. A specific grievance mechanism which respects anonymity of complainants where requested, and as long as they are supported with adequate information, shall be documented, implemented, and communicated to all workforce		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i>			
Adolina's estate has not shown any evidence of a specific complaint mechanism related to sexual harassment and has not been clearly communicated to all levels of workers.			
Root Cause Analysis <i>(filled by organization audited):</i>			
Corrective Action <i>(filled by organization audited):</i>			
Preventive Action <i>(filled by organization audited):</i>			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i>			
Verified by	:		

NCR No.	: 2017.29	Issued by	: Dwi Haryati
Date Issued	: 22 March 2017	Time Limit	: 21 March 2018
NC Grade	: Major	Date of Closing	: 15 March 2018
Standard Ref. & Requirement	: 6.12.1 There shall be evidence that no forms of forced or trafficked labor are used		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> Adolina's estate has not been able to show evidence of policies governing the use of illegally trafficked or forced labor.			
Root Cause Analysis <i>(filled by organization audited):</i> PTPN4 Adolina Estate do not have the policy			
Corrective Action <i>(filled by organization audited):</i> PTPN4 Adolina Estate has created and added RSPO policies / commitments related to illegally trafficked or forced labor Socialized the the policy related to commitments of illegally trafficked or forced labor.			
Preventive Action <i>(filled by organization audited):</i> Adolina Estate publish circular letter on commitments related to illegally trafficked or forced labor, so that it can be known and obeyed by all employees. PTPN4 will conduct regular internal RSPO audits			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> 16 February 2018 The company shows evidence of improvement: <ol style="list-style-type: none"> 1. Policy does not employ underage children. No.document 03, revision 02, effective date January 2, 2015. This policy further clarifies the policy of not employing minors. The company policy shown has not been adequately answered regarding the existence of Policies that regulate the use of illegally trafficked or forced labor. 2. SOP socialization program of 2018 with schedule of harvesting, fertilization, chemist, HCV, river border, boundary stone, flora and fauna, beneficial plant, PPE and P2K3. The socialization shown has not shown the socialization schedule related to policies that regulate the use of illegally trafficked or forced labor. 3. Circular Letter no. ADO / SE / M / 57 / XII / 2017 concerning harvest labor, children and women. This letter contains appeals on matters such as prohibitions to engage families to assist in work activities, prohibition of employment of minors, prohibition of employing pregnant and breast-feeding women at risk work place for health and safety. Based on the explanation, NC No. 2017.29 is open 12 March 2018 PT PN IV Adolina Estate already has a RSPO commitment which includes explaining the prohibition on the use of illegally trafficked or forced labor. However, the management unit has not explained the root cause and corrective action in accordance with the nonconformity, so that the Nonconformity No. 2017.29 is Open. 15 March 2018			

PTPN IV Adolina Estate shows evidence of socialization regarding the company's commitment regarding the prohibition of Using illegal worker and forced labor on 8 January 2018. The minutes of the meeting and the attendance list of the socialization are presented. Based on the evidence Nonconformity No. 2017.29 is closed.	
Verified by	: Dwi Haryati

NCR No.	: 2017.30	Issued by	: Muhammad Rinaldi
Date Issued	: 22 March 2017	Time Limit	: 21 March 2018
NC Grade	: Major	Date of Closing	: 12 March 2018
Standard Ref. & Requirement	: SCCS E.2.2 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).		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> Adolina's POM has not registered in the RSPO IT supply chain platform.			
Root Cause Analysis <i>(filled by organization audited):</i> No officer has been assigned to responsible for reporting on the RSPO Supply Chain IT platform			
Corrective Action <i>(filled by organization audited):</i> Appoint a special officer and register it as a PIC into the RSPO IT Supply chain			
Preventive Action <i>(filled by organization audited):</i> Implement the monitoring of RSPO Supply Chain			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> 2 February 2018 The Company shows Decree No. ADO / KPTS / MU / I / 2018 dated January 6, 2018 relating to the Management Composition of SCCS, but there is no explanation of the PIC dealing with the RSPO IT Platform and there is no evidence that Adolina POM has registered in the RSPO IT Platform. 12 March 2018 The Company shows evidence of registration of PT. Perkebunan Nusantara IV Adolina Business Unit with Member ID: RSPO_PO100004497 with Ade Reza in charge. Based on the evidence, Nonconformity No. 2017.30 is closed.			
Verified by	: Muhammad Rinaldi		

NCR No.	: 2017.31	Issued by	: Muhammad Rinaldi
Date Issued	: 22 March 2017	Time Limit	: 21 March 2018
NC Grade	: Major	Date of Closing	: 16 March 2018
Standard Ref. & Requirement	: RSPO Rules on Market Communication and Claims		

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

Based on field observation in the mill area, it can be seen that the management unit has used RSPO logo in some areas, for example around Processing Station, Central Warehouse, and Hazardous Waste Warehouse, and in some documents such as RSPO-ISPO Procedure. It is not in accordance with the RSPO Market Rules Communications, because it is not allowed to use the RSPO logo (both on the product and off product) prior to the issuance of Certificates of RSPO and are also not allowed to use the **RSPO** logo that can only be used by the RSPO Secretariat



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

Lack of understanding the officers concerning RSPO Rules on Market Communication and Claims

Corrective Action *(filled by organization audited):*

PTPN4 Adolina Estate has carried out the removal of the existing RSPO logo, and previously conducted a socialization on how to use the RSPO logo

Preventive Action *(filled by organization audited):*

PTPN4 will conduct internal audits to monitor

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

2 February 2018

The Company shows Circular Letter no. ADO / SE / M / 59 / XII / 2017 dated December 19, 2017 relating to the prohibition of use of the RSPO logo authorized by the Adolina Unit Manager. But there is no evidence of socialization of these things to the workers. Based in the evidance NC No. 2017.31 is open.

12 March 2018

The Company demonstrated the dissemination of the use of the RSPO logo on April 17, 2017 to 24 staff and Adolina POM and documentary evidence of RSPO logo deletion on installed warning. But the socialization conducted before the circular letter has been approved. Based in the evidance NC No. 2017.31 is open.

16 March 2018

The Company demonstrated the dissemination of the use of the RSPO logo on 8 January 2018 to 25 staff of Adolina and documentary evidence of RSPO logo deletion. Based in the evidance **NC No. 2017.31 is closed**

Verified by : **Muhammad Rinaldi**

NCR No.	: 2017.32	Issued by	: Muhammad Rinaldi
Date Issued	: 22 March 2017	Time Limit	: 21 March 2018
NC Grade	: Major	Date of Closing	: 28 February 2018
Standard Ref. & Requirement	: RSPO Certification System 4.2.4 poin e-i		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i>			
Members of RSPO-PTPN IV have not been able to show evidence of partial certification for all management units that do not yet have RSPO certification.			
Root Cause Analysis <i>(filled by organization audited):</i>			
<ol style="list-style-type: none"> 1. Company personnel do not know and understand the existence of obligations related to partial certification 2. Not yet have a mechanism related to partial certification activities especially for subsidiaries. 			
Corrective Action <i>(filled by organization audited):</i>			
Conducted partial certification for some management units that do not have RSPO certificate yet.			
Preventive Action <i>(filled by organization audited):</i>			
<p>Will conduct partial certification comprehension training (training schedule)</p> <p>Establish mechanisms for partial certification activities (especially subsidiaries).</p>			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i>			
28 Dec 2018			
The Company has shown evidence of the implementation of partial certification activities in the form of internal audit implementation to subsidiaries and has been verified by CB in November 2017. The company need to explain the root cause and preventive action. Based the evidance, NC No. 2017.32 is open.			
28 February 2018			
PT PN IV has owned SPO on the implementation of partial certification audit with document No. 22 dated January 2, 2018. In addition, the management unit has also presented the minutes of the implementation of the RSPO internal audit for subsidiaries that have not certified RSPO. Internal audit activities at PT Agro Sinergi Nusantara were conducted on 19 - 20 October 2017 by 2 auditors and PT Sinergi Perkebunan Nusantara conducted on 9 - 10 October 2017 by 2 auditors. Based on the explanation Non-Conformity No. 2017.32 is Closed.			
Verified by	: Muhammad Rinaldi		

3.5.2 Opportunity for Improvement

No	Ref. Std.	Description
1	4.3.1	The Business unit have the opportunity to improve the quality of soil type maps with a reference scale of 1: 50,000
2	4.4.3	The Business unit has the opportunity to have the waste water monitoring report adjusted to the report format specified in the waste water utilization permit from the Serdang Bedagai Regional Environment Office No. 18.32 / 660/67/2015.
3	4.7.3	Opportunity to reassure the quality of PPE that workers use.
4	SCCS E 3.1	Opportunity to evaluate supply chain SOP by detailing all responsible personnel for supply chain activities.
5	SCCS E 4.1	Business unit may improve the quality of the SOP by adding a form / tabulation recording.
6	-	Business unit have the opportunity to implement internal audit of the RSPO certification system annually.

3.5.3 Noteworthy Positive Components

No	Descriptions
1	Has achieved ISO 9001: 2008 Certificate valid from 2014-2017
2	Has achieved ISO 14001 : 2005 Certified valid from 2014-2017
3	Has achieved Occupational Health & Safety Management System (SMK3) certified in 2014

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

Public Issues (Institution/ NGO/Community)	Auditor Responses
<p>Bangun Purba Tengah Village</p> <ul style="list-style-type: none"> • The plantation come from companies in the Dutch period. There is not any land from community land and indigenous lands • Up to this moment, the company does not undertake new area expansion and just do the plants conversion or replanting. • There is a land dispute in 2007 but has been resolved by the company by doing negotiations involving multiple parties • The Business unit uses military aid only to guard the assets • Procedures for land conflict resolution has been socialized by the company • There is not any issue of environmental pollution and also there are not any land fires • Replanting activities are not done with burn technique • Business unit contribution to the village, among others allow the construction of facilities with the area under company concession • There is socialization related to the conservation area / HCV • Most of the villager work in the company • How to communicate with the company done through HR Assistant 	<ul style="list-style-type: none"> • Based on the review of the document, it is known that the Business unit has built since 1926. This is in conformance with indicators 2.2.1 • Based on interviews and documents review, there is not identified of any area expansion. • The Business unit can show the process of dispute resolution. It is in conformance with indicators 2.2.3 • Based on field visits and document review, there is no indicated of military use to resolve dispute • Based on the field visit, it is not identified of any environmental pollution and fires land • In the area of the Immature, it is known that there are still trace of replanting in the form of pieces of palm trunks. This is in conformance with the criteria 5.5 • Based on the visit to the village, it is known that the village office is located within the Business unit concession • The Business unit could not show the evidence of socialization of the HCV and there is not training programs about HCV. It becomes non-conformance on the indicator 4.8.1 • Business unit has shown the document contained a list of workers with their origin • Based on SOP of communication, all external communications through the HR assistant, it is in conformance to indicators 6.2.1
<p>Adolina Village</p> <ul style="list-style-type: none"> • The plantation come from companies in the Dutch period. There is not any land from community land and indigenous lands • Up to this moment, the company does not undertake new area expansion and just do the plants conversion or replanting. • Most of the villager work in the company • Business unit contribution to the village, among others allow the construction of facilities with the area under the company concession and there is also support of CSR for the provision of street lights • Deliberation of Village development has involving the company. • There is socialization related to the conservation area / HCV • How to communicate with the company done through HR Assistant 	<ul style="list-style-type: none"> • Based on the document review, it is known that the Business unit has built since 1926. This is in conformance with indicators 2.2.1 • Based on interviews and documents review, it is not identified of any area expansion. • Business unit has shown the document contained a list of workers and their origin • The Business unit shows contributions to local development that is based on a request from the village. This is in conformance with the criteria 6.11 • The Business unit could not show the evidence of socialization of the HCV and there is not training programs about HCV. It becomes non-conformance on the indicator 4.8.1 • based SOP of communication, all external communications through the HR assistant, it is in conformance with indicators 6.2.1

Public Issues (Institution/ NGO/Community)	Auditor Responses
<p>Local contractor for FFB transportation (CV Setia Kawan)</p> <ol style="list-style-type: none"> 1. Work agreement between contractor and company are in 6 month periods. 2. The local contractor and the company has good work relations. 3. The agreement consist of amount of payment, payment condition, PPE and safety condition, other terms and condition. 4. The Business unit always paid the contractor in first week each month (usually between date 5 to 7) 5. There is no discrimination. Work opportunity very wide open. 	<p>The business unit has been shown the agreement and payment with contractor and FFB supplier. Based on the verification, it has been comply with criteria 6.10</p>
<p>Worker union (SP-BUN)</p> <ol style="list-style-type: none"> 1. Worker union establish on 2008. The latest meeting are held in September 2016 2. There are issue of worker against “catu beras” allowance in November – December 2016. Worker union had meeting with the management to solve this issue. 3. There are no child labour 4. All worker rights had been follow by the company according to the national regulations 	<ul style="list-style-type: none"> • The Business unit can shown minutes of meeting with worker union. It has comply with indicator 6.6.2 • Business unit show the records of grievance resolution process in the minutes of the meeting which took place on January 9, 2017 attended by 22 participants from the company and labor union that describes the process of complaints related to delays in the provision of supply of rice and has been completed by explaining the change of system in the purchase of supplies of rice and rice will be given on that day too. It has been comply with indicator 6.3.2 • Based on field visit and verification document, there is no child labor. It has been comply with indicator 6.7.1 • All worker rights has been verified and it comply with criteria 2.1, 6.5.
<p>Labour and Transmigration Agency of Serdang Bedagai Regency</p> <p>At the time of public consultation, the auditor's team had sent a letter about schedule of interview with the agency delivered through the management unit of PTPN IV-Adolina. However, when the public consultation, the authorized and competent person in the things to be asked is not in place.</p>	-
<p>Environment Agency of Serdang Bedagai Regency</p> <ul style="list-style-type: none"> • No issues about environment pollution. • Previously there was a complaint submission from an NGO related to smoke chimney that issued black smoke is considered contaminating. After visit from agency to Adolina's Mill Unit, this has been improved by elevating the chimney and providing fuel for the boiler in the form of a drier shell. Pungent smoke only occurs when the fuel is given a bit damp. 	<p>The application land permit has been granted permission from the agency of the Environment. There were decree of letter no.18.32/660/67/2015 dated 13 February 2015 on granting of permit for utilization of waste water on the land to PTPN IV Adolina Business Unit (5 year valid license period) → indicator 4.4.3</p>

Public Issues (Institution/ NGO/Community)	Auditor Responses
<ul style="list-style-type: none"> Regarding the LA permit that has been exhausted since July 30, 2015, the agency has not known this because there is no application for extension of permit from the Adolina business unit. 	
<p>Plantation Agency of Serdang Bedagai District The auditor has conducted direct visits directly to Plantation Department in Deli Serdang District, but respondents cannot provide information because the administrative of PTPN IV Adolina is the authority of province government.</p>	-
<p>National Land Agency of Serdang Bedagai Regency The auditor's team had previously sent a letter related to an interview with the agency delivered through the management unit of PTPN IV-Adolina. However, when the time in the public consultation, the authorized and competent person in the things to be asked is not in place.</p>	-
<p>Environmental Agency, Deli Serdang District (Environmental Improvement and Enforcement Sector) (Environmental Law Enforcement Sector)</p> <ul style="list-style-type: none"> The Business unit has environmental documents (EIA) PTPN IV Adolina has land application license which has been approved by local government PTPN IV Adolina has hazardous waste storage (TPS LB3) license which has been approved by local government. The RKL / RPL implementation document has been reported periodically. Hazardous waste schedule time refers to hazardous waste storage licence which approved by local government. Hazardous waste should not be used for household water containers. But for similar purposes may be used when it is washed and monitored properly. A review will be conducted if there is replanting activity in block of land application. There were no pollution issues caused by mill and estate activities at the time. There was no land fires issue caused by mill and estate activities at the time. 	<ul style="list-style-type: none"> Business unit has environmental documents (EIA, RKL/RPL and UKL/UPL). It was in accordance with the indicators 2.1.1 & 5.1.1 PTPN IV Adolina has land application license which has been approved by local government. It was in accordance with the indicators 2.1.2 & 4.4.3 The company has hazardous waste storage license which has been approved by local government. It was in accordance with the indicators 2.1.2; 4.6.6; 4.6.10; 5.3.3 The test results periodically sent to the local government. It was in accordance with the indicators 4.4.1 & 4.4.3 The RKL / RPL implementation document has been reported periodically. It was in accordance with the indicators 5.1.2; 5.1.3 Hazardous waste schedule time has refers to hazardous waste storage license which approved by local government. It was in accordance with the indicators 4.6.6; 4.6.10; 5.3.3 There was no use of LB3 for household water containers at the time. It was in accordance with the indicators 5.3.3 There were no pollution issues caused by mill and estate activities at the time. It was in accordance with the indicators 5.3.3 There was no land fires issue caused by mill and estate activities at the time. It was in accordance with

Public Issues (Institution/ NGO/Community)	Auditor Responses
	the indicator 5.3.3 ; criteria 5.6 ; 7.7
<p>National Land Agency, Deli Serdang District Labor Agency, Deli Serdang District</p> <p>The auditor has conducted direct visits to the National Land Agency and Labor Agency in Deli Serdang District office for interviews, but there were no respondents available at the time.</p>	-
<p>Agriculture Agency, Deli Serdang District (Plantation Department)</p> <p>The auditor has conducted direct visits directly to Plantation Department in Deli Serdang District, but respondents cannot provide information because the administrative of PTPN IV Adolina is the authority of province government.</p>	-

4.0 CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY

4.1 Formal Sign-off of Assessment Findings

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.

Signed on behalf of:

**PT. Perkebunan Nusantara IV
Vice President Strategic Planning**

**Mutuagung Lestari
Lead Auditor**



Khayamudin Panjaitan
20 March 2018



Muhammad Rinaldi
20 March 2018

APPENDICES

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	Bangun Purba Tengah Village	Deli Serdang District	-	Interview	20 March 2017	√	
2	Adolina Village	Serdang Berdagai District	-	Interview	20 March 2017	√	
3	Local contractor for FFB transportation (CV Setia Kawan)	Serdang Berdagai District	-	Interview	20 March 2017	√	
4	Worker union (SP-BUN)	Serdang Berdagai District	-	Interview	20 March 2017	√	
5	Labour and Transmigration Agency	Serdang Berdagai District	-	Visit to the office	20 March 2017		√
6	Environment Agency	Serdang Berdagai District	-	Interview	20 March 2017	√	
7	Plantation Agency,	Serdang Berdagai District	-	Visit to the office	20 March 2017		√
8	National Land Agency	Serdang Berdagai District	-	Visit to the office	20 March 2017		√
9	Environmental Agency	Deli Serdang District	-	Interview	20 March 2017	√	
10	National Land Agency	Deli Serdang District	-	Visit to the office	20 March 2017		√
11	Labor Agency	Deli Serdang District	-	Visit to the office	20 March 2017		√
12	Plantation Agency,	Deli Serdang District	-	Visit to the office	20 March 2017		√
13	WWF	-	wwf-indonesia@wwf.or.id	Email	16 March 2017		√
14	Wahana Lingkungan Hidup	-	informasi@walhi.or.id	Email	16 March 2017		√
15	Sawit Watch	-	info@sawitwatch.or.id	Email	16 March 2017		√

Appendix 2. Assessment Program

DATE / TANGGAL		19-22 March 2017	
PLANNED TIME RENCANA WAKTU	ACTUAL DURATION DURASI AKTUAL	PROCESSES / CLAUSES TO BE AUDITED PROSES / HAL YANG DIAUDIT	AUDITOR
Sunday, 19 March 2017			
12.00 -	12.00 -	JAKARTA → MEDAN Traveling from Medan to Plantation Site (Adolina)	All Team
Monday, 20 March 2017			
08.00 – 09.00	08.00 – 09.00	Opening Meeting	All Team
09.00 – 12.00	09.00 – 12.00	<ul style="list-style-type: none"> • Stakeholder Consultation to Related Agency in Serdang Berdagai District • Stakeholder Consultation to Related Agency in Deli Serdang District • Stakeholder Consultation with Labour Union, Gender Committee & Local Contractor • Stakeholder Consultation with Bangun Purba & Adolina Village Document Verification <ul style="list-style-type: none"> • Basic Information • Land Use Legality, Social/Conflict & SCCS • Best Management Practices & Planning • Environmental, Conservation Aspect & GHG Emission • Health/Safety, Social/Worker Right & Transparency Information 	DHT SHL MFS MRD MRD MRD MFS SHL DHT
12.00 – 14.00	12.00 – 14.00	Break	
14.00 – 17.00	14.00 – 17.00	Field Observation to Adolina POM <ul style="list-style-type: none"> • SCCS Verification • Production/Processing and Health & Safety • Emergency Equipment Check & Emergency Team Interview • Hazardous Waste Storage, POME + Land Application • Management of Environment (Environment monitoring station & GHG, etc) • Facilities (Housing, health clinic, clean water, etc) • Worker Rights (Status, Payment Condition, Gender Aspect, etc) Clarification of Field Observation and Consultation	MRD/SHL DHT/MFS DHT/MFS MRD/SHL MRD/SHL MRD/SHL
Tuesday, 21 March 2017			
08.00 – 12.00	08.00 – 12.00	Field Observation to Adolina Estate	

DATE / TANGGAL		19-22 March 2017	
PLANNED TIME RENCANA WAKTU	ACTUAL DURATION DURASI AKTUAL	PROCESSES / CLAUSES TO BE AUDITED PROSES / HAL YANG DIAUDIT	AUDITOR
		<ul style="list-style-type: none"> Implementation of Agronomy Aspect (Harvesting & Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application) & Implementation of Occupational Health & Safety Aspect Implementation of Environmental, Conservation and Waste Management Aspect (Domestic Waste Management, Fire Control Facilities and HCV Area). Implementation of Legal Aspect (Land Ownership, Legal Boundaries). Implementation of Social Aspect (Communication and Transparency, Procedure and Mechanism of Complaint and Grievance) Observation of Workers Facilities (Housing, School, Worship Place, Clinic, etc). 	<p>DHT/MFS</p> <p>MRD/SHL</p> <p>MRD/SHL</p> <p>DHT/MFS</p> <p>MRD/SHL</p>
12.00 – 14.00	12.00 – 14.00	Break	
14.00 – 17.00	14.00 – 17.00	• Clarification of Field Visit & Completing of Check List	• All Team
Wednesday, 22 March 2017			
08.00 -12.00	08.00 -12.00	Continue Document Verification & Completing of Check List	All Team
12.00 – 14.00	12.00 – 14.00	Team Auditor Meeting (Preparation for Audit Conclusion)	All Team
14.00 – 16.00	14.00 – 16.00	Closing Meeting	All Team
16.00 -	16.00 -	<p>Traveling from Plantation Site to Dolok Sinumbah</p> <p>Traveling from Plantation Site to Jakarta</p> <p>Traveling from Jakarta to Dolok Sinumbah</p>	<p>MRD/MFS/DHT</p> <p>ORN/SHL</p>