

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

☐ Stage-1    ☐ Stage-2    ☒ Surveillance    ☐ Re-Certification

Name of Management Organisation : Pulu Raja Palm Oil Mill subsidiary of PT PERKEBUNAN NUSANTARA IV  
Plantation Name : PT PERKEBUNAN NUSANTARA IV - Pulu Raja Estate  
Location : Village of Orika, Sub district of Pulau Rakyat, District of Asahan, Province of North Sumatera, Indonesia  
Certificate Code : **MUTU-RSPO/070**  
Date of Certificate Issue : 25 August 2015      Date of License Issue : 25 August 2017  
Date of Certificate Expiry : 24 August 2020      Date of License Expiry : 24 August 2018

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
<b>ASA-2</b>	17 – 21 July 2017	Octo HPN Nainggolan (Lead Auditor); Sofyan Hadi Lubis; Mohamad Amarullah	Taufik Margani	Tony Arifiarachman

Assessment	Approved by MUTUAGUNG LESTARI on:
<b>ASA-2</b>	23 October 2017

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on March 12<sup>th</sup>, 2014 with registration number **ASI-ACC-055**

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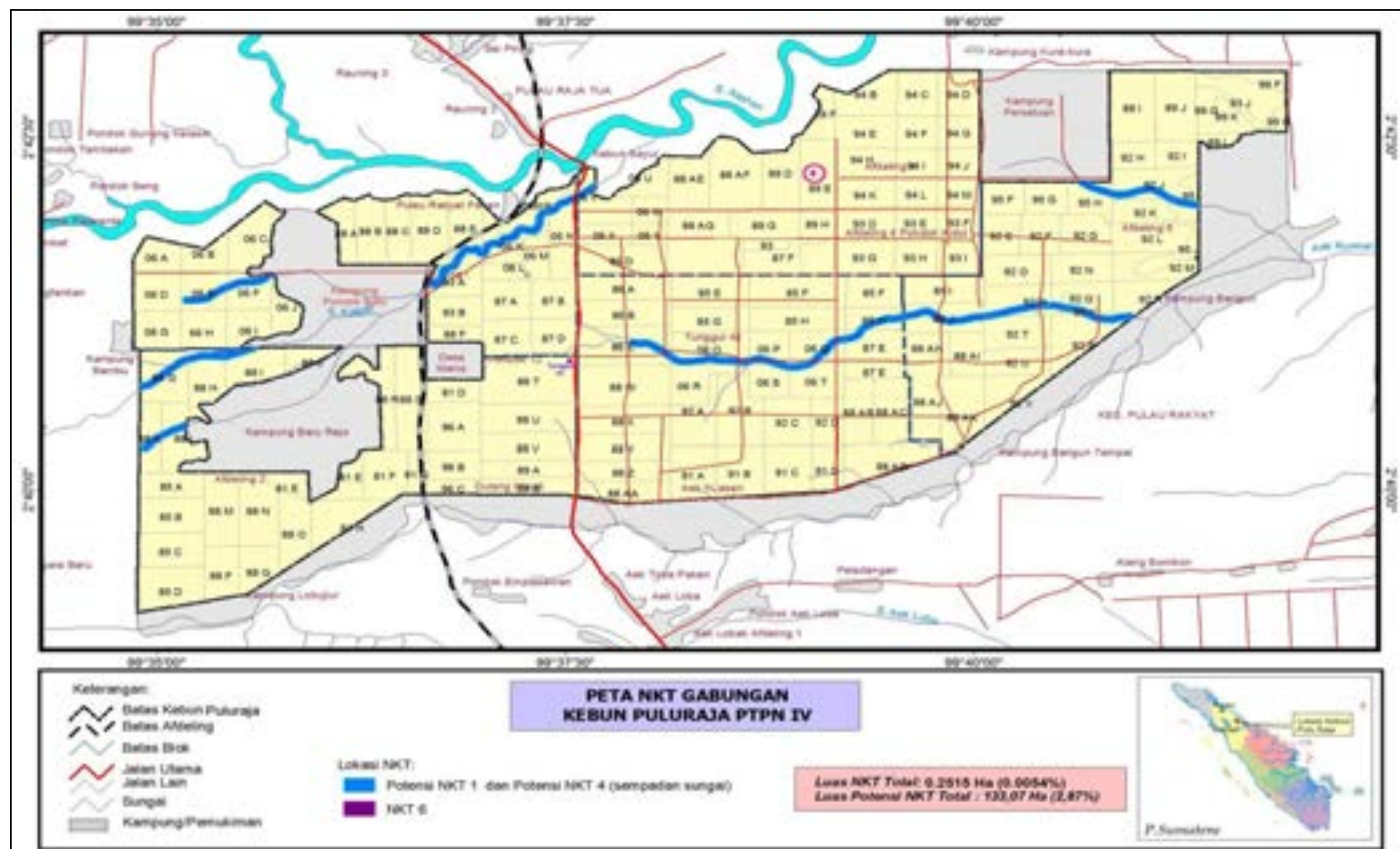
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Figure 2. Operational Map of PT Perkebunan Nusantara IV - Pulu Raja Business Unit



**Abbreviations Used**

B3	:	Hazardous Material
BPJS	:	Social Security Administration Bodies
BPJN	:	National Land Agency
CH	:	Certificate Holder
CPO	:	Crude Palm Oil
CSPK	:	Certified Sustainable Palm Kernel
CSPO	:	Certified Sustainable Palm Oil
EFB	:	Empty Fruit Bunch
FFB	:	Fresh Fruit Bunch
FGD	:	Focus Group Discussion
GHG	:	Green House Gases
HCV	:	High Conservation Value
HGU	:	Land Title
HIRAC	:	Hazard Identification Risk Assessment Control
HR	:	Human Resource
IOPRI	:	Indonesian Oil Palm Research Institute
IUP	:	Plantation Business Permit/License
MSDS	:	Material Safety Data Sheet
OHS	:	Occupational Health and Safety
P2K3	:	OHS Committee
PK	:	Palm Kernel
PKB	:	Working Agreement
POM	:	Palm Oil Mill
POME	:	Palm Oil Mill Effluent
PPE	:	Personal Protective Equipment
PTPN	:	PT Perkebunan Nusantara
P & D	:	Pest & Disease
RKL/RPL	:	Environmental Management and Monitoring Plan
RKL/RPL	:	Environment Management and Monitoring Plan
RTE	:	Rare Threatened and Endangered
SIA	:	Social Impact Assessment
SPBun	:	Labor Union
SPK	:	Surat Perjanjian Kerja ( <i>Work Agreement</i> )
SPO	:	Sustainable Palm Oil
TPS LB3	:	Hazardous Waste Warehouse
UMP	:	Upah Minimum Provinsi ( <i>Provincial Minimum Wage</i> )
UPDKS	:	Ulat Pemakan Daun Kelapa Sawit ( <i>Oil Palm Frond Leaf Eater Caterpillar</i> )
WWTP	:	Waste Water Treatment Plant

<b>1.0</b>	<b>SCOPE of the CERTIFICATION ASSESSMENT</b>		
<b>1.1</b>	<b>Assessment Standard Used</b>	<ul style="list-style-type: none"> <li>Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INA-NITF (Indonesian National Interpretation Task Force) July 2016, endorsed by the RSPO Board of Governors 30<sup>th</sup> September 2016.</li> <li>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)</li> <li>RSPO Certification System (approved by RSPO Executive Board 26 June 2007)</li> </ul>	
<b>1.2</b>	<b>Organisation Information</b>		
1.2.1	Organisation name listed in the certificate	PT Perkebunan Nusantara IV	
1.2.2	Contact person	Dr. Ir. Aida Farida, MM	
1.2.3	Organisation address and site address	<b>Head Office:</b> Jalan Letjen Suprpto No.2, 20151, Medan, Sumatera Utara, Indonesia	
1.2.4	Telephone	(62-61) 415 4666	
1.2.5	Fax	(62-61) 457 3117	
1.2.6	E-mail	<a href="mailto:perencanaan@ptpn4.co.id">perencanaan@ptpn4.co.id</a>	
1.2.7	Web page address	<a href="http://www.ptpn4.co.id">www.ptpn4.co.id</a>	
1.2.8	Management Representative who completed the application for certification	Dr. Ir. Aida Farida, MM	
1.2.9	Registered as RSPO member	1-0082-09-000-00 29 June 2009	
<b>1.3</b>	<b>Type of Assessment</b>		
1.3.1	Scope of Assessment and Number of Management Unit	One (1) unit of Palm Oil Mill supply by one (1) estate <ul style="list-style-type: none"> <li>Pulu Raja Mill and Pulu Raja.Estate</li> </ul>	
1.3.2	Type of certificate	Single	
<b>1.4</b>	<b>Locations of Mill and Plantation</b>		
1.4.1	Location of Mill		
	<b>Name of Mill</b>	<b>Location</b>	<b>Coordinate</b>
			<b>Latitude</b> <b>Longitude</b>
	Pulu Raja Mill	Village of Orika, Sub district of Pulau Rakyat, District of Asahan, Province of North Sumatera, Indonesia	N 02° 42' 07"      E 99° 37' 27"
1.4.2	Location of Certification Scope of Supply Base		
	<b>Name of Supply Base</b>	<b>Location</b>	<b>Coordinate</b>
			<b>Latitude</b> <b>Longitude</b>
	Pulu Raja Estate	Village of Orika, Sub district of Pulau Rakyat, District of Asahan,	N 02° 41' 56"      E 99° 37' 31"

		Province of North Sumatera, Indonesia					
1.5	Description of Area Statement						
1.5.1	Tenure						
	• State		4,630.54 Ha				
	• Community		- Ha				
1.5.2	Area Statement						
	• Total area		4,630.54 Ha				
	• Planted Area		4,304.00 Ha				
	• Mature		3,639.00 Ha				
	• Immature		665.00 Ha				
	• Mill		8.03 Ha				
	• Infrastructure (roads and bridges)		134.00 Ha				
	• Housing		108.26 Ha				
	• Nursery		5.00 Ha				
	• Composting Mill		0.25 Ha				
	• Unplanted Area		71.00 Ha				
	• HCV (riparian and commentary)		133.32 * Ha				
	* 133.32 has included to planted area						
1.6	Planting Year and Cycles						
1.6.1	Age profile of planting year						
	Planting Year	Hectarage of Afdeling (Ha)					
		I	II	III	IV	V	Total
	1991	-	-	134.00	-	-	134.00
	1992	-	-	126.00		420.00	546.00
	1993	35.00	-	-	125.00	46.00	206.00
	1994	4.00	-	-	262.00	-	266.00
	1996	-	58.00	-	38.00	72.00	168.00
	1998	1.00	1.00	2.00	6.00	87.00	97.00
	2006	303.00		144.00	80.00	2.00	529.00
	2009	-	134.00		-	66.00	200.00
	2010	-	131.00	171.00	-	-	302.00
	2011	-	-	148.00	37.00	-	185.00
	2012	104.00	88.00	-	134.00	54.00	380.00
	2013	-	433.00	193.00	-	-	626.00
	2014	172.00	53.00	88.00	182.00	170.00	665.00

	<b>TOTAL</b>	<b>619.00</b>	<b>898.00</b>	<b>1,006.00</b>	<b>864.00</b>	<b>917.00</b>	<b>4,304.00</b>
1.6.2	New Planting area after January 2010		-				
1.6.3	Planting Cycle		3 <sup>rd</sup> Cycle				
1.7	<b>Description of Mill and Supply Base</b>						
1.7.1	Description of Mill						
	<b>Name of Mill</b>	<b>Capacity</b> (tonnes/ hour)	<b>FFB</b> <b>Processed</b> (tonnes/year)	<b>CPO</b>		<b>Palm Kernel</b>	
				<b>Out put</b> (tonnes)	<b>Extraction</b> (%)	<b>Out put</b> (tonnes)	<b>Extraction</b> (%)
	Pulu Raja	30	164,137.52	37,315.698	22.73	6,981.328	4.25
	<i>*Production data source from July 2016 to June 2017</i>						
1.7.2	Description of Certification Scope of Supply Base						
	<b>Name of Estate</b>	<b>Total Area</b> (Ha)	<b>Planted Area</b> (Ha)	<b>FFB</b> (tonnes/year)	<b>Yield</b> (tonnes/ha/year)	<b>Supplied to Mill</b>	
						<b>FFB</b> (tonnes/year)	<b>%</b>
	Pulu Raja	4,630.54	4,304.00	63,833.03	14.83	63,833.03	100
	<b>TOTAL</b>	<b>4,630.54</b>	<b>4,304.00</b>	<b>63,833.03</b>	<b>14.83</b>	<b>63,833.03</b>	<b>100</b>
	<i>*Production data source from July 2016 to June 2017</i>						
1.7.3	FFB description from other source						
	<b>Name of sources</b>	<b>Organization</b>	<b>Location</b>	<b>Supplied to Mill</b>			
				<b>FFB</b> (tonnes/year)			
	Kebun Sei kopas (4,154.00 Ha)	PTPN 4 (Non RSPO Certified)	Asahan, North Sumatera	1,778.03			
	Kebun Berangir (4,222.00 Ha)	PTPN 4 (Non RSPO Certified)	Asahan, North Sumatera	1,010.92			
	Kebun Ajamu (4,189.00 Ha)	PTPN 4 (Non RSPO Certified)	Asahan, North Sumatera	220.22			
	Kebun Bandar Selamat	PTPN 3 (Non RSPO Certified)	Asahan, North Sumatera	91,848.85			
	Kebun labuhan haji	PTPN 3 (Non RSPO Certified)	Asahan, North Sumatera	710.63			
	Kebun Mambang muda	PTPN 3 (Non RSPO Certified)	Asahan, North Sumatera	1,438.01			
	Independen Supplier	(Non RSPO Certified)	Asahan, North Sumatera	3,436.61			
	<b>TOTAL</b>						<b>100,443.27</b>
	<i>*Production data source from July 2016 to June 2017</i>						
1.7.4	Product categories			<b>FFB, CPO, PK</b>			
1.8	<b>Estimate Tonnage of Certified Product</b>						
1.8.1	Past Annual Claim Certified Product		Previous Certificate Claim 25 August 2016 to 24 August 2017 (tonnes/year)		Actual certified products Period of 25 August 2016 to 17 July 2017 (ton/year)		
	• FFB Production		56,400		59,345		
	• CPO Production		13,254		13,375		



	<ul style="list-style-type: none"><li>Palm Kernel (PK) Production</li></ul>	2,538	2,700																																														
1.8.2	Product Selling																																																
	Tonnage of selling product	Actual selling product period August 25 <sup>th</sup> 2016 to July 17 <sup>th</sup> 2017 (Tonnes)																																															
	<ul style="list-style-type: none"><li>CSPO</li></ul>	2,500																																															
	<ul style="list-style-type: none"><li>CSPK</li></ul>	-																																															
	<ul style="list-style-type: none"><li>CPO under other scheme trading (e.g ISCC, RFS)</li></ul>	-																																															
	<ul style="list-style-type: none"><li>CPO under conventional trading (if any)</li></ul>	31,473.39																																															
	<ul style="list-style-type: none"><li>PK under other scheme</li></ul>	-																																															
	<ul style="list-style-type: none"><li>PK under conventional trading (if any)</li></ul>	6,599.93																																															
1.8.3	Estimate of Certified FFB Claim																																																
	<table><tr><th>Name of Estate(s)</th><th>Total Area (Ha)</th><th>Planted Area (Ha)</th><th>FFB (tonnes/year)</th><th>Yield (tonnes/ha/year)</th></tr><tr><td>Pulu Raja Estate</td><td>4,630.54</td><td>4,304.00</td><td>68,864</td><td>16.00</td></tr><tr><td>TOTAL</td><td>4,630.54</td><td>4,304.00</td><td>68,864</td><td>16.00</td></tr></table>	Name of Estate(s)	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)	Pulu Raja Estate	4,630.54	4,304.00	68,864	16.00	TOTAL	4,630.54	4,304.00	68,864	16.00																																	
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	<i>*Projected FFB production for 12 months of certificate</i>																																																
1.8.4	Estimate of Certified Palm Product Claim																																																
	<table><tr><th rowspan="2">Name of Mill</th><th rowspan="2">Capacity (tonnes/ hour)</th><th rowspan="2">FFB Processed (tonnes/year)</th><th colspan="2">CPO</th><th colspan="2">Palm Kernel</th></tr><tr><th>Out put (tonnes)</th><th>Extraction (%)</th><th>Out put (tonnes)</th><th>Extraction (%)</th></tr><tr><td>Pulu Raja Mill</td><td>30</td><td>68,864</td><td>15,701</td><td>22.8</td><td>2,961</td><td>4,3</td></tr></table>	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel		Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)	Pulu Raja Mill	30	68,864	15,701	22.8	2,961	4,3																														
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1.9	Other Certifications																																																
	ISPO		TNI-ISPO-D1702, valid until 4 April 2017 s.d. 3 April 2022																																														
1.10	Time Bound Plan																																																
1.10.1	Time Bound Plan for Other Management Units																																																
	<table><tr><th colspan="2">Management Unit</th><th rowspan="2">Estate (Supply Base)</th><th rowspan="2">Time Bound</th><th rowspan="2">Location</th><th rowspan="2">Status</th></tr><tr><th>Mill</th><th>Time Bound</th></tr><tr><td>Pabatu</td><td>2015</td><td>Pabatu</td><td>2015</td><td>Serdang Bedagai, Sumatera Utara</td><td>Certified September 2015</td></tr><tr><td rowspan="2">Dolok Ilir</td><td rowspan="2">2015</td><td>Dolok Ilir</td><td>2015</td><td>Simalungun, Sumatera Utara</td><td>Certified September 2015</td></tr><tr><td>Laras</td><td>2015</td><td>Simalungun, Sumatera Utara</td><td>Stage-1 Audit</td></tr><tr><td>Pulu Raja</td><td>2015</td><td>Pulu Raja</td><td>2015</td><td>Asahan, Sumatera Utara</td><td>Certified August 2015</td></tr><tr><td>Adolina</td><td>2015</td><td>Adolina</td><td>2015</td><td>Serdang Bedagai dan Deli Serdang, Sumatera Utara</td><td>Audited on March 2017</td></tr><tr><td rowspan="2">Bah Jambi</td><td rowspan="2">2015</td><td>Bah Jambi</td><td>2015</td><td>Simalungun, Sumatera Utara</td><td>Stage-1 Audit</td></tr><tr><td>Marihat</td><td>2016</td><td>Simalungun, Sumatera Utara</td><td>Stage-1 Audit</td></tr></table>	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	2015	Simalungun, Sumatera Utara	Stage-1 Audit	Pulu Raja	2015	Pulu Raja	2015	Asahan, Sumatera Utara	Certified August 2015	Adolina	2015	Adolina	2015	Serdang Bedagai dan Deli Serdang, Sumatera Utara	Audited on March 2017	Bah Jambi	2015	Bah Jambi	2015	Simalungun, Sumatera Utara	Stage-1 Audit	Marihat	2016	Simalungun, Sumatera Utara	Stage-1 Audit		
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		Marihat	2016	Simalungun, Sumatera Utara	Stage-1 Audit																																												

		Bah Birung Ulu	2016	Simalungun, Sumatera Utara	Stage-1 Audit
		Tonduhan	2016	Simalungun, Sumatera Utara	Stage-1 Audit
		Marjandi	2016	Simalungun, Sumatera Utara	Stage-1 Audit
Dolok Sinumbah	2015	Dolok Sinumbah	2015	Simalungun, Sumatera Utara	Audited on March 2017
		Balimbingan	2016	Simalungun, Sumatera Utara	Stage-1 Audit
Mayang	2017	Mayang	2017	Simalungun, Sumatera Utara	Preparation
		Bukit Lima	2017	Simalungun, Sumatera Utara	Preparation
Gunung Bayu	2017	Gunung Bayu	2017	Simalungun, Sumatera Utara	Preparation
		Tanah Itam Ulu	2017	Simalungun, Sumatera Utara	Preparation
Tinjowan	2017	Tinjowan	2017	Simalungun, Sumatera Utara	Preparation
		Aek Nauli	2017	Simalungun, Sumatera Utara	Preparation
		Padang Matinggi	2017	Simalungun, Sumatera Utara	Preparation
Air Batu	2015	Air Batu	2015	Asahan, Sumatera Utara	Stage-1 Audit
Berangir	2015	Berangir	2015	Labuhan Batu Utara, Sumatera Utara	Stage-1 Audit
Sawit Langkat	2015	Sawit Langkat	2015	Langkat, Sumatera Utara	Stage-1 Audit
Pasir Mandoge	2015	Pasir Mandoge	2015	Asahan, Sumatera Utara	Stage-1 Audit
		Sei Kopas	2016	Asahan, Sumatera Utara	Stage-1 Audit
Timur	2018	Timur	2018	Mandailing Natal, Sumatera Utara	Preparation
		Balap	2018	Mandailing Natal, Sumatera Utara	Preparation
Ajamu	2017	Ajamu	2017	Labuhan Batu Utara, Sumatera Utara	Preparation
		Meranti Paham	2017	Labuhan Batu Utara, Sumatera Utara	Preparation
		Panai Jaya	2018	Labuhan Batu Utara, Sumatera Utara	Preparation
Sosa	2017	Sosa	2017	Padang Lawas, Sumatera Utara	Preparation
PT Agro Sinergi Nusantara		PT Agro Sinergi Nusantara		Aceh Barat, Aceh	Preparation
PT Sinergi Perkebunan Nusantara		PT Sinergi Perkebunan Nusantara		Morowali Utara, Sulawesi	Preparation
1.10.2	<b>Progress of Associated Smallholders and Outgrowers for Certifiable Standard</b>				
	There are no available scheme smallholders on this audit scope there are only independent FFB suppliers during the audit conducted, however there are other supply bases from the same group member (PTPN IV) that have not been certified. The preparation for being certified according to the time bound plan.				

<b>2.0</b>	<b>ASSESSMENT PROCESS</b>
<b>2.1</b>	<b>Assessment Team</b>
<b>ASA-2</b>	<p>1. <b>Octo HPN Nainggolan (Lead Auditor).</b> Indonesian citizen, Bachelor of Agriculture, majoring of Social Economics of Agriculture (Agribusiness). Seven years working experience since 2004 at oil palm Plantation Company in Indonesia and followed several trainings namely: Training of Conservation of Natural and Biological Resources in supporting HCV, Basic Plantation Management Program, Plantation Integrated Pest Management training, Management System Certification (ISO 9001-2008/SNI 19011-9001:2008), Environment Management System (ISO 14001:2004), SMK3 based on OHSAS, RSPO Lead Auditors Training Course endorsed by Proforest and Wildasia, Indonesian Sustainable Palm Oil (ISPO) Lead Auditor training course, supply chain certification system training and RSPO Renewable Energy Directive Lead Auditor training. Currently he worked as an auditor at Certification Body. During this assessment he was observed and audit on Best Management Agriculture Practices, Safety and Health aspect and Social aspect</p> <p>2. <b>Sofyan Hadi Lubis (Auditor).</b> 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. He also worked as a staff environmental consulting firm and currently working as an auditor in the certification body (PT MAL). He has conducted audits for ISPO scheme, RSPO and ISCC in oil palm plantations as an auditor. During this assessment he was observed and audit on social aspect, Safety and Health aspect, labor aspect and welfare workers aspect.</p> <p>3. <b>Mohamad Amarullah (Auditor).</b> Indonesian Citizen. Master of Wood Science and Technology and Bachelor of Forestry, majoring in Forest Product Technology. Has experiences as an Agronomist and Research Assistant in Indonesia and Malaysia from 2008 to 2014. Has attended several trainings such as Lead Auditor of ISPO, RSPO, ISO 17021, ISO 17065, ISO 9001, ISO 19001, ISO 14001, HCV, etc. Has conducted several ISPO/RSPO audit scheme as an Auditor since 2014 in BMP, environment, conservation, OHS, legal and supply chain aspect. Fluent in Bahasa, Malay and English. During this assessment he was observed and audit on legal, environment and supply chain aspects.</p>
<b>NCR Verification on-Site</b>	<p>1. <b>Muhammad Rinaldi (Lead Auditor).</b> 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. At this activity he verified the corrective actions taken of non-conformance.</p> <p>2. <b>Mohamad Amarullah (Auditor).</b> At this activity he verified the corrective actions taken of non-conformance.</p>
<b>2.2</b>	<b>Assessment Methodology, Assessment Process and Locations of Assessment</b>
<b>2.2.1</b>	<b>Figure of person days to implement assessment</b>
<b>ASA-2</b>	<p>Number of auditors : 3 auditor</p> <p>Number of days for <b>ASA-2</b> at site : 5 days</p> <p>Number of working days for <b>ASA-2</b> at site : 15 Working days</p>

<b>NCR Verification on-Site</b>	<p>Conducted on 17 and 18 October 2017</p> <p>Number of auditors: 2 auditors</p> <p>Number of days for NCR Surveillance-2 Verification at site: 2 days</p> <p>Number of working days for NCR Surveillance-2 Verification at site: 4 Working days</p>
<b>2.2.2</b>	<b>Assessment Process</b>
<b>ASA-2</b>	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by PTPN IV Pulu Raja to the requirements of <i>RSPO Principles and Criteria (P&amp;C) for for the Production of Sustainable Palm Oil - April 25<sup>th</sup> And Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Module E for CPO Mill)</i>.</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 ASA-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-3).</p> <p>Improvement of findings from surveillance assesment findings were observed by auditors at this ASA-2 assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of ASA-2.</p> <p><b>The assessment program please find Appendix 2.</b></p>
<b>2.2.3</b>	<b>Locations of Assessment</b>
<b>ASA-2</b>	<p>Number of units in this certification activity is Pulu Raja Estate which supply the raw material (FFB) to Pulu Raja palm oil mill. In conducting the assessment, the team of auditors used the 0.8√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 (Pulu Raja POM) and one estates (Pulu Raja Estate).</p> <p><b>Pulu Raja Mill.</b></p> <ol style="list-style-type: none"> <li><b>Security Post.</b> To interview and observe security officer knowledge (2 person) towards manpower, emergency, OHS and supply chain aspects.</li> <li><b>Weigh Bridge Station.</b> To interview and observe weigh bridge officer knowledge (1 person) towards manpower and supply chain aspects.</li> <li><b>Admin Room.</b> To interview and observe officer knowledge (1 person) towards supply chain implementation.</li> <li><b>Loading Ramp.</b> Observation related to employment aspects, OHS implementation (medical check up, PPE), and workers' knowledge about work procedure.</li> <li><b>Sterilizer Station.</b> Observation related to employment aspects, OHS implementation (medical check up, PPE), and workers' knowledge about work procedure.</li> <li><b>Boiler Station.</b> Observation related to employment aspects, OHS implementation (medical check up, PPE), and workers' knowledge about work procedure.</li> <li><b>Engine Room Station.</b> Observation related to employment aspects, OHS implementation (medical check up, PPE), and workers' knowledge about work procedure.</li> <li><b>Demin Plan.</b> Observation related to employment aspects, OHS implementation (medical check up, PPE), and workers' knowledge about work procedure.</li> </ol>

9. **Water Treatment Plant (WTP).** Observation activities in the WTP Station, OHS implementation, checking flowmeter condition and interview with Foreman and workers towards technical, OHS and manpower aspect
10. **Empty Buch Area.** Observation related to solid waste management.

### Pulu Raja Estate

1. **BPN Pole No. C002.1 Afdeling V,** located in adjacent with Bangun Village. To verify pole existence, position and condition.
2. **BPN Pole No. C004.4 Afdeling V,** located in adjacent with Bangun Village and independence grower area. To verify pole existence, position and condition.
3. **BPN Pole No. C006.1 Afdeling V,** located in adjacent with Bangun Village and independence grower area. To verify pole existence, position and condition.
4. **BPN Pole No. C007.4 Afdeling V,** located in adjacent with Persatuan Village and independence grower area. To verify pole existence, position and condition.
5. **BPN Pole No. C007.9 Afdeling V,** located in adjacent with Persatuan Village and independence grower area. To verify pole existence, position and condition.
6. **Landfill of Afdeling V Housing Complex.** To observe landfill condition and its distance from housing area.
7. **BPN Pole No. 106 Afdeling II,** located in adjacent with Manis Village and railway track. To verify pole existence, position and condition.
8. **BPN Pole No. 001 Afdeling II,** located in adjacent with Afdeling I and government road. To verify pole existence, position and condition.
9. **BPN Pole No. 109 Afdeling II,** located in adjacent with Manis Village and independence grower area. To verify pole existence, position and condition.
10. **BPN Pole No. 107 Afdeling II,** located in adjacent with Manis Village. To verify pole existence, position and condition.
11. **BPN Pole No. 117 Afdeling II,** located in adjacent with Manis Village and Afdeling I. To verify pole existence, position and condition.
12. **Harvesting activity, Block 2009-F Division II.** Observation and interview related to workers knowledge about work procedure, employment aspects, OHS implementation, and complaint procedure.
13. **Harvesting activity, Block 2012-P & Block 2012-Q Division V.** Observation and interview related to workers knowledge about work procedure, employment aspects, OHS implementation, and complaint procedure.
14. **Replanting Area.** Observation related replanting activity and zero burning procedure.
15. **Chemical storage Division II.** Observation for hazardous material handling, chemical and OHS.
16. **EFB Application, Block 2014-J and 2014-K.** Observation related to FFB application.
17. **LCC nursery in replanting LCC area.** Observation and interview related to workers knowledge about work procedure, employment aspects, OHS implementation.
18. **Main Road and Collection Road.** Observation related to road maintenance and see plant application for pest management control.
19. **EFB Application, Block 2014-AF and 2014-AG.** Observation related to AFB application.
20. **Landfill of Afdeling II Housing Complex.** To observe landfill condition and its distance from housing area.
21. **Housing Complex of Division V and II.** Observation related to employment aspects, OHS implementation (medical check up, PPE), and workers' knowledge about work procedure.
22. **Chemical Storage.** Field observations related to condition in the chemical storage and hazardous and toxic materials management, MSDS, OHS implementation.
23. **Kindergarten of Divison V and II.** Observation and interview on first aid kit, worker wages, mechanism of complaint, workers welfare, etc.



<b>Internal Stakeholders</b> <ol style="list-style-type: none"> <li>1. Labor Union / <i>SPBun</i></li> <li>2. Gender Committee</li> <li>3. Harvesters</li> <li>4. Chemical sprayers</li> </ol> <b>External Stakeholders</b> <ol style="list-style-type: none"> <li>1. Persatuan and Bangun Villagers</li> <li>2. Local Contractor of FFB Transportasion (CV Cahaya Indah)</li> <li>3. Local Contractor of FFB &amp; EFB Transportasion (CV Akbar Pratama)</li> <li>4. Environment Agency of Asahan District</li> <li>5. Manpower Agency of Asahan District</li> <li>6. National Land Agency of Asahan District</li> <li>7. Agricultur Agency, Plantation Departement of Asahan District</li> <li>8. Non-Government Organization</li> </ol>	
<b>2.3</b>	<b>Stakeholder Consultation and Stakeholders Contacted</b>
<b>2.3.1</b>	<b>Summary of stakeholder consultation process.</b>
<b>ASA-2</b>	<p>Summary of stakeholder consultation process</p> <p>Consultation of stakeholders for PTPN IV Pulu Raja was held by:</p> <ol style="list-style-type: none"> <li>1. Public Notification website MUTU (<a href="http://www.mutucertification.com">www.mutucertification.com</a>) 14 days prior to the audit conducted (1 July 2017)</li> <li>2. Public consultation meeting with relevan agencies on July 18<sup>th</sup>, 2017.</li> <li>3. Public consultation meeting with Villages Surrounding Company Area on July 18<sup>th</sup>, 2017</li> <li>4. Public consultation meeting with Local Contractor and Labor Union on July 18<sup>th</sup>, 2017</li> <li>5. Public consultation to NGO by email has been sent on July 12<sup>th</sup>, 2017.</li> </ol> <p>Numbers of input from stakeholders were clarified by PTPN IV Pulu Raja</p>
<b>2.3.2</b>	<b>Stakeholder contacted</b>
	<b><i>Please find appendix 1</i></b>
<b>2.4</b>	<b>Determining Next Assessment</b>
<b>ASA-1</b>	The next visit ( <b>ASA-3</b> ) will be determined one year after this <b>ASA-2</b> (July 2018).

### 3.0. ASSESSMENT FINDINGS

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

MUTUAGUNG LESTARI has conducted an assessment of Pulu Raja Palm Oil Mill – subsidiary of PT PERKEBUNAN NUSANTARA IV operation consisting of one (1) mill and one (1) estates.

During the assessment, there were ten (10) Nonconformities were assigned against Major Compliance Indicators; one (1) minor nonconformity was raised become major Compliance Indicator, six (6) nonconformities were assigned against Minor Compliance Indicators; and six (6) opportunities for improvement were identified.

After the ASA-2 the certified unit has to provide corrective action to complying the non-conformances in 60 days (especially Major Non-conformance) prior the auditor team recommends to continue the certification.

Due to the certified unit has not been able to closed the major non-conformities within sixty days after the audit conducted, therefore MUTUAGUNG LESTARI recommends RSPO Certification of compliance is *suspended* (20 September 2017) and given another sixty days to show the corrective actions taken.

The certified unit has showed the corrective action to closed out all the major non-conformities, therefore on 27 October 2017 MUTUAGUNG LESTARI have recommend to lift the suspension and may continue the certificate

Further explanation of the non-conformities raised and corrective actions taken by the company are provided in section 3.5. The company has already prepared and implemented the corrective actions that had been reviewed and accepted by Auditors in form of documentation evidences e.g. (document record/photographic) and field visit. Those corrective actions taken that consist of eleven (11) Major Nonconformities had been closed out shall be verified during next assessment.

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

Therefore MUTUAGUNG LESTARI Recommends RSPO Certification of compliance is continued.

Ref Std.	VERIFICATION RESULT of MUTU-Certification	
<b>PRINCIPLE #1 COMMITMENT TO TRANSPARENCY</b>		
<b>1.1</b>	<b>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.</b>	
<b>1.1.1 Minor</b>	<p>The auditor team have verified the list of stakeholders have been maintained by the certified unit and the frequency to update the list is once a year, last update was 6 January 2017. There stakeholders consist of internal stakeholders, government institution, local communities, media, NGO, suppliers &amp; contractors. The list provided by the general resources assitant. Information (periodic reports) submitted to the relevant agencies on district that related to environment such as mill effluent report, hazardous waste reports, emission and ambient reports, surface water quality reports.</p> <p>The Company providing information is mandatory for government agencies, such as from the Environment Agency, Plantation Agency, Labor and Transmigration Agency, and National Land Agency</p>	

According to the result of interview with the two village heads, Labor Union and the associated agency, the stakeholders have aware of the procedure to get the information.

The certified unit may improve the stakeholders provide with the update address and contact number. The auditor raised this as an observation and will verified in the next surveillance assessment. **OFI.2017.1**

### 1.1.2 Major

The Company has procedures of Response and Information publicly available, with No. SOP No. 60 dated 1 August 2012. The scope of the all activities related to the provision of information to stakeholders in the oil palm plantations along with the unit of management. The purpose of the SOP is to provide correct and transparent information to stakeholders in accordance with the rules and regulations as well as the established provisions relating to the principles and criteria of sustainable palm oil.

The company has had a "incoming and outgoing letter registration " that record every incoming information and responses. Logbook containing the letter number, the date of the letter, the applicant's name, address, subject, recipient, date taken, actions, status and PIC.Verification on documents during 2017 there were no requests of information, all incoming mail recorded is related with requests for contribution and have been addressed.

The company has also been providing information that is required to the relevant agencies in the form of sending regular reports either monthly, quarterly, semester or yearly, for example,

- Report of environmental testing and liquid waste testing reports,
- Waste management report,
- Environmental report implementation,
- Reports of plantation activity
- OHS reports.

**Status: Full Compliance**

## 1.2

**Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.**

### 1.2.1 Major

A list of information that is accessible to the public / stakeholders include the number of employees and the employee's basic pay list; Data of Tax Id Number and property tax; The payment of local taxes / levies; Environmental documents; Certificate of the deed of incorporation and the changes, the data of acreage and the production and fertilization application data; Proof of ownership of land as Land Use Title certificate; Identification Report of the High Conservation Value; Report of social identification; Reports of community empowerment programs; Guiding Committee of Occupational Safety & Health reports; Document of continuous improvement program; Document of audit reports; and document of human rights policy.

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

**Status: Full Compliance**

## 1.3

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

### 1.3.1 Minor

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

PTPN IV is committed to Living Prosperously Without Corruption, which is a commitment of Clean SOE Program, PTPN IV personnel are committed to not accept gratuities in carrying out the duties and authority as well as free of conflict of interest. We invite the participation of stakeholders in conveying information if the commitment of Clean PTPN IV is not

carried out by the personnel of the company, via online: [www.ptpn4.co.id](http://www.ptpn4.co.id) or via email [pengaduan@ptpn4.co.id](mailto:pengaduan@ptpn4.co.id). The policy has been socialized to the employees. Based on interviews with internal and external stakeholders is know they have understood the policy.

<b>Status: Full Compliance</b>
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**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 Certification Unit able to show evidence of compliance with relevant laws and regulations: such as employees wages are paid in accordance with the Province Minimum Wage of North Sumatra. This is in accordance with the *UU No. 13 / 2003* related to employment.

However, compliance with relevant laws and regulations has not been fully implemented by the Certification Unit. Objective evidence observed, namely:

- Based on observation to hazardous waste warehouse (TPS-LB3) in Pulu Raja POM, eyewash and shower were not available as required by **KepBapedal No. 01/1995** and Decree of Asahan Regent (**SK No. 660.1/0972/LH/2014**) about TPS-LB3 permit in PTPN IV Pulu Raja.
- Based on observation to landfill for Afdeling V employees housing complex, it was known that landfill has located just within housing areas. This is not in accordance with Government Regulation (**PP No. 81/2012 article 23 (clause 3.e)**) which required that landfill location shall be more and not less than 1 km from housing areas.
- Based on observation, interview and document verification with Boiler Operator named Miswadi (Lisence No. 11.P.0161-OPK3-PUBT-B.IV/2011), it could be concluded that the lisencc was expired since May 18<sup>th</sup> 2016. This in not comply with Minister of Manpower and Transmigration Regulation (**Permenakertrans No. 01/1998**) about Steam Instrument Operator. Regarding this matter, Manager Unit has manage to extend the lisencc for Miswadi through letter No. PUR/04.14/65/VIII/2016 dated August 20<sup>th</sup> 2016 which deliver to Head Office in Medan. Nevertheless, up to ASA-2, response and follow up evidence from Head Office was not available.
- Based on observation to Pulu Raja POM, it was found that compression level of fire extinguisher (APAR) was below the minimum level, for example APAR No. 12. Evidence of monitoring record has also not available. This is not in accordance with **Permenaker No. 04/1980** about fire extinguisher.

Based on the explanation, raised the **Nonconformity No. 2017.01 with major category**

**2.1.2.**

Monitoring, socialization and distribution of laws/regulation to business unit were carried out by RSPO, ISPO, OHS and ISO Secretariat in PTPN 4 Headquarter in Medan. The CH shows document of monitoring, updating and evaluation status of Laws and Regulations pursuance in 2016 dated January 6<sup>th</sup> 2017. Document has arranged the regulation based on its aspect, i.e. 10 items of regulations related to legal permit aspect, 8 item related to best practices aspect, 51 items related to manpower and occupational health and safety (OHS) aspect and 39 item related to environment and conservation aspect. The latest laws/regulation document has only available in Pulu Raja Business Unit Manager Office, which then to be delivered to Afdeling unit through socialization.

**2.1.3.**

Internal audit report towards laws/regulation pursuance in 2016 was presented in evaluation of laws/regulation pursuance towards RSPO implementation in 2016 report, issued by PTPN 4 RSPO Secretariat in January 6<sup>th</sup> 2017. Internal audit mentioned that the CH has fulfilled laws ad regulation requirements. However, number of regulation being monitored during internal audit were not synchronous with the list of laws/regulations. There is only 71 items of laws being audited

from totaling 108 items of laws/regulation listed.

Based on the explanation, raised the Hence, raised **Nonconformity No. No. 2017.02 with minor category**.

#### 2.1.4.

The mechanism of of updating list of laws/regulation and frequency of update for tracking changes was arranged through documentation system of RSPO principles and criteria which issued in August 1<sup>st</sup> 2012. The mechanism shall be conducted by RSPO, ISPO, OHS and ISO Secretariat in PTPN 4 Headquarter in Medan. The CH has able to shows monitoring and evaluation of laws/regulation pursuance in 2016, dated January 6<sup>th</sup> 2017. The CH has able to shows additional regulation, for example about minimum wages of Asahan District.

**2.2.1 Status: Nonconformity No. 2017.01 with major category**

**2.1.3 Status: Nonconformity No. 2017.02 with minorr 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 CH has able to shows several Legal ownership evidence, as follows:

- Land Title (HGU) No. 2 mentioned that PTPN IV Pulu Raja Busines Unit is located in the Village of Orika, Sub-District of Pulau Rakyat, District of Asahan, Province of Sumatera Utara. The HGU has issued in October 13<sup>th</sup> 2006 and valid until December 31<sup>st</sup> 2030. Letter of Measurement No. 01/Orika/2006 dated October 12<sup>th</sup> 2006 mentioned that total area of HGU was about 4,630.54 ha for oil palm plantation purposes.
- Plantation Busines Lisence (IUP) is presented in Decree (SK) of Asahan Regent No. 503/IUP/BPPM/1609/XI/2012 dated November 22<sup>nd</sup> 2012 mentioned that informed that PTPN 4 Pulu Raja Business Unit where located on Orika Village, Pulau Rakyat Sub-District has oil palm cultivation and processing permit which has covers about 4,630 ha with mill capacity about 30 ton FFB/hours.

According to hectare statement data in July 2017, document mentioned above, as well as information from National Land Agency (BPN) and Plantation Agency of Asahan District, it could be concluded that there are no significant contradiction towards actual Pulu Raja Business Unit operational areas.

##### 2.2.2

The Afdeling II and Afdeling V Management Unit were able to shows legal poles (legal boundary) map which produced by National Land Agency (BPN), as well as its checking records towards numbering code, demarcated poles coordinate and condition. Based on observation to BPN poles No. C002.1, No. C004.4 and No. C006 (located in adjacent with Bangun Village); No. C007.4 and No. C007.9 (located in adjacent with Persatuan Village) on Afdeling 5; No. 106, No. 001, No. 109 and No. 117 (located in adjacent with Manis Village and government road) on Afdeling 2, it was found that the presence of BPN poles were satisfactory maintained and suits the map figure. Re-new poles were seen during boundary checking. However, some numbersof poles were starts to blur and/or not clear to be seen, due to aging. Hence, the CH has encourage to repair the number condition which expected to ease field checking/monitoring. **OFI with Observation.**

Procedure of legal boundary monitoring was presented in procedure No. SPO 12.0 (Revision 2), issued in January 2<sup>nd</sup> 2015. SOP mentioned that poles monitoring shall be conducted every six month by Assistant Afdeling. National land Agency and Plantation Agency of Asahan stated that there were no claim issues and complaint related to PTPN 4 boundary poles. The company do not have smallholders scheme.

##### 2.2.3



Based on interview with BPN and Plantation Agency of Asahan, as well as Village elders, it was stated that, there were no presence of land conflict between PTPN IV Pulu Raja Business Unit and surrounding Villages. Legal ownership evidence (e.g. IUP and HGU) is explained in Indicator 2.2.1. PTPN IV Pulu Raja Business Unit operational areas were not derived from indemnity land, but ex concession from Dutch (Netherland Indie) Government Company, as mentioned and described in Government Law (UU) No. 86/1958 dated December 27<sup>th</sup> 1958, Government Regulation (PP) No. 19/1959 dated May 2<sup>nd</sup> 1959 and Land Book (on the 1<sup>st</sup> Land Title Certificate) dated July 1<sup>st</sup> 1982.

#### 2.2.4

Based on interview with PTPN 4 Pulu Raja POM management unit, BPN and Plantation Agency of Asahan District, it was stated that there were no significant land conflict which interfere POM and Estate operational activities. However, the CH has procedure of conflict resolution which presented in document No. SPO 04.0, issued in April 1<sup>st</sup> 2010. Last time socialisation of conflict resolution procedure has been conducted in March 22<sup>nd</sup> 2015.

#### 2.2.5

Procedure for participatory mapping of disputes was presented in document No. SPO 04.0, dated April 1<sup>st</sup> 2010. The company has able to shows land dispute for 400 m<sup>2</sup> completion in Afdeling 1 has already settle up, through several documents such as Official Letter of Installation of BPN poles No. 108 and 109 in 2015, Official Letter of BPN dated December 12<sup>th</sup> 2014 about BPN measurement and BPN checking report January 6<sup>th</sup> 2015, Letter No. PUR/X/VIII/2016 dated August 2<sup>nd</sup> 2016 and No. PUR/X/VIII/2016 dated August 2<sup>nd</sup> 2016 which informed about summary of BPN measurement. Those document mentioned in the former stated that the dispute area (400 m<sup>2</sup>) is legally owned by PTPN 4 Pulu Raja Business Unit. Up to ASA-2, there is no upcoming claim or laws action from the claimnant (Suardi) since August 2016. However, following communication between PTPN IV Pulu Raja Unit to the claimnant will be **observed** on the next surveillance.

#### 2.2.6

The company as code of conduct which mentioned to circumvent insitigated violence to maintain peace within company operational activities. Based on information from Bangun and Persatuan Village, Labor Union Committee and Plantation Agency of Asahan District, it was informed that the CH never adopt confrontation and intimidation to maintain peace and order and there is no use of paramilitary and mercenaries in the plantation.

<b>2.2.2</b>	<b>Status: OFI</b>
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#### 2.3.1; 2.3.2 and 2.3.3

Procedure of land conflict handling was presented in document No. O40/01 dated April 2010. Procedure mentioned that resolution of land conflict was carried out though stakeholder meeting (Musyawarah Mufakat) as priority and legal evidence should be showed by the claimnant. The CH has conducting FPIC approach for example as shows in HCV study report dan SIA study report which conducted by PT Surveyor Indonesia and Foundation of Indonesian Sustainable Oil Palm (Kelapa Sawit Berkelanjutan Indonesia). The report mentioned that data collection from surrounding communities has carried out through several method such as interview and focus group discussion (FGD). Record of discussion process, absence list and picture during data collection were presented in the reports. Both report informed that there is no other indigenous people, as well as tribes areas in Pulu Raja Business Unit operational areas. PTPN 4 Pulu Raja Business Unit operational areas were not derived from indemnity land, but ex concession from Dutch (Netherland Indie) Government Company, as explained in Indicator 2.2.1. Operational, Location and Legal Boundary maps are available in proper scale (1:6,300), provide in Bahasa and stored in Business Unit Office.

#### 2.3.4

Based on interview with PTPN 4 Pulu Raja POM management unit, BPN, Plantation Agency of Asahan District, as well as chief of Bangun and Persatuan Village, it was stated that there were no significant land conflict which interfere POM and Estate operational activities. Assistant Staff of General Administration and Human Resources PTPN 4 Pulu Raja Business Unit has appointed to be acted as company representative for any negotiation related with local communities. Based on interview with Bangun and Persatuan Village representative, it was stated that Village Community has know the contact person who's appointed as PTPN 4 Pulu Raja representative.

**Status: Comply**

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

#### **3.1**

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

##### **3.1.1 Major**

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

Company has drafted estate and mill's 5 years work plan (2017 – 2021) which has been approved by top management. This work plan consists of: prediction over price trend, CPO and Palm Kernel; production cost; FFB, CPO and Palm Kernel's production; mill's extraction level; areal statement; and profit projection.

Based on the explanation above it can be concluded the company has long-term planning document and has demonstrated the company's ability to meet its obligations.

##### **3.1.2 Minor**

Replanting planning has been carried out and evaluated annually by PTPN IV Pulu Raja for a period of five years (2017 to 2021) for 1,254 ha at afdeling II and V. For 2017 there are area of 614 ha will be replanted. The replanting planning until 2018 will reach an area of 206 ha, 2019 for 266 ha and 2021 for 168 ha. The results of field observations show that replanting activities for 2017 planning has been completed.

Replanting program of PTPN IV Pulu Raja also considers some aspects, which are FFB productivity Ton/ha/year  $\leq 14$  tons/ha, trees population per ha  $< 100$  trees, uniformity of area layout and planting year and mature plant of 25 years old. Types of seeds planned to be used are certified seeds. All documentation and replanting planning program has been available in the management unit and stored properly.

**Status: Full Compliance**

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

#### **4.1**

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

##### **4.1.1 Major**

PTPN IV Pulu Raja business unit has shown evidence of operational procedures compliance starting from land clearing to harvesting and has also shown evidence of the operational procedures compliance starting from weighbridge station (FFB reception) to CPO and Kernel dispatch. The SOPs have been sighted by the auditor team in each unit during the surveillance audit conducted and write in Bahasa that appropriate language understand by the workers.

The understanding of the SOP by the workers verified by the auditor team during field observation in harvesting and mill activities and revealed that the workers are implementing according to work instructions and SOP.

Based on the information can be concluded that the company has documented all kinds of operational procedures. Based on interviews with workers at the boiling station (sterilizer). Workers released the results of FFB boiled sent to the station thresher and this has been done in accordance with the applicable procedures.

#### 4.1.2 Minor

Company has a procedure for monitoring mill and estate operation, whether it has been run based on the established target through internal audit every semester by *Satuan Pengawas Internal* (SPI) unit. Personnel in charge in internal control have been trained and have competency on their expertise.

The internal audit operation has been conducted on 21<sup>st</sup> April 2017 for the entire activity. The audit presents data that in general the condition from previous report has been improved. However, there are still some weaknesses from mill performance and workers insurance that need to be improved. The audit findings are informative and in general have been discussed with unit management representative. In addition, the unit also presents detail of findings from internal audit in Pulu Raja Estate and Mill. The audit findings has been response and explain from the management unit as part of its improvement efforts, for example on 23<sup>rd</sup> June 2017 the improvement of the internal audit have been respond.

#### 4.1.3 Minor

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

In the estate unit, operations recording are documented into the Daily Work Plan then recorded into Foreman Book which describes the location of the work, date of activity and types of activities (maintenance and harvest) which are included in daily production reports then recorded into managers' monthly reports informing production and maintenance operations. During the assessment, the team of auditors visited the office of Afdeling II and assessed the completeness of the implementation of the recording by officers. The results of examination show that the officers have consistently recorded Daily Work Plan.

Based on field visit in Afdeling II and V its known that the management unit has implemented the harvesting activity, maintenance, pest disease upkeep based on its applicable regulations.

#### 4.1.4 Major

To support source of FFB processed by Pulu Raja POM, a team of auditors conducts an examination on the letter of agreement between the FFB suppliers with Pulu Raja POM. The observation results of the documents show that there is information from FFB source village which explains that FFB should be sourced from legal estate.

The result of field visit, document review and interview with the management, known there is FFB sourced from external party which is from PTPN-IV, Sei kapas, PTPN-IV, Berangir, PTPN-IV, Ajamu, PTPN-III, Bandar Selamat, PTPN-III, Labuhan Haji, PTPN-III, Mambang Muda, Independent Supplier (CV Cahaya Indah & CV Deslo Sejahtera). FFB deliveries performed under the agreement that has been agreed.

<b>Status : Full Compliance</b>
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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 Minor

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

#### 4.2.2 Minor

During the assessment, it is known that the manuring program in 2016 has been completed, however for 2017 program still on going. Fertilizers used by the management unit in accordance with the recommended doses, among others are Urea, Dolomite, and Borate, NPK (Nitrogen, phosphorus and potassium). For 2015, the recommendation used based on the results of soil and leaf analysis shows that the fertilizer planned to be used specifically of immature and mature plant.

The results of field observations show that the management unit also implements the use of wastewater for fertilization activities conducted in Block 81-A, 81-K, 81-L with a total of 83 hectares and planting legumes has been done on the immature plants area located in Afdeling II and V.

#### 4.2.3 Minor

The management unit of PTPN IV Pulu Raja has been able to show evidence of the implementation of annual soil and leaf analysis. Records of the analysis are contained in the management reports document of Pulu Raja Plantation Unit. There are samples of soil and leaves sampling conducted on 18 to 25 July 2016. The type of soil is generally sandy, ranging from brown soil of sandy clay loam of 94%, sandy clay of 3% and sandy alluvial loam (CL) of 3% of the operational area.

#### 4.2.4 Minor

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

1. EFB application applied in first semester at four afdeling (I, II, IV, V) with total 1,464.68 tonnes
2. Application of liquid waste that is located in an area of 20 ha in block J81, 31 ha in block L81, 32 ha in block K81
3. The use of legume crops in the area of replanting and immature plants)

**Status: Full Compliance**

### 4.3

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

#### 4.3.1 Major

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

#### 4.3.2 Minor

The results of document study on "In-depth Review Soil Map of Pulu Raja Estate PTPN IV" show that there are no areas with a slope of more than 20%, there are only flat to wavy areas. HCV document review in 2010 shows that the company's operational area is currently located at an altitude of 25-150 meters above sea level, and generally has a uniform morphology which is flat (0-8%) and slightly sloping (8-15%). According to the result of observation to Afdeling I and V and interview with the stakeholders, there is no slopy nor peatland area within PTPN IV of Pulu Raja operational area.

#### 4.3.3 Minor

Road maintenance program and realization are contained in the company's budget work plan in 2017 for 16.24 KM (3.8 KM at Afdeling III, 4.18 KM at afdeling IV and 8.25 KM at afdeling V). Field observations indicate that the upkeep and maintenance of roads has been done well, even in several points the road also provide as village access.

#### 4.3.4 Major & 4.3.5 Minor

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

#### 4.3.6 Minor

There is also the field implementation that has been done by the management unit related to soil conservation associated with the management of sandy areas, the management unit has also made the realization of empty fruit bunches applications in the field, for example for Afdeling II the empty fruit bunches have been applied

**Status: Full Compliance**

### 4.4

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

#### 4.4.1

The company program towards surface and ground water management was presented in Environment Management and Monitoring (RKL/RPL) and High Conservation value (HCV) report. Among the program are maintenance of waste water treatment plant (WWTP), proper hazardous materials handling, monitoring of land application, monitoring of water source quality, planting of trees, etc. The company is able to show several laboratory testing for period 2016/2017 which conducted by PT Mutuagung Lestari laboratory (KAN Accredited No. LP-001-IDN), Balai Teknik Kesehatan Lingkungan dan Pengendalian Penyakit (BTKLPP) laboratory Class 1 in Medan (KAN Accredited No. LP-692-IDN) and PT Sucofindo Indonesia in Medan Laboratory. Several testing which already conducted are monthly palm oil mill effluent (POME) quality in the WWTP outlet, water quality of Aek Nagaga River, Asahan River and Monitoring Weels, as well as ground water and water body quality. Reference used for those testing were derived from PermenLH No. 29/2003, KepmenLH No. 05/2014, KepmenLH No. 82/2001 and Permenkes No. 416/1990. According to laboratory analysis testing mentioned in the former, it could be concluded that all parameter tested were below the threshold as required by the respective regulations.

As mentioned in major verification from previous assessment, it was informed that riparian areas had been marked through circle red-paint on palm trunks around 50 m of waterbody and signboard which informed that agrochemicals application on that particular areas were strictly prohibited, as shows in Block 93A Afdeling 1, Block 88D Afdeling 2, Block 93A Afdeling 1 and Block 2011/E Afdeling 3. Especially for the latter Block, the status of riparian were upgraded into HCV 4.1.

### 4.4.2

The company has identified water sources which is presented in HCV report, i.e. Aek Nagaga and Asahan River. There is no presence of wetland and peat within Pulu Raja Estate operational areas. According to RKL/RPL semester report, it could be concluded that several testing on water quality in those Rivers has been conducted. Based on field observation to Divisi V, it was found that there is no riparian zone within replanting areas. Procedure of riparian and buffer zone management was presented in document No. 050 about riparian zone management and Manager Memorandum No. PUR/SE/30/XI/2014 dated November 17<sup>th</sup> 2014 which mention that agrochemicals application on radius of 50 m from water body is strictly prohibited.

Progress from previous assessment informed that open riparian zone on replanting areas located in Block E Afdeling 3 had marked by signboard HCV 4.1. Nevertheless, the company has an opportunity to carry out reforestation in riparian areas within the particular Block. **OFI with observation.**

### 4.4.3

The company has a waste water treatment plant (WWTP) which process the processing liquid waste before reused for land application. Monitoring on the outlet has been conducted every month and reported to the Environment Agency of Asahan District and Sumatera Utara Province on June 7<sup>th</sup> 2017. For example, according to testing results in March 2017, it could be concluded that all important parameter tested (BOD and pH) were below the threshold required by Decree on Minister of Environment (KepmenLH) No. 29, 2003.

The company has permit of land application as presented in document of Asahan Regent Decree (SK Bupati) No. 660.1/0973/LH/2014 dated November 24<sup>th</sup> 2014 with total permit area was 84 ha. The decree has valid until 23<sup>rd</sup> November 2019. Based on observation field observation to WWTP outlet and land application area in Block 06Y Afdeling 4 which is permitted area for land application, it was found that there were no leaking on piping installation system.

### 4.4.4

The company is able to show monthly records of water consumption for oil palm processing from January to June 2017. According to the data, it could be concluded that water consumption during that period were still under 2017 budget, which was about 1.50 m<sup>3</sup>/ton FFB, ranged from 1.25 to 1.50 m<sup>3</sup>/ton FFB, with average about 1.36 m<sup>3</sup>/ton FFB.

4.4.2	Status: OFI
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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 Major

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



During assessment activities, team of auditors conduct examination done by pest officers and found that the level of nettle caterpillars attack is in a very mild condition, but the officers must concern the level of "*Oryctes*" horn-beetle attack.

**This raised as an observation during the next surveillance by the auditor team for *oryctes* pest control.**

The pest control is done well by the company through *Feromone* usage, fishing nets wrapped around the stem of the plant so that the beetles are caught and picked by officers, and chemical control using *Cypermethrin* as active ingredient.

The pesticides not used in a prophylactic way and the reduction of chemicals compared to the year before for 5.5%. The chemical used plan is reviewed to suit the replanting condition.

#### 4.5.2 Minor

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

<b>Major 4.5.1</b>	<b>Status: observation</b>
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#### 4.6

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

##### 4.6.1 Major

Procedure No. SPO.05 Part 5.10-12 mentioned that chemical application on P&D population control were only allowed if the number of incidence attack were more than its economic threshold. Justification of pesticides used must be based on census analysis which conducted every month. The company has no regulation on specific pesticides used. List of pesticides used in 2017 were able to be provided

Results of documents and field observations in the warehouse of chemicals show that the unit management of PTPN IV Pulu Raja has been able to demonstrate agrochemicals used have been registered. According to the list given, there were 5 brand of pesticides used for IPM activity.

As mentioned above, uses of pesticides should be justify by census analysis. For example, monthly monitoring and control of *Oryctes rhinoceros* (rhinobeetle) report in 2017 informed that the incidence in Afdeling II-V were more than economic threshold (>2 %). Thus, chemical control by 100 ml Scud/ha were recommended and carried out by estate management to overcome this situation.

##### 4.6.2 Major

Program of pesticides used was presented in company work plan, chapter oil palm pest and disease management, while its realization was recorded in document of monthly fertilizer, insecticides and herbisides usage for Afdeling. The latter document describes brand of pesticides used, ammount of application (in kg or liter) and warehouse balance. Furthermore, monitoring of active substances were recorded on monthly pesticides toxicity monitoring in Immature and mature palms report.

The management unit has a monitoring of chemicals toxicity per ton of FFB.

##### 4.6.3 Major

Certification unit have an IPM plan then have been implemented and monitored. The management unit always tries to implement the utilization of proper herbicide, which is based on target, time and dose. The development of useful plants such as *Turnera subulata* is used as a biological control technique as a place to live predator nettle caterpillars. Based on the results of field visits along the sampling sites found beneficial plant development *Turnera subulata* and *Antigonone leptopus* along the site of the visit.. The pesticides not used in a prophylactic way and the reduction of chemicals compared to the year before for 5.5%. The chemical used plan is reviewed to suit the replanting condition.

##### 4.6.4 Minor

The management unit does not use chemicals contained in the World Health Organization category of Class 1A or 1B, or chemicals which are listed in the Convention of Stockholm or Rotterdam, but still uses the active ingredient of *Paraquat*. *Paraquat* use plan in 2016 was 513 liters, there is a reduction of 30 liters compare to the usage in 2015. This will be re-observed in the next assessment to see the realization of the decrease in the use of *Paraquat* in 2017.

The use of paraquat is not align with the Production Director commitment for not using paraquat anymore as stated in

letter No. 04.03/X/054/VII/2010 dated 29 July 2010 regarding the listed agrochemical used. This was raised as an observation by the auditor team and check in the next surveillance for the consistency.

**4.6.5**

The results of pesticides records checking and field visit at the central chemical storage was found the use of pesticides including *Paraquat* pesticides in periode of 2016/2017. However:

1. The Certification Unit has not been able to show evidence of pestisida (*Paraquat*) application activity implemented by certified lisenced personnel.
2. There is no evidence has been shown that pesticide applicators for contractor workers are conducted by trained workers and are familiar with pesticide handling practices.
3. Field vbservations found that some pesticides was not equipped with MSDS, such as:
  - a. Chemical Storage of Division V, there was not MSDS for branded products of Elang and Ally.
  - b. Central of Chemical Storage in POM, there was no MSDS for branded products of Reactive 490 sl, Starkuat 135 sl and Becano 500 sc.

Based on the explanation, raised the **Nonconformity No. 2017.03 with major category**

**4.6.6**

Procedure of hazardous material and hazardous waste material handling was presented in document SPO No. 020 dated April 1<sup>st</sup> 2010. There is no revision of procedur. Based on field observation, it was noted several finding which were not in accordance with procedure and consider as **NCR No. 2017.04 with Major category**, as follows:

- Based on interview with Management Unit, it was stated that the company do not have procedure of ex pesticide containers handling in the temporary storage (warehouse), before deliver to the permitted hazardous waste warehouse in Pulu Raja POM.
- Based on field observation to chemicals warehouse in Afdeling II and V, it was known that records of pesticide containers being produced and/or delivered to the permitted hazardous waste warehouse in Pulu Raja POM were not available.
- Based on observation to housing complex in Afdeling II, it was found ex pesticide containers within housing areas. The housing inhabitant mentioned that ex pesticide containers were reused for flower pot.
- Based on observation to Agrochemicals warehouse in Afdeling II, it was known that symbols of hazardous risk were not available.
- Auditor team had found that ex pesticide container (brand: Ally) has thrown to the garbage can on located in hazardous materials warehouse in Afdeling II. Similar finding on ex pesticide containers handling has also noted on the stage-2 asesessment in 2015.

**4.6.7; 4.6.9**

Interviews with Chemist Supervisor, Chemical Division V & II Storage Officers and Contractors Parties, it is known that the chemical applicators including pesticides already get socialization about the risks and handling of pesticide hazards.

**4.6.8 Major**

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

**4.6.10**

Procedure of waste disposal was presented in procedure SPO No. 020 (Revi. 0) dated April 1<sup>st</sup> 2010. However, based on interview with agrochemical warehouse staff in Afdeling 2, it was stated that ex pesticide containers produced by Afdeling Unit were digged up to the field around warehose site. Moreover, socialization towards ex pesticide container handling has never been carried out in Afdeling 2. Hence, raised **NCR No. 2017.05 with minor category**.

**4.6.11**

Based on document review and interviews with Chemist Supervisor, it was found that the officers related to chemicals or pesticides were 57 people.

The Company has demonstrated the results of medical checkup of the 57 people conducted on August 19, 2016. The results of the medical checkup indicate that the blood chemistry levels of the employees are still normal. Based on interviews with chemical division V & II officers, it is known that they have followed a medical checkup in 2016.

#### 4.6.12

Interviews with Chemist Division V & II supervisor, Contractor Parties and Clinic Officers, it is known that the all female chemical applicators have been aware of the prohibition of activities related to chemicals including pesticides in the case of pregnancy or lactating.

4.6.5 Status: **Nonconformity No. 2017.03 with major category**

4.6.6 Status: **Nonconformity No. 2017.04 with major category**

4.6.10 Status: **Nonconformity No. 2017.05 with minor category**

#### 4.7

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

##### 4.7.1

The Certification Unit able to show the OHS policy and the evidence of its socialization to the worker. The certification unit also able to show the implementation of the OHS program, for example: conducting the P2K3 meetings every month, socialization and monitoring the completeness of PPE to the workers on June 30, 2017, monitoring the chemical storage including B3 waste storage on June 30, 2017, training and simulation of emergency response on 26 April 2017, submitting P2K3 report to the Manpower Agency on July 3, 2017, and conducting periodic health checkup.

##### 4.7.2

The Certification Unit able to show a risk assessment (HIRAC) for Estate and POM units. Review of P2K3 documents and interviews with clinicians, no workplace accidents occurred during the past year. However, there are several activities observed during field visits, which are risky and unsafe according to the identification of the risks, such as:

1. When the activity of tree falling by the heavy equipment at the site of replanting was found personnel standing next to the entrance of heavy equipment and not using PPE.
2. The auditor team sees the welding activities performed by the replanting contractor in housing location of division V conducted in unsafety without using PPE, and the welding activity was conducted near the fuel storage.
3. There is no risk identification for the management of B3 (pesticides and chemicals)
4. Field observations in Division V and II, were found activity of transport FFB to TPH harvesters using a modified motorcycle with the use baskets. This activity has not been identified risk. Interviews with harvester, the use of motorcycle in the transport FFB because the harvester is not given appropriate work equipment such as handcart (*gerobak sorong / angkong*).

Based on the explanation, raised the **Nonconformity No. 2017.06 with major category**

##### 4.7.3

The Certification Unit able to show evidence of OHS training or socialization related to use PPE in the workplace, for example to Sterilizer operator, Boiler operator. However, the workers still do not use PPE when working, for example:

- 3 (three) operators in Boiler station (Steam Boiler) does not use PPE Glasses, Masks and Gloves.
- Based on field observation and interviews with sorting workers at the POM, boiler workers at the POM and harvest workers in Division V, obtained information that if the PPE used is damaged, the worker will provide itself up to the next PPE allocation period. Related to that, the Certification Unit has not been able to show the mechanism governing the procedure of replacing the PPE if it is damaged due to work activities.

Based on the explanation, raised the **Nonconformity No. 2017.07 with major category**

##### 4.7.4

The Secretary of P2K3 who is OHS Expert for the period of 2016 has been replaced with the new Secretary of P2K3

period of 2017. There is an arrangement of management and members of *P2K3* PTPN IV Pulau Raja period of 2017 which has been signed by the Manager PTPN IV Pulau Raja (No: PU / XI / 29 / II / 2017 on March 22, 2017). Organizational structure such as: Chairman: Albert Ginting, Seretaris I: Rusdi, Secretary II: Rudi Susanto Lubis.

However, there is a change of secretary of *P2K3* and Chairman III in PTPN IV Unit Pulau Raja, but has not been shown evidence of endorsement of the new arrangement of *P2K3* by relevant agency.

Based on the explanation, raised the **Nonconformity No. 2017.08 with major category**

#### 4.7.5

The Certification Unit able to show emergency and work accident procedures in the Indonesian language.

The results of interviews with some workers, for example: boiler operators, engine room operators, and chemical storage workers, have known the emergency and work accident procedures.

The Certification Unit able to show an emergency response simulation on April 21, 2017.

The results of field observation and interviews to Chemist and Harvester Division V & II Supervisor, it is known that the supervisor has conducted training related to First Aid and able to explain how to handle accident. The supervisor has also brought the first aid kit to the work area.

The result of field observation to POM, has been found First Aid box in some station, for example: Engine Room Station and Boiler Station. However, based on field observation, it was found that the contents of the First Aid Box were incomplete according to *Permenakertrans No. 15 / 2008* related to First Aid at workplace in some location, such as:

1. Mill of Machine Room Station
2. Mill of Hazardous waste storage
3. Divison V of Kindergarten
4. Division II of Kindergarten

Based on the explanation, raised the **Nonconformity No. 2017.09 with minor category**

#### 4.7.6

Interview with HR and General Assistant, it is known that the Certification Unit has registered all its employees in *BPJS* Health and Employment program including paying to *BPJS*. However:

1. Can not be shown evidence of payment *BPJS* Employment document period February to June 2017 for Permanent Employees.
2. Can not be shown evidence of work accident insurance document (*BPJS* Employment) for contractor workers and its payments on a regular basis.

Based on the explanation, raised the **Nonconformity No. 2017.10 with minor category**

#### 4.7.7

The result of interview with clinic officer and the document review of *P2K3* triwulan II / 2017 report, there was no work accident happened for one year.

4.7.2	Status: Nonconformity No. 2017.06 with major category	
4.7.3	Status: Nonconformity No. 2017.07 with major category	
4.7.4	Status: Nonconformity No. 2017.08 with major category	
4.7.5	Status: Nonconformity No. 2017.09 with minor category	
4.7.6	Status: Nonconformity No. 2017.10 with minor category	

#### 4.8

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

##### 4.8.1

The Certification Unit able to show internal training plans made by HR and General assistants on September 01 / 2016.

For example; pesticide handling training on planned on September 06, 2016.

#### 4.8.2

Handling and use of pesticides training has conducted for permanent workers on September 10, 2016. However has not conducted for contractor spraying workers. The Certification Unit also has not demonstrated any other related training, such as: conservation, processing and all aspects of RSPO. **Non-conformity No. 2016.11 Minor upgrade to Major.**

**4.8.2 Status: Non-conformity No. 2016.11 Minor upgrade to Major**

### **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

The CH has conducting environmental impact assessment for oil palm plantation and processing which endorsed by the Minister of Agriculture as presented in Minister Decree No. RC 220/275/B/II/1994 dated February 9<sup>th</sup> 1994. The CH has also conducting Environment Management and Monitoring Plan study (RKL/RPL) in 2006 which carried out by consultant namely PT Emesi Konsultan which endorsed by Environment and Tourism Agency of Asahan District on September 21<sup>st</sup> 2006, as presented in letter No. 001/IX/AS/RKL-RPL/2006. Scope of area were plantation for 4,636 ha and palm oil mill with capacity of 30 ton FFB/hours. Environment assessment study has recommend several management and monitoring plan which obliged to be conducted by the company, i.e. erosion management and monitoring; surface water management and monitoring; ground water (wells) quality management and monitoring; air quality and odor management and monitoring; water biota management and monitoring; opportunity of employment for locals; community income; public facility and social; community fidgetiness; community perception and attitude; health community monitoring; disturbance of land use for oil palm planting and social fidgetiness.

##### 5.1.2

Plan and program of environment management was derived from environment evaluation study and environment management and monitoring study (revision) or RKL/RPL. Unit management stated that management and monitoring of environment was conducted by Pulu Raja Busines Unit RSPO Secretariate, in coordination with Estate and Mill Unit. According to RKL/PL report dated February 20<sup>th</sup> 2017, several activities that already covers by the company are company legal identity and permit monitoring; development of surrounding environment; environment parameter monitoring and evaluation, such as hazardous waste materials, water pollution, air pollution, soil pollution, land application and river water quality; social, economy and culture of surrounding communities; public and social facilities.; social fidgetiness; attitude alteration and negative perception of surrounding communities towards PTPN IV; public health parameter; and impact monitoring on geo-physics and chemicals environment monitoring, social economic and culture, as well as social fidgetiness. According to RKL/RPL 2<sup>nd</sup> semester 2016 review, dated February 20<sup>th</sup> 2017, it could be concluded that environment management and monitoring has satisfactory conducted by Pulu Raja Unit RSPO Secretariate and in accordance with environment documents requirement.

##### 5.1.3

Procedure of environment management and monitoring was presented in Semester RKL/RPL report. RKL/RPL has delivered to several Agencies such as Environment Agency, Industry Agency, Agriculture Agency, Plantation Agency, Health Agency, etc. to be reviewed, on February 2017. For example, evaluation from RKL/RPL on 2<sup>nd</sup> semester 2016 dated February 20<sup>th</sup> 2017 is presented as follows:



- Monthly monitoring and evaluation of water from waste water treatment plant (WWTP) indicates that there is no parameters above the threshold limit as required by Decree of Minister of Environment (KepmenLH) No. 5/2014 and KepmenLH No. /29/2003.
- Water quality in the upstream and downstream of Aek Nagaga and Asahan River were satisfactory as required by KepmenLH No. 82/2001.
- Work opportunity to the surrounding communities was open and transparent. It was reported that 70 contract employees has been nominated into permanent worker as mentioned through Director Letter No. 04.15/Kpts/R/23/IV/2016 dated April 29<sup>th</sup> 2016.

Relationship between PTPN IV, Surrounding communities and Government Agencies were satisfactory. This is confirmed during public consultation to several Agencies of Asahan District.

**Status: Comply**

### 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 company has high conservation value (HCV) report which conducted by Yayasan Kelapa Sawit Berkelanjutan (Sustainable Oil Palm Foundation) and PT Surveyor Indonesia in 2010. The report informed that wild life identified during assessment were consist of 21 species of aves, 7 species of mamals, 13 species of reptiles and amphibian, 3 species of fish and 45 species of floras. Furthermore, it was informed that there were 12 species of fauna classified as protected as listed on Appendix II CITES. According to the study report, it was informed that total HCV areas were cover about 133.32 ha, which consist of 133.07 ha and 0.25 ha for HCV 4.1 (riparian zone) and HCV 6 (cemetery), respectively. HCV map for Pulu Raja Business Unit is available.

#### 5.2.2

The company shows HCV area management in 2017. Among the program is presented as follows:

- Riparian zone will be planted by trees and bamboo.
- Management of domestic and solid waste should be carried out properly.
- To avoid agrochemical application on riparian zone.
- To monitor estate activities which may affect riparian and river condition.
- To keep the habitat classified as HCV 4.1 through monitoring and signboard installation. The signboard has informed species protected, prohibition of hunting, keeping RTE species and destructive action which may causes environment damage.
- To maintain cleanliness of cemetery area with considering aesthetic views (HCV 6).
- Socialization.

Record of Monitoring in June 2017 informed that totaling 11 singboard has been installed in Block D, E, F, K, M, A and H. Trees planted by the company and noted as satisfactory are Mahony, Bamboo, Ketapang, Sengon and Trembesi.

#### 5.2.3

The company has commits to protect HCV and RTE species identified during HCV assessment. Program of HCV areas is presented in Indicator 5.2.2. Socialization of HCV areas and RTE species has given to the employees and surrounding communities through installation of signboard which informed species protected, prohibition of hunting, keeping RTE species and destructive action which may causes environment damage. Furthermore, socialization has also conducted annually. Based on interview with inhabitant of employees housing complex in Afdeling II and V, it could be concluded that inhabitants were understood that hunting and keep at home the protected species are strongly prohibited. Sanction for

workers which found to capture, harm, collect or kill RTE species is given through warning letter to deposition, depending on the scale of case. However, information towards government sanction which referring to Law No. 50/1990 has also delivered during socialization.

#### 5.2.4

The company has a program and monitor HCV and RTE species which affected by estate and mill operational, as mentioned in Indicator 5.2.3. Monitoring record has also can be seen on RKL/RPL Semester report. As for RKL/RPL, the report has been sent to Environment Agency of Asahan District. Record of Monitoring in June 2017 informed that singboard and riparian condition were noted as satisfactory. This is confirmed during field observation to Afdeling II and Afdeling V riparian areas.

#### 5.2.5

Based on HCV study 2010 and interview with Bangun and Persatuan Village elder, it could be concluded that there is no HCV areas overlapped with local rights.

<b>Status: Comply</b>
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### 5.3

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

#### 5.3.1

The company has identified pollutant and emission sources for all operational areas in the estate and mill, for example as follows:

- Estate activities which may produce waste(s) are agrochemicals application, generator set and heavy machinaries operation. Waste being produced are ex agrochemicals containers, ex washed, water, lubricant, spareparts (battery, filter), emission, etc. Management strategy which need to be taken are monitoring, hazardous waste management and placement into hazardous waste material warehouse, calculation of emission, etc.
- Mill or processing activities which may produce waste(s) are workshop, generator set, heavy machinaries and transport operation, by-products, and processing stations. Waste being produced are ex lubricant containers, lubricant, spareparts, by-products (EFB, kernel shell, fibre, POME) and emission. Management strategy which need to be taken are monitoring, hazardous waste management and placement into hazardous waste material warehouse, calculation of emission, reused for energy, mulching, land application, etc..

#### 5.3.2

The company has classified type of waste, sources, as well as its management as mentioned in Indicator 5.3.1. The company has hazardous waste warehouse permit which presented in document No. 660.1/0972/LH/2014 dated November 24<sup>th</sup> 2014, valid until November 24<sup>th</sup> 2019. Time of storage was 90 days. Furthermore, the company has cooperation with the permitted hazardous waste collector, namely PT Veronica Tannaga. Management unit stated that medical wastes were still delivered to Pabatu Hospital, as presented in document letter of agreement No. Rs.Pab/SKU/09/IV/2015 dated April 1<sup>st</sup> 2015. List of official letter of waste delivey were available during document verification.

The company has records waste balance and reported to Environment Agency. This is conformed during interview with Environemnt Agency of Asahan District. For example, official letter dated June 12<sup>th</sup> 2017 informed that 862 pcs of ex chemicals containers, 85 pcs of uses bulb lamp and 708 pcs of paint containers has been delivered to PT Veronica Tannaga (Manifest No. 0000396 and No. 0000397. The figure were comply with logbook records period June 2016 to July 2017.

#### 5.3.3

Management of hazardous waste program is presented as follows:

- Hazardous waste to be sent and placed to the permitted hazardous waste warehouse, and deliver to the permitted collector as mentioned in Indicator 5.3.2.
- Medical/infectious waste from clinic to be sent to hospital with permitted incinerator, as presented in Indicator 5.3.2.
- By products has used for nutrient cycle, such as EFB mulching, land application by POME.
- By product has used for energy sources, such as fibre and kernel shell, as confirmed during observation to Boiler Station on the mill.
- Domestic waste: sent to landfill and digged up.

**Status: Comply**

## 5.4

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

### 5.4.1

The company has adopt the using of by-products such as fiber and kernel shell to be used in Boiler station, for electricity supply during oil palm processing. For example, according to fibre and kernel shell utilization records in June 2017, it was informed as follows:

- In June 2017, it was measured that 1,460 ton and 532 ton of fibre and kernel shell, respectively, has produced totaling about 5,019 ktCal. Furthermore, total energy recapitulation being produced from January 2017 was totaling about 34,529 ktCal.
- Calory being produced per kg FFB was about 774.61 Cal or 16.79 kwh/t FFB.

Efficiency measured during that periode was equal with 553.79 litre of diesel.

**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 and 5.5.2

Procedure of land clearing and replanting was presented in document No. SPO.02 about new planting. The company has only adopt zero burning method for land clearing purposes and in accordance with Guidelines for the Implementation of the ASEAN Policy on Zero Burning 2003. This is confirmed during field observation to Afdeling II and V, as well as interview with Plantation and Environment Agency of Asahan District.

**Status: Comply**

## 5.6

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

### 5.6.1

The company has able to shows several analysis related to pollution which presented in document RKL/RPL. Measurement and analysis was conducted by Balai Teknik Kesehatan Lingkungan dan Pengendalian Penyakit Kelas I Medan (Health Technical, Environment and Disease Control Bureau Class I in Medan, KAN Accredited LP-692-IDN) and testing laboratory of PT Mutuagung Lestari (KAN Accredited LP-001-IDN). According to the report, it could be concluded that emission being monitored were below the threshold which required by Regulations, exceptional for noisy testing. Regarding this matter, uses of earplug is recommended to protect the hearloss of the respective wokers.

### 5.6.2

The company has identified source of emission which has also presented in the previous assessment. There is no new source of emission added in 2016. Several strategy that already impelemnted (conformed during field observation) which aims for GHG mitigation are monitoring and maintenance of processing machinaries regularly; to use by-products such as fiber and kernel shell as source of energy in the Boiler, which expected to reduce fuel consumption during processing

activities; to adopt nutrient cycle such as land application by POME and EFB mulching; monitoring on soil, water and air quality; to apply fertilizer and pesticide as recommended by Agronomist team from Indonesia oil palm research institute (IOPRI) Medan; and trees planting on riparian zone.

The company has monitor the use of POME as well as its water quality monitoring as presented in RKL/RPL document. Based on analysis in 1<sup>st</sup> quarter of 2017, it could be concluded that parameter tested were below threshold limit as required by KepmenLH No. 29/2003.

### 5.6.3

Management unit of Pulu Raja has not be able to shows measurement of GHG through palmGHG Calculator Version 3.0.1. Hence, raised **NCR No. 2017.11 with minor category**.

<b>5.6.3</b>	<b>Status: Non Conformance 2017.11 with minor category</b>
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## **PRINCIPLE #6 Responsible consideration of employees and of individuals and communities affected by growers and mills**

### 6.1

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

#### 6.1.1

The Certification Unit able to show the Social Impact Assessment / SIA document conducted in 2010. The study was in collaboration with PT Surveyor Indonesia and the Indonesian Sustainable Coconut Palm Foundation (YASBI). In 2011 the Certification Unit conducted Replanting activities. Prior to the implementation of the replanting activities, the Certification Unit has conducted socialization to the village heads around the estate.

#### 6.1.2

The Certification Unit able to show evidence of community participation in the study of SIA (14 villages). The Sosial Impact Asseement method is conducted by means of Focus Group Discussion and Interviews with the questionnaires.

#### 6.1.3

From the Social Impact Assesment document, the recommendations of social impact management are as follows: make development community programs according to the needs of local communities; improve infrastructure such as roads and bridges and other facilities and determine the person in charge of building relationships with the community. From these recommendations, a social impacts management and monitoring plan is created to avoid or mitigate negative impacts and enhance positive impacts.

The social management plan recorded in the *RKL / RPL* implementation report for the second semester of 2016, among others: to provide employment and striving to increase the income of the surrounding community, providing educational, health, religious, sports, road improvement, and so on.

#### 6.1.4

Social impact management is monitored every 6 months by Staff of the General Assistant and Human Resources. The results monitoring are recorded in the *RKL / RPL* report of second semester of 2016. The results of monitoring are among others: the company has provided job opportunities and efforts to the surrounding villagers, providing educational, health, religious, sports, road improvement, etc.

Based on interviews with village community representative, it is known that they have benefited from the company, such as job opportunities, sports education, road improvement, etc.

Review management is conducted every 6 months, and then evaluated by involving the participation of the affected community 17 participants.

**6.1.5**

Until now Certification Unit does not have a scheme of smallholders / plasma and there was no plasma farmers around the plantation area.

<b>Status: Comply</b>
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**6.2**

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

**6.2.1 Major**

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

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

Based on interview with stakeholder from villages of Bangun and Persatuan known that they already knew how to communicate with the company.

**6.2.2 Minor**

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

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

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

**6.2.3 Minor**

The Company providing information is mandatory for government agencies, such as from the Environment Agency, Plantation Agency, Labor and Transmigration Agency, and National Land Agency

According to the result of interview with the two village heads, Labor Union and the associated agency, the stakeholders have aware of the procedure to get the information.

Certification unit has a policy to handle customer complaint No.07.0 dated 1 Agustus 2012 (signed by company Director) explain all the customer complaint may be made written and accepted by the unit and if the complaint cannot be handle by the unit it would be bring out to the higher level with complete documentation. In conclusion the unit manager of the related department cooperate with the complainant for improvement and corrective action. All the customer complaint handling have to be resolve precisely, fast and evaluated for not happens again in the future.

From the interview result with the Bangun village head gathered information the they village head have send a letter to the certification unit on 4 November 2013 (accepted by the certification unit on 11 November 2013) followed by the next letter on 24 November 2013 to remind the previous letter regarding the environmental complaint asking to the certification unit help the village for *drain flushing* (if the rainy season the agriculture crop farm of the villagers will drowning from the PTPN IV operational area), however until the second surveillance conducted still no respond from the certification unit to the village. From the evidence found by the auditor team, this situation not accordance with the company policy regarding



the customer complaint handling. it raised a minor non-conformance 2017.12		
Minor 6.2.3	Status: Minor Non-Conformance raised 2017.12	
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 Procedure of grievance and complaint was presented in document No. 07.02 dated August 1 <sup>st</sup> 2012. Up to ASA-2, there is no revision of procedure. The mechanism has also presented in working agreement (PKB) period 2016/2017in Chapter XI, article 64. General Assisstant and Human Resources were responsible to handle and follow up any grievances. In code of conduct book Chapter VII, it was stated that anonymity of reporter was protected. Based on interview with workers in Afdeling II and V, Village people and Asahan District Agencies, it was informed that there were no grievances from workers and surrounding villages reported in 2017. Last grievances was noted in 2015 and 2016, as mentioned in Indicator 2.2.5 ASA-2 about land dispute and Indicator 6.3.2 ASA-1 about environment, respectively.		
6.3.2 Based on interview with workers in Afdeling II and V, Village people and Asahan District Agencies, it was informed that there were no grievances from workers and surrounding villages reported in 2017. Last grievances was noted in 2015 and 2016, as mentioned in Indicator 2.2.5 ASA-2 about land dispute and Indicator 6.3.2 ASA-1 about environment, respectively. Moreover, The workers was nformed that there were suggestion box which could be used to propose any grievances.		
	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 and 6.4.3 Procedure of land conflict handling was presented in document No. O40/01 dated April 2010. Procedure mentioned that resolution of land conflict was carried out though stakeholder meeting (Musyawarah Mufakat) as priority and legal evidence should be showed by the claimnant. PTPN IV Pulu Raja Business Unit operational areas were not derived from indemnity land, but ex concession from Dutch (Netherland Indie) Government Company, as mentioned and described in Government Law (UU) No. 86/1958 dated December 27 <sup>th</sup> 1958, Government Regulation (PP) No. 19/1959 dated May 2 <sup>nd</sup> 1959 and Land Book (on the 1 <sup>st</sup> Land Title Certificate) dated July 1 <sup>st</sup> 1982.  Based on interview with PTPN 4 Pulu Raja POM management unit, BPN, Plantation Agency of Asahan District, as well as chief of Bangun and Persatuan Village, it was stated that there were no significant land conflict which interfere POM and Estate operational activities.		
	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 Wages of employees in accordance with the Governor North Sumatra Decision No. 188.44 / 623 / KPTS / 2016 dated October 28, 2016 (minimum standart of IDR 1,971,355). The Certification Unit able to show documents wages of employees period April, May, and June 2017. From the document known that the Basic Salary of employees have been paid according to Minimum Wage of North Sumatra Province IDR 1,971,355. This is in accordance with the regulation. For example in periode of May 2017 as follows:		

- Sofyan Juli Sihagian (POM1, Gol1C / 6I), IDR. 2.461.451
- Tukirin Kamanan (POM Office, Gol 1C / 5), IDR. 2,427,885
- Muhammad Arif (Division 2, Gol 1A / 0), IDR. 1,927,473
- Boiman (Division 5, Gol 1A / 0), IDR. 2.347.423

Interviews with several workers in the estate and Mill, it is known that the basic salary received by workers amounted to IDR 1,971,355. An interview with the head of Labor Union, there is no issues related to wages.

Interviews with harvesting workers, Head of Labor Union, there is no issues related to daily workers / contract workers. The harvesting workers are permanent workers.

The wages of contractor workers are set at minimum of IDR 2,208,787 in accordance with Minimum Wage of Asahan District #standart minimum wage also described in the Letter of Agreement between PTPN IV Pulu Raja and contractors. Based on the interview, it is known that the payment of wages for the contractor workers is not in accordance with the standard of Minimum Wage of Asahan District for the period of 2017 amounting to Rp 2,208,787. In this regard, The Certification Unit has not been able to show monitoring and evaluation actions to contractors to ensure compliance with wage payments in accordance with relevant regulations.

Based on the explanation, raised the **Nonconformity No. 2017.13 with major category**

#### **6.5.2**

The Certification Unit able to show employee salary documents for the period of April, May, and June of 2017. From these documents it is known that overtime payment and rice allowance have been paid according to the *Collective Labor Agreement*, for example:

- Sofyan Juli Sihagian (POM1, Gol 1C / 6I), overtime wage\* IDR. 1,649,698 and rice allowance of IDR 500,000.
- Tukirin (POM Office, Gol 1C / 5), overtime wage\* IDR. 1,103,435 and rice allowance of IDR 500,000.
- Muhammad Arif (Division 2, Gol 1A / 0), overtime wage\* IDR. 2,224,204, rice allowance of IDR 500,000.

The results of interviews with several workers in POM and estate, obtained information that the overtime payment and rice allowance has been paid. Interviews with the Head of Labor Union, there was not issues related to overtime violations and rice allowances. The Certification Unit has paid the overtime wages and rice allowances in accordance with the *Collective Labor Agreement*.

#### **6.5.3**

The results of interviews with the Head of Labor Unions, obtained information that the Certification Unit has provided housing facilities, electricity, clean water, medical services, educational facilities, religious facilities, sports facilities and *BPJS* to workers. But there are little problem with the condition of some houses that are considered less feasible section of the walls, roofs and doors.

The result of the field observation in Housing Complex Division V & II, it is known that the condition of some houses that are considered less feasible section of the walls, roofs and doors.

The results of interviews with management representative, it is known that the Certification Unit has made improvements in some homes. For that, the Certification Unit has an opportunity to make inventory in order to improve the housing of workers who are considered less feasible section of the walls, roofs and doors. **OFI No. 6**

#### **6.5.4**

The results of interviews with some workers at Mill and Estate, such as: security officers, loading ramp workers, and head of gender committees, known that the access to adequate and affordable food can be obtained at traditional markets located not far from Mill and Estate, for example in the *Baru Village*.

6.5.1	Status: Nonconformity No. 2017.14 with major category	
6.5.3	Status: OFI No. 6	
<b>6.6</b> <b>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.</b>		
<b>6.6.1</b> <p>The Certification Unit able to show evidence of policies that give freedom to workers for organize. The policy is contained in <i>Collective Labor Agreement</i> period 2016-2017, section 5.</p> <p>The results of interviews with some employees in the Mill and Estate, it is known that all employees are given the freedom to creat Labor Union. Currently all employees are registered as Labor Union (SP-BUN) members.</p> <p>The Certification Unit able to show evidence of Re-registration of SPBun PTPN IV Pulu Raja to Manpower Agency of Asahan District dated June 17 / 2016. Register SPBun curent is No. 01 / III-DTK / VI / 2016 for period 2016 - 2019.</p>		
<b>6.6.2</b> <p>The Certification Unit able to show evidence of the <i>SP-BUN</i> meeting on July 25, 2016 at the <i>SP-BUN</i> Office. The meeting was held to discuss the <i>SP-BUN</i> working program with the Certification Unit period 2016/2017.</p>		
	Status: Comply	
<b>6.7</b> <b>Children are not employed or exploited.</b>		
<b>6.7.1</b> <p>The Certification Unit able to show the policy related to minimum age. In the policy it is explained that: the minimum age of the employees who can follow the selection of employees is 18 years old, the contractor is prohibited from employing the child under the age of 18 years.</p> <p>Results of field visits in Division V and interviews with <i>SP-BUN</i> and employee list document review in May 2017, was not found permanent workers and contract workers under the age of 18 years. However, based on field visits in Division II and interviews, was found contractor worker under 18 years working on polybag content in the replanting area. Workers come from the community surrounding the plantation (<i>Persatuan Village</i>). In connection with it, the Certification Unit has not been able to demonstrate monitoring and evaluation actions to countractors to ensure compliance with minimum age requirements. Based on the explanation, raised the <b>Nonconformity No. 2017.14 with major category</b></p>		
6.7.1	Status: Nonconformity No. 2017.014 with major category	
<b>6.8</b> <b>Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.</b>		
<b>6.8.1</b> <p>The Certification Unit able to show Policy related to equal opportunity and treatment in employment. The results of field visits, interviews and document review, it is known that workers consist of Men and Women, diverse ethnicities, diverse religions, diverse ages, diverse marriage status, and diverse education.</p>		
<b>6.8.2</b> <p>The results of field visits, interviews and document review, it is known that workers consist of Men and Women, diverse ethnicities, diverse religions, diverse ages, diverse marriage status, and diverse education.</p> <p>The results of interviews with SPBun, women's committee and Labor Agency was not indication of workers discrimination. The Certification Unit also provides employment opportunities for careers in factories and estate including women.</p>		

**6.8.3**

The Companies able to show archives of employee receipts such as: *Appointment Decision Letter*, job application letter, health examination result, diploma, identity card, curriculum vitae, and family card.

Results of interviews with harvest workers in Division V (Mr. Boyman), it is known that he is currently appointed permanent worker of level 1A / O from the previous contract workers. The appointment decision is based on the assessment of skills, work ability and medical health (there was no indication of discrimination).

<b>Status: Comply</b>	
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**6.9**

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

**6.9.1**

The Certification Unit able to show policy of sexual harassment & violence prevention. The policy have been communicated through Circular Letter No. PUR / SE / 11 / II / 2016 dated February 10 / 2016 to each Division and Mill Units.

The Certification Unit able to show the policy of handling of complaints. Policy recorded in the *Collective Labor Agreement* for the period 2016-2017, Chapter IX related to industrial relations disputes settlement.

Based on interviews with Head of Labor Union and Gender Committees, it is known that there has been not complaints related to sexual harassment and abuse.

**6.9.2**

The Certification Unit able to show a policy of reproductive rights protection. Policies recorded in the *Collective Labor Agreement* for the period 2016-2017 article 27 and article 28.

The policy on reproductive rights protection has been socialized through the morning master / safety briefing in the estate unit. *Collective Labor Agreement* has also been distributed to employees, *SPBun* and Gender Committee.

Interview with the head of *SPBun*, Gender Committee and Clinic Operator is known that there was not pregnant and lactating women working in pesticide associated with pesticides, and until now there was not complaint or issue related to reproductive right protection such as maternity leave or menstruation leave for all women workers.

**6.9.3**

The Certification Unit able to show the mechanisms related to complaint handling. The mechanisms recorded in communication and consultation procedure. The Certification Unit also able to show the mechanisms related to protection for whistleblower. The mechanisms recorded in the Whistle Blowing System article 10.

If there is complaints, may be submitted to the representative supervisor such as: Foreman, Assistant, Manager or HR and General Assistant), *SPBun* or gender committees.

Interview with *SPBun* and Gender Committee, it is known that they have known the complaint and protection policy for whistleblower. Other information known that until now there was no complaints or issues that enter to the *SPBun* and Gender Committee.

<b>Status: Comply</b>	
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**6.10**

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

**6.10.1 Minor 6.10.2 Major**

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

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

Management Unit has a document, namely Regulations of Directors of PT. PTPN IV (Persero) No. 04.01/PER/13.1/IV/2014 tanggal 30 April 2014.

The mill informed the FFB prices in form of communication directly to the dealers and also put the FFB prices in the information board at the front of the mill weighbridge.

From the FFB purchasing contract sighted by the auditor team Guidelines of Purchases of oil palm fresh fruit bunches (FFB) of PT. PTPN IV (Persero). The regulations (Chapter V. The formulation of Prices and Payment Procedures), Part One Article 15 Formulation of Prices, describes the calculation of FFB purchase price, CPO and Palm Kernel prices according to the price submitted by Marketing Department (exclusive 10% VAT).

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

#### 6.10.3 Minor

The document observations show that the work agreement between the company and contractor is fair, legal, and transparent and agreed (signed) by both parties. The interviews with FFB transportation contractors (CV Cahaya Indah) also show that the work agreement between the company and contractors is fair, legal, and transparent and paid timely. There is evidence of payments made by PTPN IV Unit of Pulu Raja has been done timely which are equipped with documents in the form of contract work calculations, the Minutes of Contract Work Handover, Payment Summary of Contract Work, Payment Request Letter, Receipt of payments that have been received by the contractor and signed, and evidence of Bank Cash Expenditure.

#### 6.10.4 Minor

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

<b>Status: Full Compliance</b>
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### 6.11

**Growers and millers contribute to local sustainable development wherever appropriate.**

#### 6.11.1

The Certification Unit able to show evidence of contributions to village development based on the results of consultations with village communities, such as:

- Provide employment opportunities to surrounding communities. Sighted: results of interviews with village community leaders, labor agency, and employee list June 2017, it is known that most of the company's employees come from local village such as: Pulu Rakyat Pekan Village, Persatuan Village, Orika Village, Desa Tunggu 45, Aek Loba Village.
- Providing business opportunities to surrounding communities. Signed: Work Agreement Letter with local contractor, for example Work Agreement Letter transport of FFB.
- Providing educational, religious, sports, and village road improvements. Sighted: Evidence of receipt and photo documentation.

#### 6.11.2

Based on interviews with the Management Unit and document review, there is no scheme for smallholders in the area.

<b>Status: Comply</b>
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### 6.12

**No forms of forced or trafficked labour are used.**

#### 6.12.1;6.12.2;6.12.3

The results of interviews with Labor Agency, field visit and employee list review periode June 2017, it is known that there was no foreign workers for Mill and Estate operations.

<b>Status: Comply</b>
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### 6.13

**Growers and millers respect human rights**



**6.13.1**

The certification unit able to show the human rights policy No. PUR / SE / 10 / III / 2015 dated March 2 / 2015 which refers to the relevant regulations. The policy has been socialized March 02 / 2015 to workers.

Based on interviews with several workers in POM and estate, Head of *SPBun* and Gender Committee, until now there was not issue of human rights violations.

<b>Status: Comply</b>	
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**PRINCIPLE #7 Responsible development of new plantings**
**7.1**

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

PTPN IV Pulu Raja Business Unit has been operated since 1920, and to date estate operations have carried out 3<sup>rd</sup> cycle replanting and there is no new development.

<b>Status: Full Compliance</b>	
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**7.2**

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

PTPN IV Pulu Raja Business Unit has been operated since 1920, and to date estate operations have carried out 3<sup>rd</sup> cycle replanting and there is no new development.

<b>Status: Full Compliance</b>	
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**7.3**

**New plantings since November 2005, have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.**

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

The liability disclosure also have been sent to RSPO secretariat that informed there is no new development after 2005.

<b>Status: Full Compliance</b>	
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**7.4**

**Extensive planting on steep terrain, and/or on marginal and fragile soils, is avoided.**

PTPN IV Pulu Raja Business Unit has been operated since 1920, and to date estate operations have carried out 3<sup>rd</sup> cycle replanting and there is no new development.

<b>Status: Full Compliance</b>	
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**7.5**

**No new plantings are established on local peoples' land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.**

PTPN IV Pulu Raja Business Unit has been operated since 1920, and to date estate operations have carried out 3<sup>rd</sup> cycle replanting and there is no new development.

<b>Status: Full Compliance</b>	
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**7.6**

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

PTPN IV Pulu Raja Business Unit has been operated since 1920, and to date estate operations have carried out 3<sup>rd</sup> cycle replanting and there is no new development.

<b>Status: Full Compliance</b>	
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**7.7**

**Use of fire in the preparation of new plantings is avoided other than in specific situations, as identified in the ASEAN guidelines or other regional best practice.**

PTPN IV Pulu Raja Business Unit has been operated since 1920, and to date estate operations have carried out 3 <sup>rd</sup> cycle replanting and there is no new development.		
	<b>Status: Full Compliance</b>	
<b>7.8</b>		
<b>New plantation developments are designed to minimise net greenhouse gas emissions.</b>		
PTPN IV Pulu Raja Business Unit has been operated since 1920, and to date estate operations have carried out 3 <sup>rd</sup> cycle replanting and there is no new development.		
	<b>Status: Full Compliance</b>	
<b>PRINCIPLE #8 Commitment to continuous improvement in key areas of activity</b>		
<b>8.1</b>		
<b>Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.</b>		
The management unit of PTPN IV Pulu Raja has conducted a lot of improvement follow-ups in various fields such as:		
<ul style="list-style-type: none"> <li>➤ Sustainable Business Improvements on <b>Pesticides Reduction Aspects</b> such as the plan of <i>Paraquat</i> use in 2016 is 513 liters, there is a reduction of 30 liters compared to the use in 2015. In controlling "<i>Oryctes</i>" beetle attacks, with minimizing chemical use, which is by using <i>Feromone</i> and fish nets wrapped around the stem of plants so that the beetles are caught and picked by workers</li> <li>➤ Sustainable Business Improvements on <b>Waste Reduction Aspects</b> such as reducing waste generated by the mill operations, the management unit utilizes wastewater for manuring and empty fruit bunch through composting activities.</li> <li>➤ Sustainable Business Improvements on <b>GHG emissions aspects</b> such as the management unit conducts dissemination to villagers around the plantation and workers for not doing any burning activities on of domestic waste/garbage generated. It is also supported by the "sign boards" that are placed on the area of estates and employees housing.</li> <li>➤ Sustainable Business Improvements on <b>Social Aspects</b> such as road improvements of the village around the company (Persatuan village), School building renovation, Providing Scholarships of Community Development program at schools around the plantation.</li> </ul>		
The Company has not been able to show evidence of systematic continuous improvement related to regulatory compliance (indicator 2.1.1), waste management of pesticide container (4.6.6), training record (indicator 4.8.2), pesticide application (indicator 4.6.5; 4.6. 7), PPE (indicator 4.7.3), Frist Aid Emergeny (indicator 4.7.5).		
Based on the explanation, raised the <b>Nonconformity No. 2017.015 with major category</b>		
<b>8.1</b>	<b>Status: Nonconformity No. 2017.015 with major category</b>	

**3.2. Summary of Assessment Report of Supply Chain Requirement**

Clause	(Module E) CPO Mills - Mass Balance Requirements																											
E.1	Definition																											
E.1.1																												
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.																												
Pulu Raja Palm Oil Mill (POM) has implementing mass balance supply chain model, due to fact that FFB processed were came from the certified sources (Pulu Raja Estate) and non-certified sources (Meranti Paham Estate PTPN 4 Bah Lias Business Unit, Bandar Selamat Estate PTPN 3 and Independent Supplier). Only CPO and PK products from the former sources has only claimed as RSPO certified products. Certificate code of Pulu Raja POM and its supply base is MUTU-RSPO/070, issued in August 25 <sup>th</sup> 2015.																												
Based on observation and interview to the weigh-bridge station, it was explained by the operator that only FFB delivery letter (SPB) form Pulu Raja Estate (Afdeling 1-5) has marked by “CSPO Certified”, while from other Estates under PTPN 3 and PTPN 4 are not. Moreover, CPO and PK delivery form has marked by “RSPO Certified Mass Balance Stamp”.																												
	Status: Comply																											
E.2	Explanation																											
E.2.1																												
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.																												
Actual production within August 25 <sup>th</sup> 2016 to July 17 <sup>th</sup> 2017 were <b>13,375.02 mt</b> ton of CSPO and <b>2,699.08 mt</b> of CSPK. Meanwhile, Estimation product for period August 25 <sup>th</sup> 2017 to August 24 <sup>th</sup> 2018 were <b>14,500.00 mt</b> and <b>3,000.00 mt</b> for CSPO and CSPK, respectively.																												
	Status: Comply																											
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).																												
<ul style="list-style-type: none"><li>RSPO IT Platform member registration number: RSPO_ PO1000002335</li><li>Certified CPO sold to each buyer period of August 25<sup>th</sup> 2016 to July 17<sup>th</sup> 2017</li></ul>																												
<table><tr><th>Date</th><th>Buyer</th><th>Volume (mt)</th></tr><tr><td>February 20<sup>th</sup> 2017</td><td>PT Musim Mas</td><td>142.80</td></tr><tr><td>February 22<sup>nd</sup> 2017</td><td>PT Musim Mas</td><td>114.42</td></tr><tr><td>February 27<sup>th</sup> 2017</td><td>PT Musim Mas</td><td>141.52</td></tr><tr><td>March 2<sup>nd</sup> 2017</td><td>PT Musim Mas</td><td>101.26</td></tr><tr><td>April 6<sup>th</sup> 2017</td><td>PT Multimas Nabati Asahan Kuala Tanjung</td><td>77.76</td></tr><tr><td>April 7<sup>th</sup> 2017</td><td>PT Multimas Nabati Asahan Kuala Tanjung</td><td>76.16</td></tr><tr><td>April 10<sup>th</sup> 2017</td><td>PT Multimas Nabati Asahan Kuala Tanjung</td><td>102.70</td></tr><tr><td>April 12<sup>th</sup> 2017</td><td>PT Multimas Nabati Asahan Kuala Tanjung</td><td>188.56</td></tr></table>		Date	Buyer	Volume (mt)	February 20 <sup>th</sup> 2017	PT Musim Mas	142.80	February 22 <sup>nd</sup> 2017	PT Musim Mas	114.42	February 27 <sup>th</sup> 2017	PT Musim Mas	141.52	March 2 <sup>nd</sup> 2017	PT Musim Mas	101.26	April 6 <sup>th</sup> 2017	PT Multimas Nabati Asahan Kuala Tanjung	77.76	April 7 <sup>th</sup> 2017	PT Multimas Nabati Asahan Kuala Tanjung	76.16	April 10 <sup>th</sup> 2017	PT Multimas Nabati Asahan Kuala Tanjung	102.70	April 12 <sup>th</sup> 2017	PT Multimas Nabati Asahan Kuala Tanjung	188.56
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April 17 <sup>th</sup> 2017	PT Multimas Nabati Asahan Kuala Tanjung	54.82
April 27 <sup>th</sup> 2017	PT Multimas Nabati Asahan Kuala Tanjung	82.20
April 28 <sup>th</sup> 2017	PT Multimas Nabati Asahan Kuala Tanjung	79.60
April 29 <sup>th</sup> 2017	PT Multimas Nabati Asahan Kuala Tanjung	77.28
May 2 <sup>nd</sup> 2017	PT Multimas Nabati Asahan Kuala Tanjung	75.16
May 4 <sup>th</sup> 2017	PT Multimas Nabati Asahan Kuala Tanjung	105.36
May 8 <sup>th</sup> 2017	PT Multimas Nabati Asahan Kuala Tanjung	80.40
May 8 <sup>th</sup> 2017	PT Multimas Nabati Asahan Kuala Tanjung	52.48
May 9 <sup>th</sup> 2017	PT Multimas Nabati Asahan Kuala Tanjung	76.06
May 10 <sup>th</sup> 2017	PT Multimas Nabati Asahan Kuala Tanjung	100.50
May 13 <sup>th</sup> 2017	PT Multimas Nabati Asahan Kuala Tanjung	76.28
May 15 <sup>th</sup> 2017	PT Multimas Nabati Asahan Kuala Tanjung	128.04
May 17 <sup>th</sup> 2017	PT Multimas Nabati Asahan Kuala Tanjung	66.64
May 30 <sup>th</sup> 2017	PT Musim Mas	28.60
June 2 <sup>nd</sup> 2017	PT Musim Mas	85.98
June 5 <sup>th</sup> 2017	PT Musim Mas	85.02
June 6 <sup>th</sup> 2017	PT Musim Mas	133.54
June 8 <sup>th</sup> 2017	PT Musim Mas	81.74
June 9 <sup>th</sup> 2017	PT Musim Mas	85.12
<b>Total</b>		<b>2,500.00</b>

According to palm trace data dated July 18<sup>th</sup> 2017, it was informed that there was product reduction for about 2,500 mt of CSPO. The company has able to shows transaction data within those period. Based on the Table above which derived from Palm Trace website, the volume of CSPO selling was balance.

• **Certified Palm Kernel sold to each buyer period of August 25<sup>th</sup> 2016 to July 17<sup>th</sup> 2017**

Date	Buyer	Volume
-	-	-
-	-	-
-	-	-
<b>Total</b>		<b>-</b>

Based on the Table above which derived from Palm Trace website, it could be concluded that there were no selling of certified sustainable palm kernel within license period.

**Status: Comply**

**E.3 Documented Procedure**

**E.3.1**

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:

- a. Complete and up to date procedures covering the implementation of all the elements in these requirements;
- a. 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. fasilitas untuk penerapan standar ini.

Procedure of SCCS implementation of PTPN 4 Pulu Raja Business Unit was presented in document No. MR-04-01, issued by Business Unit Manager on November 17<sup>th</sup> 2014. Procedure describes definition, procedure (FFB receipt, processing, delivery, documentation and delivery. Up to ASA-2, there is no revision of SCCS procedure of the CH.

Pulu Raja POM has provide training of SCCS on may 23<sup>rd</sup> 2016, attended by 25 participant.

Based on observation and interview to the weigh-bridge station operator, it was explained that FFB delivery letter (SPB) form from Pulu Raja Estate (Afdeling 1-5) and other Estates under PTPN 3 and PTPN 4 has marked by "CSPO Certified", while the rest sources has no stamped. Moreover, CPO and PK delivery form has marked by "RSPO Certified Mass Balance Stamp".

Based on observation to Product Delivery Staff in Pulu Raja POM, it could be concluded that the respective worker has able to explained and demonstrate mechanism of separation of RSPO certified and non-certified product. The overall transaction certified product data was accessed/derived from PTPN 4 head quarter database in Medan. However, the current Head of Assistant (Kepala Dinas) stated that training on SCCS has not deliver to him yet. Hence, the current Head Assistant has an opportunity to get an SCCS training for better understanding towards SCCS. **OFl with Observation.**

**Status: OFI with Observation**

### E.3.2

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

Pulu Raja POM has been able to demonstrate the mechanism of separation of RSPO certified and non-certified products, as well as show the respective data, such as FFB received, FFB processed, CPO, CSPO, PK, CSPK, CSPO products delivery, extraction rate, product stock, etc., through daily and monthly basis.

Based on observation and interview to the weigh-bridge station operator, it was explained that FFB delivery letter (SPB) form from Pulu Raja Estate (Afdeling 1-5) and other Estates under PTPN 3 and PTPN 4 has marked by "CSPO Certified", while the rest sources has no stamped. Moreover, CPO and PK delivery form has marked by "RSPO Certified Mass Balance Stamp".

**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.**

Pulu Raja POM has provide an update of the monthly summary of certified and non-certified FFB received, as follows:

- **Certified and non-certified FFB received period of August 25<sup>th</sup> 2016 to July 17<sup>th</sup> 2017**

Month	FFB (mt)		
	RSPO Certified	Non Certified	Total
August 25 <sup>th</sup> to 31 <sup>st</sup> 2016	1,316.03	2,876.25	4,192.28
September 2016	5,892.48	11,239.77	17,132.25
October 2016	4,909.91	10,214.73	15,124.64
November 2016	5,938.90	8,918.50	14,857.40
December 2016	4,819.50	9,771.94	14,591.44
January 2017	4,146.62	5,104.91	9,251.53
February 2017	4,147.45	6,485.31	10,632.76
March 2017	5,193.66	9,748.22	14,941.88
April 2017	5,912.96	7,497.44	13,410.40
May 2017	6,381.82	6,512.98	12,894.80
June 2017	6,454.62	4,456.13	10,910.75



July 1 <sup>st</sup> – 17 <sup>th</sup> 2017	4,230.71	3,840.70	8,071.41
<b>Total</b>	<b>59,344.66</b>	<b>86,666.88</b>	<b>146,011.54</b>

**Status: Comply**

**E.4.2**

**The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.**

Estimation claimed SPO product from Pulu Raja POM for period August 25<sup>th</sup> 2016 to August 24<sup>th</sup> 2017 were about **13,254.00 mt** of Certified Sustainable Palm Oil (CSPO) and **2,538.00 mt** of Certified Sustainable Palm Kernel (CSPK). Actual production within August 25<sup>th</sup> 2016 to July 17<sup>th</sup> 2017 were **13,375.02 mt** ton of CSPO and **2,699.08 mt** of CSPK. Regarding this matter the CH did not report the excess CSPO products to the certification board. Hence raised **NCR No. 2017.16**.

**Status: Non Conformance 2017.16**

**E.5**
**Record keeping**
**E.5.1**

- 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.
- 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.
- 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.)

CPO from Pulu Raja POM has delivered directly to the buyers. All RSPO certified product sent were marked by "RSPO Certified Mass Balance Stamp". Delivery of certified product has carried out from positive stock on Pulu Raja POM storage. Pulu Raja POM has identified RSPO certified and Non-certified products, presented as follows:

Period	CPO Production (mt)			CPO Dispatch (mt)		
	Cert	Non-Cert	Total	Cert	Non-Certified	Total
August 25 <sup>th</sup> – 31 <sup>st</sup> 2016	316.06	635.80	951.85	0.00	2,349.85	2,349.85
September 2016	1,406.51	2,634.53	4,041.04	0.00	3,956.99	3,956.99
October 2016	1,175.78	2,388.42	3,564.20	0.00	3,712.10	3,712.10
November 2016	1,374.58	2,053.28	3,427.86	0.00	3,457.90	3,457.90
December 2016	976.27	2,205.60	3,181.88	0.00	3,121.50	3,121.50
January 2017	928.69	1,138.69	2,067.37	0.00	2,108.02	2,108.02
February 2017	821.94	1,379.02	2,200.96	398.74	1,829.06	2,227.80
March 2017	1,141.41	2,189.84	3,331.25	101.26	3,025.02	3,126.28
April 2017	1,367.83	1,696.69	3,064.53	739.08	2,459.34	3,198.42
May 2017	1,496.36	1,441.83	2,938.19	760.92	2,158.06	2,918.98
June 2017	1,388.55	945.63	2,334.18	500.00	1,571.38	2,071.38
July 1 <sup>st</sup> -17 <sup>th</sup> 2017	981.03	815.46	1,796.49	0.00	1,724.17	1,724.17
<b>Total</b>	<b>13,375.02</b>	<b>19,524.78</b>	<b>32,899.80</b>	<b>2,500.00</b>	<b>31,473.39</b>	<b>33,973.39</b>

Period	PK Production (mt)			PK Dispatch (mt)		
	Cert	Non-Cert	Total	Cert	Non-Certified	Total
August 25 <sup>th</sup> – 31 <sup>st</sup> 2016	64.25	103.51	167.76	0.00	404.85	404.85
September 2016	288.26	432.21	720.46	0.00	758.88	758.88
October 2016	240.84	402.71	643.56	0.00	1,082.06	1,082.06
November 2016	287.34	354.53	641.87	0.00	573.76	573.76

December 2016	224.06	408.82	632.88	0.00	678.56	678.56
January 2017	198.82	202.29	401.11	0.00	243.98	243.98
February 2017	186.74	242.96	429.71	0.00	592.74	592.74
March 2017	238.23	392.65	630.87	0.00	622.44	622.44
April 2017	288.24	310.73	598.97	0.00	593.96	593.96
May 2017	289.40	255.64	545.04	0.00	530.30	530.30
June 2017	270.22	165.57	435.79	0.00	342.04	342.04
July 1 <sup>st</sup> -17 <sup>th</sup> 2017	186.92	144.64	331.56	0.00	176.36	176.36
<b>Total</b>	<b>2,763.08</b>	<b>3,416.27</b>	<b>6,179.59</b>	<b>0.00</b>	<b>6,599.93</b>	<b>6,599.93</b>
<b>Status: Comply</b>						
<b>E.5.2</b>						
<b>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.</b>						
Pulu Raja POM does not have kernel crushing plant facility and do not deliver its kernel to an independent palm kernel crushing plant.						
<b>Status: Comply</b>						

### 3.3. Conformity Checklist of Certificate and Logo Use

<b>1.</b>	<b>Evidence of permission or approval certificate and logo from Certification Body which submitted by Client</b>	<b>X or √</b>
<b>ASA-2</b>	PTPN IV Pulu Raja has had permits of certificate usage with number <b>MUTU-RSPO/070</b>	√
	<b>Status: Comply</b>	
<b>2.</b>	<b>Implementation of certificate and logo used by Client comply with size and type (shape) against Guideline of Logo Use</b>	<b>X or √</b>
<b>ASA-2</b>	PTPN IV Pulu Raja does not use the logo both in the on-product and off-product.	√
	<b>Status: Comply</b>	
<b>3.</b>	<b>Implementation of Certificate and Logo is not used on product</b>	<b>X or √</b>
<b>ASA-2</b>	PTPN IV Pulu Raja does not use the logo both in the on-product and off-product.	√
	<b>Status: Comply</b>	
<b>4.</b>	<b>Controlling of Certificate and Logo, including withdrawing inappropriate logo.</b>	<b>X or √</b>
<b>ASA-2</b>	PTPN IV Pulu Raja does not use the logo both in the on-product and off-product.	√
	<b>Status: Comply</b>	

**3.4. Summary of RSPO Partial Certification.**

<b>2.1 Un-Certified Units or Holdings</b>		
<b>Section</b>	<b>Requirement</b>	<b>Concerns to Discuss, if any</b>
2.2.1	Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	<b>Company statement :</b> The company conduct internal audit for the uncertified unit and holdings  <b>Auditor verification:</b> The company was not able to show record of internal audit conducted to uncertified unit and holdings.
i.	No replacement after dates defined in NIs Criterion 7.3 of: <ul style="list-style-type: none"> <li>Primary forest.</li> <li>Any area identified as containing High Conservation Values (HCVs).</li> <li>Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3.</li> </ul>	<b>company statement:</b> there are no replacement in primary forest and HCV  <b>Auditor Verification :</b> The company was not able to show any record of internal audit conducted to uncertified unit and holdings against the Indicator 7.3 neither other relevant information.
i.	Any new plantings since January 1 <sup>st</sup> 2010 must comply with the RSPO New Plantings Procedure.	<b>company statement:</b> there is no new planting after January 2010  <b>Auditor Verification :</b> there is no sufficient evidence for auditor to verify this indicator. Based on the ACOP and internet browsing, there are no new planting conducted by the company.
ii.	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.	<b>company statement:</b> there is no land conflict in any subsidiaries under the company  <b>Auditor verification :</b> based on the internet browsing and other relevant information there are no land conflict are being resolved by the company
iii.	Any Labour disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.	<b>Company statement:</b> There is no labour disputes in any subsidiaries under the company  <b>Auditor verification :</b> Based on the internet browsing and other relevant information there are no land conflict are being resolved by the company.
iv.	Any Legal non-compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.	<b>Company statement:</b> There is no legal non-compliance occur in all subsidiaries under the company.  <b>Auditor verification :</b> The company was not able to show record of internal audit conducted to uncertified unit and holdings for compliance to RSPO criteria 2.1 and 2.2. Based on the other information, there are no legal-noncompliance under the company and its subsidiaries.



**3.5 Identification of Findings, Corrective Action, Observations, Opportunity for Improvement and Noteworthy Positive Components.**
**3.5.1 Identification of Findings, Corrective Actions and Observations at [ASA-1](#) Assessment**

CAR No	Ref Std	Finding	Area	Grade	Time Limit	Corrective Action	Observation	Status	Closing Date
2016.01	2.1.1.	<p>Evidence of Compliance with Relevant Legal Requirement</p> <p>According to field observation there is non conformity, such as:</p> <ul style="list-style-type: none"> <li>There are expired of Fire extinguisher in POM, Afdeling III office in accordance to regulation.</li> <li>Interview with boiler man with license No. 11.P.0161-OPK3-PUBT_B.I/V/2011 was expired on May 18, 2016.</li> </ul>	Estate & Mill	Major	20 September 2016	The management unit shall be show all evidence of compliance with relevant legal requirement	<ul style="list-style-type: none"> <li><b>Root cause:</b></li> <li>Fire extinguisher distribution was delayed from head office.</li> <li>Lack of control from management to extention of Boilerman license.</li> <li><b>Corrective action (+evidence)</b></li> <li>Distribute all of fire extinguisher to each afdeling.</li> <li>Management unit was sent extension letter for Boilerman license to Human Resources Department (Head Office).</li> <li><b>Preventive action:</b></li> <li>The company making a fire extinguisher distribution monitoring.</li> <li>The company making a license table monitoring in Mill.</li> <li><b>Auditor conclusion:</b></li> <li><b>Field Verification dated 16 September 2016</b></li> <li>All of fire extinguisher in Mill was good</li> </ul>	Closed	16 September 2016



CAR No	Ref Std	Finding	Area	Grade	Time Limit	Corrective Action	Observation	Status	Closing Date
							condition. <ul style="list-style-type: none"> <li>Auditor was observe letter of boilerman license extention.</li> </ul>		
2016.02	2.2.5	<p>For any conflict or dispute over the land, the extent of the disputed area shall be mapped out in a participatory way with involvement of affected parties (including neighbouring communities and relevant authorities where applicable).</p> <p>There are overlapping areas between PTPN IV Pulu Raja by a resident of the village and it has been resolved through mediation and field inspection by the National Land Agency in Asahan. Has shown some evidence of follow-up on cases of land issues in Division 1 Block 1E include field checks by the clerk of the Land Office, Village Chief, Employee PTPN IV Pulu Raja Plantation. But can not yet shown evidence of follow-up to resolve the problem by involving the parties relevant or affected (the villagers).</p>	Minor	Estate	ASA-2	The management unit shall be show evidence of settlement land issues follow up in Afdeling 1 Block 1E involving relevant parties and affected parties.	<ul style="list-style-type: none"> <li><b>Root cause:</b> There are no boundary stones monitoring for area 400 m<sup>2</sup> in Afdeling I block 1E, so the communities can moving the boundary stones.</li> <li><b>Corrective action (+evidence)</b></li> <li>Installing the boundary stones No 107 on South and No 108 on North.</li> <li>The management unit will conducting boundary stones monitoring every 6 month, to observe boundary stone condition and re ensuring coordinate of boundary stones was no moved.</li> <li><b>Preventive action:</b></li> <li>The manager unit make a circular letter to all staff related a monitoring boundary stones every 6 month.</li> <li>Management unit will sending a letter to National Land Agency District of Asahan to reassessment boundary stone according to land use titles.</li> <li><b>Auditor conclusion:</b></li> </ul> <p>The management unit has show</p>	Open	

CAR No	Ref Std	Finding	Area	Grade	Time Limit	Corrective Action	Observation	Status	Closing Date
							<p>evidence, such as:</p> <ol style="list-style-type: none"> <li>1. Letter No. PUR/X/128/X/2014 to Land National Agency related to request of boundary returns in block 88A reference to Decree Letter No. 15/HGU/BPN/2006 dated 22 August 2016.</li> <li>2. Assignment letter No. 329/ST-0710/XII/2014 dated December 2014 from Head of National Land Agency District of Asahan. There are three officer to checking the boundary concession in PTPN 4 Pulu Raja.</li> <li>3. Report the results of checks dated 10 December 2014, the dispute areas are outside the concession of Pulu Raja Estate. The land owner has certificate No. SK.14/DA/HML/A/75 dated 23 January 1975 from Sumatera Utara Governor.</li> <li>4. There are documentation of new boundary stone installing in Block E.</li> </ol> <p><b>Verification dated 20 Septemeber 2016</b> There are no additional evidence to verified by auditor team. Based on document verification this NC is still open.</p>		
2016.	4.4.1	Implemented water management plan	Minor	Estate	ASA-2	Implemented water	<p>• <b>Root cause:</b></p>	Closed	20

CAR No	Ref Std	Finding	Area	Grade	Time Limit	Corrective Action	Observation	Status	Closing Date
03		<b>available</b> Based on field observation that known some non conformity, such as: <ul style="list-style-type: none"> <li>Chemical application prohibition signboard on riparian zone in block 93/A Afdeling I is less than 50 meters.</li> <li>There are no available chemical application prohibition In Afdeling III on Block 2011/E.</li> </ul>				management plan shall be available and implemented	<ul style="list-style-type: none"> <li>The riparian zone signboard in Block 2011/E was damage.</li> <li>Lack of knowledge management related to signboard install, it should be 50 meters from the river.</li> <li><b>Corrective action (+evidence)</b></li> <li>The company has install new signboard on the block 2011 E.</li> <li>Install chemical application prohibition signboard according to procedure (50 meters from the river).</li> <li><b>Preventive action:</b></li> <li>The company create riparian zone signboard monitoring program every 6 month.</li> <li><b>Auditor conclusion:</b></li> </ul> <p><b>Field Verification on 16 September 2016</b></p> <ul style="list-style-type: none"> <li>Based on field observation in Afdeling III, on Block 2011/E that's known: chemical application prohibition signboard with red paint on each palm plant width 50 meters from the river.</li> </ul> <p><b>Verification on 20 September 2016</b></p> <p>There are river zone signboard monitoring year of 2016. Based on monitoring result, all signboard on good contitions.</p>		<b>September 2016</b>

CAR No	Ref Std	Finding	Area	Grade	Time Limit	Corrective Action	Observation	Status	Closing Date
							Based on above evident, this NC was closed.		
2016.04	4.6.4	<p>Paraquat, are not used, except in specific situations identified in industry's Best Practice. The use of such pesticides shall be minimised and/or eliminated as part of a plan, and shall only be used in exceptional circumstances.</p> <p>There are no available paraquat usage record from the previous years in Pulu Raja Estate.</p>	Minor	Estate	ASA-2	<p>The management unit shall be show evidence:</p> <ul style="list-style-type: none"> <li>• Paraquat application program.</li> <li>• Record of paraquat usage.</li> <li>• Evaluation of reducing paraquat program.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Root cause:</b> There are paraquat using during year of 2016.</li> <li>• <b>Corrective action (+evidence)</b> Creating paraquat usage record during last three years (2014-2016).</li> <li>• <b>Preventive action:</b> The management unit will make evaluation of paraquat usage every years.</li> <li>• <b>Auditor conclusion:</b></li> </ul> <p><b>Verification on 10 September 2016</b></p> <ol style="list-style-type: none"> <li>1. Program and realization matrix year of 2014. There are 964 liters paraquat application. There are carried over 496 liters.</li> <li>2. Program and realization matrix year of 2015. There are 807.60 liters paraquat application. There are carried over 175.06 liters.</li> <li>3. Program and realization matrix year of 2016 (until July 2016). There are 908 liter paraquat application. There are carried over</li> </ol>	Open	

CAR No	Ref Std	Finding	Area	Grade	Time Limit	Corrective Action	Observation	Status	Closing Date
							457 liter.  <b>Verification on 20 September 2016</b> There are no additional corrective action evidence.		
2016.05	4.6.5 & 4.6.7	<p><b>Pesticide shall only be handled, used or applied by persons who have completed the necessary training and shall always be applied in accordance with the product label.</b></p> <p>There are some non conformity, such as:</p> <ol style="list-style-type: none"> <li>There are no evidence that all of pesticide applicator certificate is still valid.</li> <li>There are no program and realization of periodically pesticide handling training for all pesticide applicators.</li> <li>According to field observation to chemical storage in Afdeling III, there are no available PPE's of spraying team; this is unconformity to Chemical work instruction.</li> <li>Based on field observation, there are no available MSDS of <i>Servin</i>, <i>Dithane</i>, <i>Strane</i>, <i>Gempur</i>, <i>Amcothene</i>, <i>Peromonas</i>, <i>Gramoxone</i>, <i>Percis</i>, <i>Amistartop</i> in Chemical Storage of Afdeling III.</li> </ol>	Major	Estate	20 September 2016	The management unit shall be show evidence that all PPE of spraying team was saved in accordance to work instruction, all of MSDS was available and also showing a periodically pesticides training program and realization.	<ul style="list-style-type: none"> <li><b>Root cause:</b> <ul style="list-style-type: none"> <li>There are failure of management to create a pesticide applicator training program.</li> <li>PPE's was brought to their home, it cause the spraying team doesn't work.</li> <li>Failure of Afdeling III staf, to completing MSDS.</li> </ul> </li> <li><b>Corrective action (+evidence):</b> <ul style="list-style-type: none"> <li>Creating pesticide applicator training to all of spraying workers.</li> <li>Creating manager letter to all of afdelings related to prohibiton of PPE take to the home.</li> <li>Creates the MSDS and put it on the chemical storages.</li> </ul> </li> <li><b>Preventive action:</b> <ul style="list-style-type: none"> <li>Creating a monitoring program and implementing pesticide applicator training.</li> <li>Socializing to all spraying workers to save PPE on the special storage.</li> <li>Make the appropriate MSDS availability monitoring in the chemical storage.</li> </ul> </li> </ul>	Closed	20 September 2016



CAR No	Ref Std	Finding	Area	Grade	Time Limit	Corrective Action	Observation	Status	Closing Date
							<ul style="list-style-type: none"> <li><b>Auditor conclusion:</b></li> </ul> <p><b>Verification on 10 September 2016</b></p> <ol style="list-style-type: none"> <li>The management unit has show 12 MSDS according to chemical stocks.</li> <li>Letter No. 04.15/Facs/05/II/2015 dated 21 January 2015 from head of HRD related to PPE's procurement year of 2015.</li> <li>Documentation of PPE's provide to all spraying workers in Afdeling III.</li> <li>Attendance list of PPE's using socialization for pesticide aplicators dated 6 August 2016.</li> </ol> <p><b>Field Verification on 16 September 2016</b> Based on field observation to the chemical storage Afdeling III, there were available complete of spraying PPE's. However the MSDS was no complete, specially Gempur 480SL (active ingredients isopropyl aminaglifosat).</p> <p><b>Verification on 20 September 2016</b> There are MSDS install documentation in Chemical storage, including Gempur 480SL (active ingredients isopropyl aminaglifosat).</p> <p>Based on above evidence, this NC was</p>		

CAR No	Ref Std	Finding	Area	Grade	Time Limit	Corrective Action	Observation	Status	Closing Date
							closed.		
2016.06	4.6.6 5.3.2	<p><b>Storage of all pesticides shall be according to recognised best practices. All pesticide containers shall be properly disposed of and not used for other purposes</b></p> <p>Based on field observation at Housing Complex Unit III, not found pesticide containers as flower pots or bins. However, it was found pesticide containers are not stored in the Hazardous Waste Storage licensed. It was not compliance with the procedure No. 020 on April 01/2010. Based on the explanation</p>	Major	Estate & Mill	20 September 2016	All pesticide containers shall be properly disposed of and not used for other purposes	<ul style="list-style-type: none"> <li>• <b>Root cause:</b> Lack of knowledge all workers related to empty chemical containers management.</li> <li>• <b>Corrective action (+evidence):</b> <ol style="list-style-type: none"> <li>1. Circular Letter from estate manager to all afdeling. Where all empty chemical container shall be sent to the schedule waste.</li> <li>2. Collecting all of empty chemical container to schedule waste.</li> </ol> </li> <li>• <b>Preventive action:</b> <ol style="list-style-type: none"> <li>1. Monitoring empty chemical container on each afdeling every month.</li> <li>2. Establishing a schedule waste clerk to monitor all empty chemical container reception.</li> </ol> </li> <li>• <b>Auditor conclusion:</b></li> </ul> <p><b>Field Verification on 16 September 2016</b></p> <ol style="list-style-type: none"> <li>1. There are evidence of empty chemical container from Afdeling III return to the schedule waste.</li> <li>2. Circular Letter from estate manager No PUR/SE/76/VIII/2016 dated August 26, 2016 to all afdeling. Where all empty chemical container shall be sent to the</li> </ol>	Closed	20 September 2016

CAR No	Ref Std	Finding	Area	Grade	Time Limit	Corrective Action	Observation	Status	Closing Date
							<p>schedule waste.</p> <p>3. Documentation of 16 empty chemical containers from Afdeling III dated July 18, 2016.</p> <p>4. Socialization about prohibition on using the empty chemical containers dated August 1, 2016.</p> <p><b>Verification on 20 September 2016</b> The company was show appointment letter dated September 17, 2016. This officer was responsible to monitor an controlling all empty chemical containers.</p> <p>According to above explanation, this NC was closed.</p>		
2016.07	4.6.11	<p><b>Specific annual medical surveillance for pesticides operators and documented action to treat related health conditions, shall be demonstrated.</b></p> <ul style="list-style-type: none"> <li>- There are no available list of pesticide applicators (contractor workers).</li> <li>- There are no available specific medical checkup (cholinesterase test) result for pesticide applicators (contractor workers).</li> </ul>	Major	Estate	20 September 2016	Specific annual medical surveillance for pesticides operators and documented action to treat related health conditions, shall be demonstrated.	<ul style="list-style-type: none"> <li>• <b>Root cause:</b> <ol style="list-style-type: none"> <li>1. Lack of control from management related to spraying workers list from contractors.</li> <li>2. Specific medical check up was conducted, however not all workers in the medical check due to budget constraints.</li> </ol> </li> <li>• <b>Corrective action (+evidence)</b> <ol style="list-style-type: none"> <li>1. The management unit make a letter to all of contractors to request a list of names of contractor employees.</li> </ol> </li> </ul>	Closed	11 October 2016

CAR No	Ref Std	Finding	Area	Grade	Time Limit	Corrective Action	Observation	Status	Closing Date
							<p>2. Showing the specific medical surveillance year of 2016.</p> <p>3. Creating a letter to the contractors to immediately consult their workers health, who whorked as pesticide applicators.</p> <p>• <b>Preventive action:</b></p> <p>1. Collecting list of name all contractor spraying workers.</p> <p>2. Make a note for medical surveillance plan for spraying workers to PT Prima Media Nusantara.</p> <p>3. Including the obligation to all contractor to conducting medical surveillance for spraying workers on the work agreement.</p> <p>• <b>Auditor conclusion:</b></p> <p><b>Verification on 10 September 2016</b> It has been shown corrective action as:</p> <p>1. Letter from Unit Manager to all chemical contractor (CV Ani Perdana, CV Akbar Pratam, CV Cahaya Indah and PT Slnar Jaya Abadi).</p> <p>2. Letter form Unit Manager dated 19 August 2016 to all assistant to conducting medical surveillance.</p> <p>3. Letter from Unit Manager to doctor in polyclinic to conducting medical surveillance to all contractor workers.</p>		

CAR No	Ref Std	Finding	Area	Grade	Time Limit	Corrective Action	Observation	Status	Closing Date
							<p>4. There are list of name pesticide applicators with 57 workers.</p> <p><b>Field Verification dated 16 September 2016</b></p> <p>- There are list of name pesticide applicator with 57 workers.</p> <p><b>Verificatiaon dated 11 October 2016</b></p> <p>The management unt has show medical surveillance result for 57 pesticide applicators. It has been conducted by PT Prima Medica Nusantara. Based on cholinesterase result verification that known all of pesticide workers is fit for job.</p> <p>Based on above evidence, this NC was closed.</p>		
2016.08	4.7.3	<p><b>Adequated and appropriate protective equipment shall be available to all workers at the place of work to cover all potentially hazardous operations</b></p> <p>According to field observation that known:</p> <ul style="list-style-type: none"> <li>• FFB loading workers in loading ramp was not using PPE's as helm and safety shoes.</li> <li>• Sterilizer operator was no using earplug.</li> <li>• Boiler operator was not using ear muffler and hand gloves.</li> </ul>	Estate & Mill	Major	20 September 2016	Adequated and appropriate protective equipment shall be available to all workers at the place of work to cover all potentially hazardous operations.	<ul style="list-style-type: none"> <li>• <b>Root cause:</b> <ol style="list-style-type: none"> <li>1. Lack of knowledge from contractor workers related to PPE's use.</li> <li>2. All of PPE's was gift to all workers, while it still negligent.</li> <li>3. Lack of knowledge the harvesters related to prohibition to take family workers.</li> </ol> </li> <li>• <b>Corrective action (+evidence)</b> <ol style="list-style-type: none"> <li>1. Make a socialization related to PPE's using to all internal workers and and contractor workers.</li> </ol> </li> </ul>	Closed with Observ	11 October 2016

CAR No	Ref Std	Finding	Area	Grade	Time Limit	Corrective Action	Observation	Status	Closing Date
		<ul style="list-style-type: none"> <li>Engine room operator was no using earplug.</li> <li>EFB loading workers was not using PPE (safety shoes).</li> <li>Loose fruit picker in Block L 93, Afdeling I was not using safety shoes and helm according to HIRAC.</li> </ul>					<p>2. Make a warning letter to workers union related to PPE's use during work time.</p> <ul style="list-style-type: none"> <li><b>Preventive action:</b> <ol style="list-style-type: none"> <li>Make a monitoring PPE's use for FFB loader every month.</li> <li>PPE's use inspection every month to all workers.</li> <li>Create circular letter to all afdeling related to prohibiton of family workers for harvesting activity.</li> </ol> </li> <li><b>Auditor conclusion:</b></li> </ul> <p><b>Field Verification on 16 September 2016</b></p> <ol style="list-style-type: none"> <li>All of FFB loading workers in loading ramp station was using PPE's.</li> <li>Sterilizer operator has using earplug.</li> <li>Boiler operator was using ear muffler and hand gloves.</li> <li>Engine operator was using ear plug during work.</li> <li>FFB loading workers on estate was using PPE's.</li> <li>During the field verification there are no welding activity.</li> <li>Circular Letter from Unit Manager No. PUR/SE/76/VIII/2016 dated 26 August 2016. About: prohibiton of family workers for harvesting activity.</li> </ol>		



CAR No	Ref Std	Finding	Area	Grade	Time Limit	Corrective Action	Observation	Status	Closing Date
							<p>8. All of EFB loading workers was using PPE's.</p> <p>9. Circular letter from Unit Manager No. 24.4/PUR/X/VII/2016 dated 21 July 2016 to workers union related to PPE's use.</p> <p><b>Verification on 20 September 2016</b></p> <ol style="list-style-type: none"> <li>1. There are form inspecton about PPE's use by mill securities.</li> <li>2. There are evidence related to PPE's Use socialization from management unit to al FFB loading workers in Loading Ramp station and to all workers dated 17 September 2016.</li> <li>3. Socialization record of prohibiton of family workers on harvesting activity.</li> </ol> <p>Based on above explanation, this NC was closed with observation.</p>		
2016.9	4.7.5	<p><b>Accident and emergency procedures shall exist and instructions shall be clearly by all workers.</b></p> <ul style="list-style-type: none"> <li>• There are no content of first aid kit in clarification station, engine room (POM) and kindergarten of Afdeling III. And also a harvesting foreman in Afdeling I did not bring first aid kit in the workplace.</li> </ul>	Minor	Estate & Mill	ASA-2	The management unit shall be show record of emergencies respons simulation and also shall be show adequately first aid kit in accordance to regulation.	<ul style="list-style-type: none"> <li>• <b>Root cause:</b></li> <li>• First aid contain was expired and there are no refill of first aid contain.</li> <li>• <b>Corrective action (+evidence)</b></li> <li>• Distribute all of first aid contain to Afdeling III, kindergarten, and clarification station. There are 18 pcs first aids.</li> </ul>	Open	

CAR No	Ref Std	Finding	Area	Grade	Time Limit	Corrective Action	Observation	Status	Closing Date
		<ul style="list-style-type: none"> <li>There are no available recording of emergencies respons simulation such as: land fire, natural disasters, and spilled hazardous material handling during semester II 2015 and semester I 2016.</li> </ul>					<ul style="list-style-type: none"> <li><b>Preventive action:</b></li> <li>Creating first aid contain monitoring.</li> <li>Socializing to all mandors related to first aid tool use.</li> <li><b>Auditor conclusion:</b></li> </ul> <p><b>Field Verification on 16 September 2016</b> According to field verification that known:</p> <ol style="list-style-type: none"> <li>First aid contain in Afdeling III on Kindergarten was adequated. However first aid contain in sterilizer, engine room and workshop still non comply with Regulation of Manpower Minister No. 15 year of 2008.</li> </ol> <p><b>Verification on 19 October 2016</b></p> <ul style="list-style-type: none"> <li>There are available evidence of first aid contain on Clarification and engine room station.</li> </ul> <p>Based on above document, NC related to first aid kit was closed. However there are no available additional evidence related to recording of emergencies respons simulation such as: land fire, natural disasters, and spilled hazardous material handling. <b>(Still open)</b></p>		
2016.10	4.8.2.	Records of training for each employee shall be maintained.	Minor	Estate & Mill	ASA-2	Records all of RSPO aspect training for each employee shall be	<ul style="list-style-type: none"> <li><b>Root cause:</b> Lack of coordination between head office with site office related to training</li> </ul>	Closed	18 Oct 2017

CAR No	Ref Std	Finding	Area	Grade	Time Limit	Corrective Action	Observation	Status	Closing Date
		The management unit can't be showing a latest agronomy record training such as: harvesting, spraying and manuring. And also they can't be showing a latest HCV management record training and all aspect of RSPO.				maintained.	<p>program.</p> <ul style="list-style-type: none"> <li>• <b>Corrective action (+evidence)</b> The management unit show training program and realization of raining from HR Department (Head office).</li> <li>• <b>Preventive action:</b> Create a monitoring program and realization of training.</li> <li>• <b>Auditor conclusion:</b></li> </ul> <p><b>Field Verification on 16 September 2016</b> There are evidence, such as:</p> <ol style="list-style-type: none"> <li>1. Memo No. 126/KDP/XI/2015 dated 17 November 2015 from Head of HR Department about training program analysis year of 2016.</li> <li>2. Training program (in house training) for processing division (Mill).</li> </ol> <p>There are no available record of training related to all RSPO aspect, such as: HCV, agronomy, pesticide handling, SCCS, and other.</p> <p><b>Observation at Surveillance-02, 20 Juli 2017.</b> Training on handling and use pesticide has conducted for division workers / permanent</p>		

CAR No	Ref Std	Finding	Area	Grade	Time Limit	Corrective Action	Observation	Status	Closing Date
							<p>employees on 10-09-2016, but has not conducted for contractor spraying workers. The company also has not demonstrated any other related training, such as conservation, mill processing and all aspects of RSPO.</p> <p><b><u>Verification on September 19, 2017</u></b>  The Certification Unit has demonstrated evidence:</p> <ul style="list-style-type: none"> <li>- Certificate of pesticide applicator held in 2010 by Plantation Agency of Sumatra Utara Province and certificate receipt to 45 peoples. #sighted: signature 45 peoples.</li> <li>- Photo, socialization material and attendance list of socialization of pesticide handling practice to 19 spraying workers and contractor spraying workers on July 08, 2017.</li> <li>- Meeting results and photo of the RSPO socialization to chemical storage officers on July 24, 2017. However, the certification unit has not demonstrated any other related training, such as: conservation, processing and all aspects of RSPO.</li> </ul> <p><b><u>Verification on October 18, 2017</u></b>  The Company has demonstrated evidence of hazardous material control training on October 07, 2017 to 9 workers and HCV</p>		

CAR No	Ref Std	Finding	Area	Grade	Time Limit	Corrective Action	Observation	Status	Closing Date
							<p>training was conducted on October 09, 2017. In addition, the company has demonstrated the Training Program of 2017 which describes training activities for processing, hazardous material management, pesticide applications, HCV and Social Impact Assessment training. In the document, it has monitored the program and recorded the realization of the training activities.</p> <p>The Certification Unit also has demonstrated the Training Program of 2018 which describes the training related to aspects of processing, plant maintenance, OHS, hazardous material and Social impact assessment (SIA) management.</p> <p>Based on the explanation, this <b>Non-conformity is stated Closed</b></p>		
2016.11	5.6.3	<b>GHG emission reporting</b> The Company was conduct GHG emission calculation period of 2015 by using the calculator formula palm GHG RSPO, with the result of 0.85 tCO <sub>2</sub> e / t FFB. But not yet reported to the RSPO Secretariat.	Minor	Estate & Mill	ASA-2	GHG emission year of 2015 shall be reported to the RSPO	<ul style="list-style-type: none"> <li>• <b>Root cause:</b> Lack of knowledge staf related to GHG emissions reporting.</li> <li>• <b>Corrective action (+evidence)</b> Sending the GHG emissions report to the RSPO.</li> <li>• <b>Preventive action:</b> Create a program to monitor and reporting the GHG emissions calculating.</li> </ul>	Closed with Observ ation	16 September 2016

CAR No	Ref Std	Finding	Area	Grade	Time Limit	Corrective Action	Observation	Status	Closing Date
							<ul style="list-style-type: none"> <li><b>Auditor conclusion:</b> Field Verification dated 16 September 2016 The management unit has reporting GHG emission calculating result to the RSPO dated 7 September 2016 through email <a href="mailto:respo@rspo.org">respo@rspo.org</a>, according to interview with Pulu Raja staff. There are no response from RSPO related to above email.</li> </ul>		
2016.12	6.1.3	<p><b>Plans for avoidance or mitigation of negative impacts and promotion of the positive ones, and monitoring of impacts identified, shall be developed in consultation with the affected parties, documented and timetabled, including responsibilities for implementation.</b></p> <p>In the document of environment monitoring and management plan (RKL&amp;RPL) PTPN IV Pulu Raja was explained that will monitor the Social Aspects with method of interviews and field observations. However not enough evidence that the plan has been developed in consultation with affected parties.</p>	Major	Estate & Mill	20 September 2016	The management unit shall be show evidence plans for avoidance or mitigation of negative impacts and promotion of the positive ones, and monitoring of impacts identified, shall be developed in consultation with the affected parties, documented.	<ul style="list-style-type: none"> <li><b>Root cause:</b> Field observation data was no show by the management unit.</li> <li><b>Corrective action (+evidence)</b> There are some evidence during interview related to social aspect.</li> <li><b>Preventive action:</b> Completion of monitoring data in accordance to interview with stakeholders.</li> <li><b>Auditor conclusion:</b>  <b>Field Verification on 16 September 2016</b> <ul style="list-style-type: none"> <li>There are corrective evidence such as: Quesitioner form (blanko) for public consultation in Pulau Rakyat Pekan Village.</li> </ul> </li> </ul>	Closed	11 October 2016



CAR No	Ref Std	Finding	Area	Grade	Time Limit	Corrective Action	Observation	Status	Closing Date
							<b>Verification on 11 October 2016</b> - Attendances list, questionnaire and pictures of interview activity on Pulau Rakyat Pekan Village and Orika Village dated 4 October 2016.  Based on above evidence, this NC was closed.		
2016.12	6.1.4	<b>Plans for avoidance or mitigation of negative impacts and promotion of the positive ones</b> There was available document of Social Impact Analysis and environment monitoring and management plan (RKL and RPL) PTPN IV Pulu Raja. However there was no evidence that the social plans which have/has ever implemented was revised through a review process involving the participation of all affected parties.	Minor	Estate & Mill	ASA-2	The management unit shall be show evidence plans for avoidance or mitigation of negative impacts and promotion of the positive ones, and monitoring of impacts identified, shall be developed in consultation with the affected parties, documented.	<ul style="list-style-type: none"> <li>• <b>Root cause:</b> There are no available social program for villagers.</li> <li>• <b>Corrective action (+evidence)</b> Conducting monitoring and evaluation related to social aspect through consultation with stakeholders.</li> <li>• <b>Preventive action:</b> Create consultation with stakeholders program every year.</li> <li>• <b>Auditor conclusion:</b></li> </ul> <b>Verification on 11 October 2016</b>	Closed	11 October 2016

CAR No	Ref Std	Finding	Area	Grade	Time Limit	Corrective Action	Observation	Status	Closing Date
							<p>The management unit has show report of RKL/RPL realization semester I year of 2016. This report has describe related to social aspect evaluation. Evaluation was conduct through consultation with affected parties.</p> <p>Based on above explanation this NC was closed.</p>		
2016.13	6.5.2	<p><b>Labor laws, union agreements or direct contracts of employment detailing payments shall be available.</b></p> <p>According to field observation and interview with harvesting team in Block 93 A, Afdeling I that known loose fruit picker didn't have work agreement.</p>	Major	Estate	20 September 2016	Labor laws, union agreements or direct contracts of employment detailing payments shall be available.	<ul style="list-style-type: none"> <li>• <b>Root cause:</b> According to Director Regulation No. No:04.01/PER/13/VIII/2015 dated 3 August 2015 poin 7. Loose picking insentif will pay to harvesters. However this regulation was no socializing to all afdeling.</li> <li>• <b>Corrective action (+evidence)</b> Creating circular letters to all Afdeling I – V related to Director Regulation No. No:04.01/PER/13/VIII/2015 dated 3 August 2015 poin 7. Loose picking insentif will pay to harvesters. And also socializing related to prohibiton of family workers on harvesting activity through circular letter No PUR/SE/76/VIII/2016 dated 26 August 2016.</li> <li>• <b>Preventive action:</b></li> </ul>	Closed with observ ation	20 September 2016

CAR No	Ref Std	Finding	Area	Grade	Time Limit	Corrective Action	Observation	Status	Closing Date
							<p>Regularly socialization related to prohibition of family workers on harvesting.</p> <p>• <b>Auditor conclusion:</b></p> <p><b>Field Verification on 16 September 2016</b> According to field observation there are no available against family workers system, especially for loose fruit pickers.</p> <p>Based on above evidence this NC was closed with observation. Consistence of this system will be reverified by auditor on next surveillance.</p>		
2016.14	6.6.2	<p><b>Minutes of meetings with main trade unions or workers representatives shall be documented.</b></p> <p>There are no available attendance list and minute of meeting between company and worker union.</p>	Minor	Estate	ASA-2	Minutes of meetings with main trade unions or workers representatives shall be documented.	<p>• <b>Root cause:</b> There is no time for this meetings constrained by in order to improve company performance.</p> <p>• <b>Corrective action (+evidence)</b> Creating meeting with workers union.</p> <p>• <b>Preventive action:</b> Creating a monthly meetings programs with workers union.</p> <p>• <b>Auditor conclusion:</b></p> <p><b>Field Verification on 16 September 2016</b> There are minutes of meeting between</p>	Closed	20 September 2016

CAR No	Ref Std	Finding	Area	Grade	Time Limit	Corrective Action	Observation	Status	Closing Date
							<p>workers union and companies dated 25 June 2016 with 14 members.</p> <p>Verification on 20 September 2016 The management unit was show monthly meeting programs and work programs period of 2016/2017.</p> <p>Based on above explanation, this NC was closed.</p>		
2016.15	6.9.1	<p><b>A policy to prevent sexual and all other forms of harassment and violence shall be implemented and communicated to all levels of the workforce.</b></p> <p>There are no available Gender Committee which responsible to handle about women rights and communication places for sexual harassment victim.</p>	Major	Estate & Mill	20 September 2016	A policy to prevent sexual and all other forms of harassment and violence shall be implemented and communicated to all levels of the workforce.	<ul style="list-style-type: none"> <li>• <b>Root cause:</b> There are no available gender committee structure year of 2016/2017.</li> <li>• <b>Corrective action (+evidence)</b> Creating gender committee structure year of 2016/2017.</li> <li>• <b>Preventive action:</b> Make a revision gender committee structure, if any staff mutation.</li> <li>• <b>Auditor conclusion:</b> <b>Verification on 11 October 2016</b> There are some evidence such as:               <ol style="list-style-type: none"> <li>1. Pulu Raja Gender committee structure.</li> <li>2. Work programs for gender committee.</li> <li>3. Socialization invitation letter dated 6 October 2016.</li> <li>4. Minutes of meeting gender committee</li> </ol> </li> </ul>	Closed	11 October 2016

CAR No	Ref Std	Finding	Area	Grade	Time Limit	Corrective Action	Observation	Status	Closing Date
							<p>socialization dated 6 October 2016 with 23 members.</p> <p>Based on above evidence, this NC was closed.</p>		
2016.16	8.1.1.	<b>Continous Improvement</b> According to field observation in mill, there are no available signboard of evacuation route event of an emergency, in addition a cleanliness of the mill was un maintained.	Major	Estate & Mill	20 September 2016	The management unit shall be show that all signboard of evacuation route event of an emergency was available, and also a cleanliness of the mill shall be maintained.	<ul style="list-style-type: none"> <li>• <b>Root cause:</b> <ol style="list-style-type: none"> <li>1. There are no mill cleaning schedule</li> <li>2. Re painting of evacuation route was on process.</li> </ol> </li> <li>• <b>Corrective action (+evidence)</b> <ol style="list-style-type: none"> <li>1. Mill cleaning specially on clarification station.</li> <li>2. Repainting and install signboard of evacuation route in mill.</li> </ol> </li> <li>• <b>Preventive action:</b> <ol style="list-style-type: none"> <li>1. Create a weekly mill cleaning program.</li> <li>2. Quarterly inspection related to evacuation route in mill</li> </ol> </li> <li>• <b>Auditor conclusion:</b>  <b>Verification on 10 September 2016</b>            There are some evidence, such as:           <ol style="list-style-type: none"> <li>1. Mill cleaining program dated 14 August 2016. And also documentation of activities.</li> <li>2. Install muster point signboard.</li> </ol> </li> </ul> <p><b>Verification on 20 September 2016</b>            There are documentation of muster point</p>	Closed	20 September 2016



## PT. MUTUAGUNG LESTARI

### RSPO ASSESSMENT REPORT

CAR No	Ref Std	Finding	Area	Grade	Time Limit	Corrective Action	Observation	Status	Closing Date
							<p>picture in mill and also form of OHS signboard inspection.</p> <p>Based on above evidence, this NC was closed.</p>		



**3.5.2 Identification of Findings, Corrective Actions and Observations at *ASA -2 Assessment***

NCR No.	: 2017.01	Issued by	: M. Amarullah; Sofyan Hadi Lubis
Date Issued	: 21 Juli 2017	Time Limit	: 20 September 2017
NC Grade	: Major	Date of Closing	: 18 October 2017
Standard Ref. & Requirement	: 2.1.1 Evidence of compliance with relevant legal requirements shall be available.		
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i> Pursuance towards relevant laws and regulaitons were not fully carried out by Certification Unit, as observed through several objective evidence, as follows: <ol style="list-style-type: none"><li>Based on observation to hazardous waste warehouse (TPS-LB3) in Pulu Raja POM, eyewash and shower were not available as required by KepBapedal No. 01/1995 and Decree of Asahan Regent (SK) No. 660.1/0972/LH/2014 about TPS-LB3 permit in PTPN IV Pulu Raja.</li><li>Based on observation to landfill for Afdeling V employees housing complex, it was known that landfill has located just within housing areas. This is not in accordance with Government Regulation (PP) No. 81/2012 article 23 (clause 3.e) which required that landfill location shall be more and not less than 1 km from housing areas.</li><li>Based on observation, interview and document verification with Boiler Operator named Miswadi (Lisence No. 11.P.0161-OPK3-PUBT-B.IV/2011), it could be concluded that the lisencc was expired since May 18<sup>th</sup> 2016. This in not comply with Minister of Manpower and Transmigration Regulation (Permenakertrans) No. 01/1998 about Steam Instrument Operator. Regarding this matter, Manager Unit has manage to extend the lisencc for Miswadi through letter No. PUR/04.14/65/VIII/2016 dated August 20<sup>th</sup> 2016 which deliver to Head Office in Medan. Nevertheless, up to ASA-2, response and follow up evidence from Head Office was not available.</li><li>Based on observation to Pulu Raja POM, it was found that compression level of fire extinguisher (APAR) was below the minimum level, for example APAR No. 12. Evidence of monitoring record has also not available. This is not in accordance with Permenaker No. 04/1980 about fire extinguisher.</li></ol>			
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i> <ol style="list-style-type: none"><li>Unit management has not examine (make a study) and socialize completeness of hazardous waste warehouse as required by those regulations (KepBapedal No. 01/1995 and SK No. 660.1/0972/LH/2014).</li><li>Unit management has not make a study towards minimum distance of landfill from housing areas as required by PP No. 81/2012 article 23.</li><li>Management unit has not identify training program for employees and make coordination with Human Resources Department to be followed up, as mentioned in procedure and work instruction No. 04.15 dated June 14<sup>th</sup> 2013.</li><li>Management unit has not appointing a PIC for fire extinguisher regular monitoring.</li></ol>			
<b>Correction</b> <i>(filled by organization audited)</i> <ol style="list-style-type: none"><li>Unit magement through Mill Assistant has deliver socialization towards hazardous waste warehouse on July 25<sup>th</sup> 2017, attended by 3 warehouse keeper and 4 document controller. Installation of eyewash and shower has been carried out as shows in the following figures:</li></ol>			



2. Estate management has provide 2 landfill holes with distance more than 1 km from Afdeling V housing area. Size of hole was 2 x 3 x 4 m and labaelled with organic and non-organic sign board.
3. Several points has been conducted, as follows:
  - Management unit will make a list of operators with license/certificate which aims to ease its validity monitoring.
  - To propose license extention of Boiler Operator named Miswadi to HQ Office in Medan on July 24<sup>th</sup> 2017. Response of proposal letter was available.
  - Registration letter which sent to PJK3.
  - Chief of Human Resources Department of PTPN 4 has sent Letter No. 04.11/X/491/X/2017 dated October 5<sup>th</sup> 2017, delivered to Chief of Bureau of Industrial Education and Training in Medan, asking for training schedule towards three in one and boiler training.
4. Estate and Mill Manager has appointing a PIC for fire extinguisher monitoring, which planned to be conducted every month.

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

1. Mill/Estate manager has appointing warehouse clerk as PIC for hazardous waste controller in hazardous waste warehouse through Decree Letter No. No. PUR/Kpts/17/IX/2017 dated September 4<sup>th</sup> 2017. Decree of Asahan Regent No. 660.1/0972/LH/2014 has adopted as reference in hazardous waste warehouse management. Furthermore, inspection of this matter will follows OSH procedure Np. 4.4.1 dated january 5<sup>th</sup> 2015 which mentioned in Form No. FM-4.4.1-01 about "checklist of work place inpesction in hazardous waste warehouse".
2. Afdeling Assistant has responsible to monitor housing landfill distance location shall be more than 1 km from housing areas, as required by PP No. 81/2012 article 23.
3. Human Resources Unit of Pulu Raja will make coordination with Document Controller Officer of Pulu Raja and HQ regarding employees training and its monitoring (includes license validity).
4. To conduct a monthly fire extinguisher monitoring and make sure readiness of device (replace the unpressure tubes).

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

**05 September 2017**

The company has describes analysis of root course, correction and corrective action. However, Auditor considering that decription given were not comprehensive yet. For conformity assessment, management unit has asked to answer and explained several questions given. **Non conformity No. 2017.01 has remain open.**

**04 October 2017**

1. The company shows Manager Decree of hazardous waste clerk appointment and evidence of socialization towards hazardous waste warehouse completeness which conducted in July 27<sup>th</sup> 2017. Appointed person has responsibility to check and monitor completeness of its workplace facility. Works on eyewash and shower installation picture were available. Evidence of those correction implementation will be conducted through major

verification visit.

2. The company shows new Afdeling V landfill picture, as required by regulation. However, PIC understanding towards regulation and filed checking will be conducted by auditor through major verification visit.

#### **18 October 2017 (Major verification)**

1. Based on field observation, it was found that hazardous waste warehouse on Pulu Raja Mill has equipped with eyewash and shower as show in correction evidence dated October 4<sup>th</sup> 2017. Furthermore, based on interview with warehouse keeper, it could be concluded that the respective worker was able to explain meaning of hazardous waste symbols, demonstrate recording of hazardous waste balance, as well as its administrative. **This point has comply.**
2. Based on field observation to Afdeling V Landfill, it was known that the distance was more than 1 km as required by the regulation. **This point has comply.**
3. Unit management shows several evidence as follows:
  - Manual procedure and work instruction No. 04.15 dated June 14<sup>th</sup> 2013 which mentioned that monitoring and identification of employees training should be conducted by Units and later on to be communicated with Human Recourses Department in HQ for follow up.
  - HR Chief of PTPN 4 in HQ has deliver Letter No. 04.11/X/491/X/2017 dated October 5<sup>th</sup> 2017 to Chief of Bureau of Industrial Education and Training in Medan, asking for training schedule towards three in one and boiler training. However, response letter from respective institution was not responded yet.
  - List of licensed operators in Mil and Estate which informed license expired date.

Based on evidence above, it could be concluded that the company has identified list of operators/workers with licensed, as well as its expired monitoring, so extension of license could be carried out immediately before expired. Moreover, process of training and extension of expired license was also available. **This point has comply.**
4. Mill and Estate Manager has appointing fire extinguisher (APAR) inspection team in Pulu Raja unit (six persons) as shows in manager Decree No. PUR/KPTS/12/X/2017 dated October 12<sup>th</sup> 2017. Record Forms of APAR location and monitoring checking from July to September 2017, as well as expired date and refill date information were available. **This point has comply.**

Based on root of course analysis and corrective action reviews, as well as correction evidence given, it could be concluded that NCR No. 2017.01 is considered **closed**.

**Verified by** : **Mohamad Amarullah**

NCR No.	:	2017.02	Issued by	:	M. Amarullah
Date Issued	:	21 Juli 2017	Time Limit	:	ASA-3
NC Grade	:	Minor	Date of Closing	:	
Standard Ref. & Requirement	:	2.1.3 A mechanism for ensuring compliance shall be implemented.			
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i> The company has identified 108 regulations which adopted as reference for operational activities. Monitoring and evaluation of regulation pursuance towards RSPO implementation has been conducted through annual internal audit. However, it was noted that 37 regulations pursuance were not evaluated yet.					
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i>					

<b>Correction</b> <i>(filled by organization audited):</i>	
<b>Corrective Action</b> <i>(filled by organization audited):</i>	
<b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i>	
<b>Diverifikasi oleh</b>	:

<b>NCR No.</b>	:	<b>2017.03</b>	<b>Issued by</b>	:	<b>Sofyan Hadi Lubis</b>
<b>Date Issued</b>	:	<b>21 Juli 2017</b>	<b>Time Limit</b>	:	<b>20 September 2017</b>
<b>NC Grade</b>	:	<b>Major</b>	<b>Date of Closing</b>	:	<b>19 September 2017</b>
<b>Standard Ref. &amp; Requirement</b>	:	<b>4.6.5</b> <b>Evidence of pesticide application by trained person and in accordance with application guidelines in product label and storage guidelines shall be available. Appropriate safety equipment shall be provided and utilized. All precautions attached to the products shall be properly observed, applied, and understood by workers (see Criterion 4.7)</b>			
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i> <p>The results of pesticides records checking and based on field observation at the central chemical storage, found the use of pesticides including Paraquat pesticides in 2016/2017. However:</p> <ol style="list-style-type: none"> <li>1. The Certification Unit has not been able to show evidence of <i>Paraquat</i> application activity implemented by operators who have valid <i>Paraquat</i> pesticide training certificates.</li> <li>2. There is no evidence that the pesticide applicators for contractor workers are employed by trained workers who already understand pesticide handling practices.</li> <li>3. Field observations found that some pesticides was not equipped with MSDS, such as: <ol style="list-style-type: none"> <li>a. Chemical Storage of Division V, there was no MSDS for branded products of Elang and Ally.</li> <li>b. Central of Chemical Storage in POM, there was no MSDS for branded products of Reactive 490 sl, Starkuat 135 sl and Becano 500 sc.</li> </ol> </li> </ol>					
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i> <ul style="list-style-type: none"> <li>- Pesticide (Paraquat) applicator training was conducted and followed by 45 chemist officers, but at the time of the ASA-2 audit the certificate could not be shown.</li> <li>- The Certification Unit has been conducted pesticide handling training every time the operator will apply pesticide application to the field, but the activity has not been well documented.</li> <li>- The Certification Unit has not conducted any inspections related to the sSetting-up of MSDS pesticides throughout the chemical storage.</li> </ul>					
<b>Correction</b> <i>(filled by organization audited):</i> <ul style="list-style-type: none"> <li>- Demonstrated evidence of pesticide (Paraquat) applicator training certificate and a list of certified operators.</li> <li>- Create training documentation or socialization of pesticide handling practices to all pesticide operators.</li> <li>- Setting-up MSDS for branded products of Elang and Ally in Chemical Storage of Division.</li> <li>- Setting-up MSDS for branded products of Reactive, Starkuat and Becano in Chemical Storage of Factory.</li> </ul>					

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

- The Certification Unit will make a list of certificates to facilitate the monitoring of certificates owned.
- The Certification Unit will make documentation every time the socialization and training of pesticide handling.
- Perform periodic MSDS inspections.

**Assessor Evaluation and Conclusion** *(filled by auditor):*
**Verification on August 22, 2017**

The Company has demonstrated the root cause analysis, correction and corrective action. The auditor considers that the description given is not comprehensive enough.

**Verification on October 04, 2017**

NCR No.2017.03 stated closed but required Major verification to the field related implementation compliance Non-conformity.

**Verification on October 18, 2017**

When the Major verification activities, spraying activity has been application so that it can not be verified in the field. This is shown from the Inspection Report of Work Completion which explains that the total area of the contract has been implemented. Based on the explanation, this **Non-conformity is stated Closed**

**Verified by** : **Sofyan Hadi Lubis**

NCR No.	: 2017.04	Issued by	: M. Amarullah
Date Issued	: 21 Juli 2017	Time Limit	: 20 September 2017
NC Grade	: Major	Date of Closing	: 18 October 2017
Standard Ref. & Requirement	4.6.6 Storage of pesticides shall be according to recognised best practices. All pesticides containers shall be properly managed according to the existing regulations and or instructions enclosed on the containers (see criterion 5.3).		
Non-Conformance Description & Evidence observed (filled by auditor):			
<div>1. The company do not have procedure of ex pesticide containers handling in the temporary storage (warehouse), before deliver to the permitted hazardous waste warehouse in Pulu Raja POM.</div> <div>2. Based on field observation to chemicals warehouse in Afdeling II and V, it was known that records of pesticide containers being produced and/or delivered to the permitted hazardous waste warehouse in Pulu Raja POM were not available.</div> <div>3. Based on observation to housing complex in Afdeling II, it was found ex pesticide containers within housing areas. The housing inhabitant mentioned that ex pesticide containers were reused for flower pot.</div> <div>4. Based on observation to Agrochemicals warehouse in Afdeling II, it was known that symbols of hazardous risk were not available.</div> <div>5. Auditor team had found that ex pesticide container (brand: Ally) has thrown to the garbage can on located in hazardous materials warehouse in Afdeling II. Similar finding on ex pesticide containers handling has also noted on the stage-2 asesessment in 2015.</div>			
Root Cause Analysis (filled by organization audited):			



1. The company has no mechanism of used pesticide containers management in temporary storage before deliver to permitted hazardous waste warehouse.
2. Assistant and warehouse keeper has not understood to conduct its job description, as well as its responsibility towards monitoring, management and recording of used pesticide containers produced by Afdeling units.
3. The company has not conducting socialization towards hazardous waste management (includes used pesticide container) to all workers, especially housing occupants. Hence employees understanding on prohibition towards reuse of used pesticide containers for domestic/household purposes was not satisfactory.
4. Assistant and Afdeling Warehouse Keeper were not implementing their function on checking the completeness and hazardous accordance symbols in Agrochemicals Warehouse.
5. Assistant and Afdeling Warehouse Keeper were not understood and implementing used pesticide containers management as mentioned in company procedure

**Correction (filled by organization audited)**

1. To shows procedure No. 02 dated January 2<sup>nd</sup> 2015 about hazardous waste management.
2. Afdeling warehouse keeper to conduct recording on used pesticide and agrochemicals container being produced, in form of balance and shows evidence on its delivery document from Afdeling II and Afdeling V to the permitted hazardous waste warehouse in Pulu Raja Factory, for example delivery form in July 2017. Balance and Delivery forms are signed by respective parties.
3. To conduct socialization to all employees and housing occupants towards used pesticide and agrochemicals container management and make a circulation letter from Estate and Mill Manager No. PUR/SE/02/VII/2017 dated July 6<sup>th</sup> 2017 about prohibition of used pesticide containers reuse for domestically purposes.
4. To replace and/or complete hazardous symbols, in accordance with agrochemicals stored.
5. To collect used pesticide containers (Ally) found on garbage container located on hazardous warehouse, then to be recorded and deliver to hazardous waste warehouse in Pulu Raja Factory in July 27<sup>th</sup> 2017. Balance and Delivery forms are signed by respective parties.

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

1. To conduct socialization towards used pesticide containers and hazardous waste management regularly. Furthermore, Assistant and Warehouse keeper will conduct this matter, as well as its monitoring of implementation on the field and housing areas.
2. Assistant and warehouse keeper to conduct monitoring and recording of all hazardous waste materials produced and delivered to hazardous waste warehouse.
3. To conduct regular socialization to the respective workers. Assistant and warehouse keeper will conduct monitoring and checking to the field and employees housing areas.
4. Assistant and warehouse keeper will conduct monitoring on hazardous symbols condition and it compliance towards agrochemicals stored.
5. Afdeling warehouse keeper to conduct used pesticide and agrochemicals containers management in accordance with procedure, through collecting, recording and delivering to hazardous waste warehouse in Pulu Raja Factory.

**Assessor Evaluation and Conclusion (filled by auditor):**
**05 September 2017**

The company has describes analysis of root course, correction and corrective action. However, Auditor considering that decription given were not comprehensive yet. For conformity assessment, management unit has asked to answer and explained several questions given. **Non conformity No. 2017.04 has remain open.**

**04 October 2017**



1. The company shows procedure No. 02 dated January 2<sup>nd</sup> 2015 about hazardous waste management. The respective procedure has not mentioned hazardous management in produced places in Afdeling, before delivered to hazardous waste warehouse in Pulu Raja Factory (for example: specification of storage, time of storage, monitoring form, PIC, etc.). This evidence given is **not complying the NCR No. 2017.04**.  
The company also shows Estate and Mill Manager Memo No. 03/PROPER/V/2017 dated May 24<sup>th</sup> 2017 to Assistant, which mentioned that all hazardous waste materials should be deliver to permitted hazardous waste warehouse equipped with delivery latter/form.
2. The company shows Manager Decree No. PUR/SE/Kpts/19/IX/2016 dated September 17<sup>th</sup> 2016 about appointing an officer in charge for monitoring and agrochemicals management in all Afdeling. Records of used pesticide/hazardous containers balance form in Afdeling II and Afdeling V for period July 2017, signed by Assistant and Warehouse keeper was available. Based on form review, it could be concluded that all used pesticide container has deliver to hazardous waste warehouse in Pulu Raja Factory. Consistency of correction implementation will be checked by Auditor through Major verification.
3. The company shows evidence of attendance document of socialization to the respective workers towards used pesticide and agrochemical container management, signed by Chief 1 of OSH Committee. Socialization was conducted in July 27<sup>th</sup> 2017, attended by 26 participants. Picture documentation of training was available as well. Evidence of worker understanding towards socialization subject will be checked through Major verification.
4. The company shows evidence of hazardous symbols installation which only "toxic" category installed, but other hazardous symbols are not available, as in accordance with MSDS agrochemicals stored and PermenLH No. 03/2008. Hence, **Non-conformity in this point still remain open** and will be check through Major verification.
5. The company has shown balance and delivery form of used pesticide (Ally) container from Afdeling II Warehouse to Hazardous waste warehouse in Pulu Raja Factory. This matter will be checked by Auditor team through Major verification.

**18 October 2017 (Major verification)**

1. The company shows Asahan Regent Decree No. 660.1/0972/LH/2014 dated November 24<sup>th</sup> 2014 about permit of hazardous waste storage in PT PN IV Pulu Raja Unit, which valid for five years. This permit mentioned that time of storage was maximum for 90 days. Furthermore, the company shows Letter from Environment Agency of Asahan Regency No. 660.1/0659/LH/2017 dated April 12<sup>th</sup> 2017 about extension of time of storage. This letter mentioned that time of storage for hazardous waste was extended into 180 days. These documents has positively response by company through commitment and implementation on the field. Based on hazardous balance review in hazardous waste warehouse, it was known that all hazardous waste were stored less than 180 days (latest hazardous waste acceptance from units and its delivery to permitted collector were noted in April 27<sup>th</sup> 2017 and October 16<sup>th</sup> 2017, respectively).  
Furthermore, the company shows Memorandum of Estate/Mill Manager No. 03/PROPER/V/2017 dated May 24<sup>th</sup> 2017 to Assistants about hazardous waste monitoring which mentioned that all kinds of hazardous waste materials should be delivered to the permitted hazardous waste warehouse and equipped with delivery letter.  
**Based on explanation above, non-conformity is considered closed, and consistency of implementation (especially Memo Manager) will be observed on the next surveillance audit.**
2. Based on observation to hazardous waste warehouse in Pulu Raja Factory, it was found that record of hazardous material acceptance from Afdeling units has similar/comply with hazardous waste balance in warehouse. **Non-conformity in this point is remain closed.**
3. Based on interview with occupants on Afdeling V housing complex, agrochemical warehouse keeper in Pulu Raja Factory and Afdeling V, it was stated that used pesticide containers could not be reused for other purposes. **Non-conformity in this point is remain closed.**

4. Based on observation and interview with agrochemical warehouse keeper in Pulu Raja Factory and Afdeling V, it could be concluded that all hazardous were installed properly, in accordance with regulation PermenLH No, 03/2008 and warehouse keeper were able to explain the meaning of symbols. **Non-conformity in this point is remain closed.**
5. Based on observation to housing complex in Afdeling V, agrochemical warehouse in Afdeling V and agrochemical warehouse in Pulu Raja District, it was found that all hazardous waste being produced by those places were directly delivered to the permitted hazardous waste warehouse in Pulu Raja Factory. **Non-conformity in this point is remain closed.**

Based on explanation above, **NCR No. 2017.04 is considered closed.**

**Verified by** : **Mohamad Amarullah**

NCR No.	: 2017.05	Issued by	: M. Amarullah
Date Issued	: 20 Juli 2017	Time Limit	: ASA-3
NC Grade	: Minor	Date of Closing	:
Standard Ref. & Requirement	4.6.10 Proof that pesticide waste has been handled as per legal regulations and understood by worker and manager, shall be demonstrated		
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i> The company has not carried out socialization of hazardous and hazardous waste materials handling (management), especially on ex pesticide containers. Furthermore, based on interview with agrochemical warehouse worker in Afdeling II, it was stated that ex pesticide containers were digged up on the ground, around warehouse sites.			
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i>			
<b>Correction</b> <i>(filled by organization audited):</i>			
<b>Corrective Action</b> <i>(filled by organization audited):</i>			
<b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i>			
Verified by	:		

<b>NCR No.</b>	<b>2017.06</b>	<b>Issued by</b>	<b>Sofyan Hadi Lubis</b>
<b>Date Issued</b>	<b>21 Juli 2017</b>	<b>Time Limit</b>	<b>20 September 2017</b>
<b>NC Grade</b>	<b>Major</b>	<b>Date of Closing</b>	<b>18 October 2017</b>
<b>Standard Ref. &amp; Requirement</b>	<b>4.7.2</b> <b>A documented risk assessment shall be available and its implementation shall be recorded.</b>		

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

There are several activities observed during field observation, a risky and unsafety in accordance with the identification of risks. Objective evidence observed, that is:

1. At the time of activity by the heavy equipment at the site of replanting found personnel standing next to the entrance of heavy equipment and not using PPE.
2. The auditor team sees the welding activities performed by the replanting contractor in housing location of division V conducted in unsafety without using PPE appropriate, and the welding activity was conducted near the fuel storage.
3. Management of hazardous material (for example: pesticides and chemicals) has not yet identified the risks.
4. Field observations in Division V and II, were found activity of slimming FFB to TPH harvesters using a modified motorcycle with the use baskets. This activity has not been identified risk. Interviews with harvester, the use of motorcycle in the slimming because the harvester is not given the appropriate work tools such as stroller.

**Root Cause Analysis** *(filled by organization audited):*
**For points 1 and 2:**

Worker disagreements and lack of socialization related hazards to the activities.

**For point 3:**

During audit activities, documents can not be shown. Risk management on hazardous material management is included in risk management of chemical storage.

**For point 4:**

The worker's desire to transport FFB using a motorcycle.

**Correction** *(filled by organization audited):*
**For points 1 and 2.**

Conducting socialization of hanging ban on heavy equipment for replanting welding near fuel and use of PPE held by Pulu Raja Unit on July 27, 2017. #sighted: photo documentation.

**For points 3:**

Shows risk management related to hazardous material management in risk management of chemical storage.

**For points 4:**

Conducting socialization to prohibit the use of motorcycle to transport FFB to fruit collecting point; and created the policy of banning the use of motorcycle to transport FFB to fruit collecting point.

**Corrective Action** *(filled by organization audited):*
**For points 1 and 2:**

Welding is only conducted in the workshop; and make a socialization program before starting work for the contractor

**For points 3:**

Documenting Risk Management is carried out by P2K3 secretary

**For points 4:**

Produce budget for the purchases of handcart (*gerobak sorong / angkong*) for harvester every year; and harvest supervisor ensure that all harvester do not use bicycles to transport FFB to fruit collecting point.

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

**Verifikasi, 18 Oktober 2017**
**For points 1 and 2:**

Conducting socialization of hanging ban on heavy equipment for replanting, welding near fuel and use of PPE held by Pulu Raja Unit on July 27, 2017. #sighted: photo documentation.

**For points 3:**

Shows risk management related to hazardous material management in risk management of chemical storage on January 12, 2016 which in it has identified activities of taking, storing, distributing chemicals as well as related to chemical combustion in the field.

**For poin 4:**

- The Certification Unit has demonstrated the Budget Plan of 2018 which explains the purchases of handcart (*gerobak sorong / angkong*) 141 units.
- The Certification Unit has demonstrated the *prohibition memo* using motorbike for transport FFB to fruit collecting point from the Unit Manager (letters number. 02 / M / V / 2017 dated May 05, 2017).
- The Certification Unit has demonstrated evidence of socialization that the transport FFB to fruit collecting point should be using handcart (*gerobak sorong / angkong*). The socialization conducted in every division for example on division of 1-5 conduted on October 02, 2017. Based on field visit to Block of 98K / Division 5 and interview with supervisor and harvesters, it is known that there was no harvesters using motorbike for transport FFB to fruit collecting point, and already implemented socialization.

Based on the explanation, this **Non-conformity is stated Closed**

**Verified by** : **Sofyan Hadi Lubis**

NCR No.	: 2017.07	Issued by	: Sofyan Hadi Lubis
Date Issued	: 21 Juli 2017	Time Limit	: 20 September 2017
NC Grade	: Major	Date of Closing	: 19 September 2017
Standard Ref. & Requirement	4.7.3 Records of Occupational Health and Safety (OHS) program (see 4.8) and Personal Protective Equipment (PPE) training in accordance with the result of hazard identification and risk analysis shall be available to all workers.		
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i> Auditor find workers who do not use PPE when working, for example: <ul style="list-style-type: none"><li>- 3 (three) operators in Boiler station (Steam Boiler) Shift I does not use PPE Glasses, Masks and Gloves.</li><li>- The results of field observation and interviews with several employees at the factory (eg sorting workers, boiler workers and harvest workers in Division V), it is kown that if the PPE used is damaged then the worker will provide their own up to the next PPE allocation period. Related to the Certification Unit has not been able to show the mechanism governing the procedure of replacing the PPE if it is damaged by the work activity.</li></ul>			
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i>			

- PPE Glasses, masks and gloves of boiler operator are broken.
- There is no stock of PPE at the time.
- PPE Budget from the company only once a year.

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

- Distribution of PPE to Boiler Station operators on July 24, 2017.

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

- Produce PPE request for stock in case of damage before the next request.
- Produce mechanism of procedure for taking and replacing PPE which has been approved by Human Resources Assttand. In the mechanism described that the replacement of damaged PPE can be given if the stock PPE available in the office by proving the damaged PPE.

**Assessor Evaluation and Conclusion** *(filled by auditor):*
**September 19, 2017**

The Certification Unit has demonstrated evidence:

- Revised root cause analysis, correction and corrective action.
- Documentation in the form of handover of PPE to operators at Boiler Station (Steam Boiler) on July 24, 2017.
- Produce mechanism of procedure for taking and replacing PPE which has been approved by Human Resources Assttand. In the mechanism described that the replacement of damaged PPE can be given if the stock PPE available in the office by proving the damaged PPE.

**October 18, 2017**

Based on interviews with harvesters in Division V, it is known that if the damaged PPE can be directly replaced by reporting it to the supervisor of division.

Based on the explanation, this **Non-conformity is stated Closed**
**Verified by** : **Sofyan Hadi Lubis**

NCR No.	: 2017.08	Issued by	: Sofyan Hadi Lubis
Date Issued	: 21 Juli 2017	Time Limit	: 20 September 2017
NC Grade	: Major	Date of Closing	: 18 October 2017
Standard Ref. & Requirement	4.7.4 The responsible person(s) for occupational health and safety shall be identified and there shall be records of periodical meetings on health and safety issues		
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i> There is a change of secretary of Safety Committee (P2K3) and Chairman in PTPN IV Unit Pulu Raja, but has not been shown evidence of endorsement of the new organization structuer of P2K3 by relevant agency.			
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i> The new organization structuer of P2K3 have organized in province level and coordination with head office PTPN IV in medan.			

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

Showed evidence progress of the new endorsement to the Sumatera Utara Province Labour Agency

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

The certification unit will made a coordination with the head office regarding new organization structuer of P2K3 endorsement.

**Assessor Evaluation and Conclusion** *(filled by auditor):*
**Observation 18 October 2017.**

The certification unit of PTPN IV have showed documented evidence of Letter No. 04.11/SPS/10/X/2017 dated 17 october 2017.

The Certification Unit showed the mechanism of endorsement organization structuer of P2K3 that participation of the certification unit PTPN IV Pulu Raj and Head Office in the section 04.13 and all the documentation completeness to process the organization structuer of P2K3.

Based on the explanation above and consider of the new organization structure P2K3 process, the non-conformance 2017.08 is closed with observation and will verified during the next surveillance assessment.

**Verified by** :

NCR No.	: 2017.09	Issued by	: Sofyan Hadi Lubis
Date Issued	: 21 Juli 2017	Time Limit	: ASA-3
NC Grade	: Minor	Date of Closing	: 18 October 2017
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.		
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i> Based on field observation, it was found that the contents of the first aid box were incomplete according to <i>Permenakertrans No. 15 / 2008</i> related to First Aid at workplace in some location, such as: <ol style="list-style-type: none"><li>1. Mill of Machine Room Station</li><li>2. Mill of Hazardous waste storage</li><li>3. Division V of Kindergarten</li><li>4. Division II of Kindergarten</li></ol>			
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i> <ul style="list-style-type: none"><li>• The certification unit have not aware the regulation regarding first aid kit requirement</li><li>• Lack of understanding regarding to evaluate the inspection result</li></ul>			
<b>Correction</b> <i>(filled by organization audited):</i> <ul style="list-style-type: none"><li>• Conduct socialization to the inspection team of first aid kit regarding the inspection report, correction action and review.</li><li>• Update regulation regarding the first aid kit requirement</li></ul>			



- Provide evidence of purchasing document and distributions of first aid kit in each division.

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

Conducted monitoring and evaluation from the inspection officers appointed by the head of company safety committee.

**Assessor Evaluation and Conclusion** *(filled by auditor):*
**Observation 18 October 2017.**

Certification unit have provided:

- Socialization to the first aid kit inspection team related to the inspection report, corrective action and review on 17 October 2017 to twelve inspectors and workers.
- Update regulation related to first aid kit requirement on 16 October 2017
- Provide evidence of purchasing document on 12 October 2017 to complete all the first aid kit and distribution of the first aid kit on 17 October 2017, for example in the kindergarten m first aid kit bag to ten (10) supervisors in each division on 16 October 2017.
- Based on the field observation to division 5, kindergarten and harvesting supervisors, the auditor team also found all the first aid kit have been complete with twenty one (21) items according to the regulation.

Based on the evidences observed the non-conformance 2017.09 closed and the consistency will be verified further in the next surveillance.

**Verified by** : **Muhamad Rinaldi**

NCR No.	: 2017.10	Issued by	: Sofyan Hadi Lubis
Date Issued	: 20 Juli 2017	Time Limit	: ASA-3
NC Grade	: Minor	Date of Closing	: -
Standard Ref. & Requirement	: 4.7.6 All workers shall be provided with medical care, and covered by accident insurance (see criterion 6.5.3).		
Non-Conformance Description & Evidence observed (filled by auditor):			
1. Can not be shown evidence of payment BPJS Employment document period February to June 2017 for Permanent Employees.			
2. Can not be shown evidence of work accident insurance document (BPJS Employment) for contractor workers and its payments on a regular basis.			
Root Cause Analysis (filled by organization audited):			
Correction (filled by organization audited):			
Certification Unit of PTPN IV Pulu Raja has made a coordination with human resources department head quarters office to provide evidence of health and workers insurances (BPJS) according to the leeter that submitted No.PUR/04.11/22/VII/2017, dated 10 Juli 2017			
Corrective Action (filled by organization audited):			

<b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i>	
Due to lack of evidence showed to the auditor team, the non-conformance 2017.10 still open.	
<b>Verified by</b>	:

<b>NCR No.</b>	:	<b>2017.11</b>	<b>Issued by</b>	:	<b>M. Amarullah</b>
<b>Date Issued</b>	:	<b>21 Juli 2017</b>	<b>Time Limit</b>	:	<b>ASA-3</b>
<b>NC Grade</b>	:	<b>Minor</b>	<b>Date of Closing</b>	:	
<b>Standard Ref. &amp; Requirement</b>	:	<b>5.6.3</b> <b>A monitoring plan and results of regular reporting on emission and pollutants from estate and mill operations using appropriate methods, shall be available.</b>			
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i>					
The company has not be able to shows measurement of GHG emission through palmGHG Calculator Version 3.0.1.					
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i>					
<b>Correction</b> <i>(filled by organization audited):</i>					
<b>Corrective Action</b> <i>(filled by organization audited):</i>					
<b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i>					
<b>Verified by</b>	:				

<b>NCR No.</b>	:	<b>2017.12</b>	<b>Issued by</b>	:	<b>Octo H.P.N. Nainggolan</b>
<b>Date Issued</b>	:	<b>21 July 2017</b>	<b>Time Limit</b>	:	<b>Surveillance-03</b>
<b>NC Grade</b>	:	<b>Minor</b>	<b>Date of Closing</b>	:	
<b>Standard Ref. &amp; Requirement</b>	:	<b>6.2.3.</b> <b>The company shall have a list of stakeholders, records of communications, including confirmation of receipt and that efforts are made to ensure understanding by affected parties, and records of actions taken in response to input from stakeholders.</b>			
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i>					
<p>The Company providing information is mandatory for government agencies, such as from the Environment Agency, Plantation Agency, Labor and Transmigration Agency, and National Land Agency</p> <p>According to the result of interview with the two village heads, Labor Union and the associated agency, the stakeholders have aware of the procedure to get the information.</p> <p>Certification unit has a policy to handle customer complaint No.07.0 dated 1 Agustus 2012 (signed by company Director) explain all the customer complaint may be made written and accepted by the unit and if the complaint cannot be handle by the unit it would be bring out to the higher level with complete documentation. In conclusion the unit manager of the</p>					

related department cooperate with the complainant for improvement and corrective action. All the customer complaint handling have to be resolve precisely, fast and evaluated for not happens again in the future.

From the interview result with the Bangun village head gathered information the they village head have send a letter to the certification unit on 4 November 2013 (accepted by the certification unit on 11 November 2013) followed by the next letter on 24 November 2013 to remind the previous letter regarding the environmental complaint asking to the certification unit help the village for *drain flushing* (if the rainy season the agriculture crop farm of the villagers will drowning from the PTPN IV operational area), however until the second surveillance conducted still no respond from the certification unit to the village. From the evidence found by the auditor team, this situation not accordance with the company policy regarding the customer complaint handling.

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

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

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

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

**Verified by** :

NCR No.	: 2017.13	Issued by	: Sofyan Hadi Lubis
Date Issued	: 21 Juli 2017	Time Limit	: 20 September 2017
NC Grade	: Major	Date of Closing	: 20 October 2017
Standard Ref. & Requirement	6.5.1 Documentation of pay and conditions for employees based on the existing manpower regulations shall be available.		
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i> Based on the interview, it is known that the payment of wages for the contractor workers is not in accordance with the standard of Minimum Wage of Asahan District for the period of 2017 amounting to Rp 2,208,787. In this regard, The Certification Unit has not been able to show monitoring and evaluation actions to contractors to ensure compliance with wage payments in accordance with relevant regulations.			
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i> Recapitulation form of weekly report and monitoring tool not provided with wage or payment item. The impact was contractor workers payment not monitored and evaluated by the certificate holder.			
<b>Correction</b> <i>(filled by organization audited):</i> <ul style="list-style-type: none"><li>• Add the wage item in weekly report recapitulation form.</li><li>• Planning department officialy write a circular letter to the plant department that made an agreement to contractors informed the weekly report and cover a minimum wage item. The monitoring mechanism have been provided on clause 10 of Work Implementation Monitoring (<i>Pengawasan Pelaksanaan Pekerjaan</i>).</li></ul>			

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

Conducted evaluation to contractors according to the schedule provided in the agreement (weekly) and the certified unit manager as a responsible person to ensure the monitoring have been done correctly.

**Assessor Evaluation and Conclusion** *(filled by auditor):*
**Verification on 20 October 2017.**

Certified Unit of Pulu Raja PTPN IV showed Letter No.04.03/Kol/M-359/X/2017 dated 20 Oktober 2017 from Strategic Planning Department PTPN IV Head Office related to add weekly report of contractor work progress to evaluate the payment method according to minimum wage regulation, health insurance, worker minimum age, PPE use and working tools.

PTPN IV Pulu Raja have showed contractor evaluation for example send a letter to contractor (PT Ambya Mozza Indo) no. PUR/PT.AMI/PUR/VII/2017 dated 20 July 2017 asked wage payment and evidence of of the contractor workers age. The contractor have responded with a letter No. 01/PT.AMI/PUR/VIII/2017 dated 01 August 2017 explained and respond contractor wage payment to their workers implemented based on piece rate basis and contractor workers list completed with identity card showed there are no workers under 18 years old.

Based on the explanation the non-conformance No.2017.13 have been closed and will vobserved during the next surveillance assessment; and the auditor will verified the implmentation of weekly report form of the contractors.

**Verified by** : **Muhammad Rinaldi**

NCR No.	: 2017.14	Issued by	: Sofyan Hadi Lubis
Date Issued	: 21 Juli 2017	Time Limit	: 20 September 2017
NC Grade	: Major	Date of Closing	: 20 October 2017
Standard Ref. & Requirement	6.7.1 There shall be documented evidence that minimum age requirements are met.		
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i> based on field visits in Division II and interviews, was found contractor worker under 18 years working on polybag content in the replanting area. Workers come from the community surrounding the plantation ( <i>Persatuan Village</i> ). In this regard, the Certification Unit has not been able to demonstrate monitoring and evaluation actions to countractors to ensure compliance with minimum age requirements.			
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i> Recapitulation form of weekly report and monitoring ttol not provided with worker minimum age item. The impact was contractor workers minimum age not monitored and evaluated by the certificate holder.			
<b>Correction</b> <i>(filled by organization audited):</i> <ul style="list-style-type: none"><li>• Add the minmum age item in weekly report recapitulation form.</li><li>• Planning department officialy write a circular letter to the plant department that made an agreement to contractors informed the weekly report and cover a minimum age item. The monitoring mechanism have been provided on clause 10 of Work Implementation Monitoring (<i>Pengawasan Pelaksanaan Pekerjaan</i>).</li></ul>			
<b>Corrective Action</b> <i>(filled by organization audited):</i>			

Conducted evaluation to contractors according to the schedule provided in the agreement (weekly) and the certified unit manager as a responsible person to ensure the monitoring have been done correctly.

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

**Verification on 20 October 2017.**

Certified Unit of Pulu Raja PTPN IV showed Letter No.04.03/Kol/M-359/X/2017 dated 20 Oktober 2017 from Strategic Planning Department PTPN IV Head Office related to add weekly report of contractor work progress to evaluate the payment method according to minimum wage regulation, health insurance, worker minimum age, PPE use and working tools.

PTPN IV Pulu Raja have showed contractor evaluation for example send a letter to contractor (PT Ambya Mozza Indo) no. PUR/PT.AMI/PUR/VII/2017 dated 20 July 2017 asked wage payment and evidence of of the contractor workers age. The contractor have responded with a letter No. 01/PT.AMI/PUR/VIII/2017 dated 01 August 2017 explained and respond contractor wage payment to their workers implemented based on piece rate basis and contractor workers list completed with identity card showed there are no workers under 18 years old.

Based on the explanation the non-conformance No.2017.13 have been closed and will vobserved during the next surveillance assessment; and the auditor will verified the implimentation of weekly report form of the contractors.

**Verified by** : **Muhammad Rinaldi**

NCR No.	: 2017.15	Issued by	: Sofyan Hadi Lubis
Date Issued	: 21 Juli 2017	Time Limit	: 20 September 2017
NC Grade	: Major	Date of Closing	: 18 October 2017
Standard Ref. & Requirement	: 8.1.1 Commitment to continual improvement in key areas of activity		
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i> The Company has not been able to show evidence of systematic continuous improvement related to regulatory compliance (indicator 2.1.1), waste management of pesticide container (4.6.6), training record (indicator 4.8.2), pesticide application (indicator 4.6.5; 4.6. 7), PPE (indicator 4.7.3), Frist Aid Emergeny (indicator 4.7.5).			
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i> Lack of management unit commitment in implement the RSPO certification responsibility.			
<b>Correction</b> <i>(filled by organization audited):</i> Improve and increase the commitment by conducting the socialization related repeated non-conformance to RSPO requirements.			
<b>Corrective Action</b> <i>(filled by organization audited):</i> Conducted Internal Audit regularly according to the quality procedure No Dok:PM-04.11-03 regarding Internal Audit minimum once a year.			
<b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i> <b>Verification 18 October 2017.</b> Certificate Holder of PTPN IV Pulu Raja showed socialization of Understanding and Commitment regarding to RSPO			

ans Supply Chain Principle and Criteria on 16 October 2017 to 20 top management and operations employee. Certification unit also showed evidences of all the non-conformances repeated have been fullfil.

The non-conformance 2017.15 have been closed and verified in the next assessment.

**Verified by** : **Muhammad Rinaldi**

NCR No.	: 2017.16	Issued by	: M. Amarullah
Date Issued	: 21 Juli 2017	Time Limit	: 20 September 2017
NC Grade	: Major	Date of Closing	: 18 October 2017
Standard Ref. & Requirement	: E.4.2 The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.		
<b>Non-Conformance Description &amp; Evidence observed (filled by auditor):</b> Actual tonnage of CSPO and CSPK production for period August 25 <sup>th</sup> 2016 to July 17 <sup>th</sup> 2017 has over from the budgeted projection for period August 25 <sup>th</sup> 2016 to August 24 <sup>th</sup> 2017. Quota of CSPO → 13,254 mt. Quota CSPK → 2,538 mt. Actual production CSPO for period August 25 <sup>th</sup> to July 17 <sup>th</sup> 2017→ 13,375 mt. Actual production CSPK for period August 25 <sup>th</sup> to July 17 <sup>th</sup> 2017→ 2,699 mt. Regarding this matter the company has not reporting the excess of CSPO and CSPK products, to the Certification Board..			
<b>Root Cause Analysis (filled by organization audited):</b> The responsible person in the estate and mill have not fully understand regarding the to monitor the overproduction of CPO and PK produce and how to report to the certification body.			
<b>Correction (filled by organization audited):</b> <ul style="list-style-type: none"><li>Conducted socialization regarding the overproduction reporting to by the head office PTPN IV to the certification unit of Pulu Raja SPO No.18 regarding information provide and production claim.</li><li>Made a report of the CPO and PK overproduction to the certification body if there exceed than quota given in the annual RSPO certificate license. Certification Unit of Pulu Raja through head office have send a letter on 6 September 2017 from Director to certification body explained overproduction and extension of quota CSPO (14,000 tonnes) and CSPK (2,746 tonnes) from the projected in the annual RSPO certificate license (25 August 2016 to 24 Augsut 2017).</li></ul>			
<b>Corrective Action (filled by organization audited):</b> <ul style="list-style-type: none"><li>Plantation Manager and Mill Manger responsible monitor the production date and reporting if there is an overproduction potency from the quota stated in the annual RSPO license.</li><li>PTPN IV Pulu Raja will coordinate and write a letter to the head office (section 04.03) three months before the CSPO and CSPK potentially overproduction.</li></ul>			
<b>Assessor Evaluation and Conclusion (filled by auditor):</b> <b>Observation 18 October 2017.</b>			



- Certification Unit PTPN IV Pulu Raja showed procedure SPO No.18 (revision 2) dated 2 January 2015 about information provide and production claim. The procedure stated that estate and mill managers fully responsible in monitor pf the production data and reporting if the any potentially overproduction from the quota stated in annual RSPO certificate license.]
- Director of PTPN IV send letter number 04.03/X/26/IX/2017 dated 6 September 2017 to Certification Body (PT Mutuagung Lestari) to report the overproduction of CSPO and CSPK drom the projection. Based on the data checking in the palm-trace known the certified extension volume have been provided in the program on 20 September 2017. The total of the certified product 70,000 MT for FFB, 16,000 MT CSPO and 4,000 MT CSPK.
- Based on the interview with mill manager known he can explain the supply chain reporting mechanism also how to report according to the procedure provided.
- Certificate Holder showed monitoring period 29 September 2017 to 16 October 2017 which 8,997 MT FFB, 2,086 MT CSPO and 371 MT CSPK.

Based on the evidences observed by the auditor team, the non-conformance 2017.16 is closed. The consistency implementation of the monitoring by the certificate unit will be verified during the net surveillance assessment.

**Verified by** : **Mohamad Amarullah**

### 3.5.3 Opportunity for Improvement

No	Ref Std	Descriptions
1	1.1.1 6.2.3	Completeness of stakeholder data which also contains address information and contact number
2	2.2.2	The company has the opportunity to make reparation / repair of Pole that have not been clear due to weather factors, to facilitate checking on the ground regularly.
3	4.4.2	The Company has implemented zoning of riparian areas in Block E Afdeling 3 (replanting area) by installing HCV signboard 4.1. Companies have the opportunity to green in the riparian area that already opened.
4	4.6.4	The realization of Paraquat's usage is adjusted to the commitment of PTPN IV as stated in letter no. 04.03 / X / 054 / VII / 2010 on July 29, 2010 by the Director of Production not to use pesticides made from active Paraquat
6	6.5.3	Opportunity to carry out inventory in the framework of improvements to housing workers who are considered less feasible (walls, roofs and doors need improvement).
7	E.3.1	Companies have the opportunity to provide SCCS training to Chief Engineer or Head of Production Office.

### 3.5.4 Noteworthy Positive Components

No	Descriptions
1	PT Perkebunan Nusantara IV Pulu Raja Business Unit has been certified ISPO (Indonesian Sustainable Palm Oil)

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

Public Issues (Institution/ NGO/Community)	Auditor Responses
<p><b>National Land Agency (BPN) of Asahan District</b> Tuesday, July 17<sup>th</sup> 2017 Interviewee:</p> <ol style="list-style-type: none"> <li>1. Menang Karokaro (Kasie. Infrastruktur Pertanahan). Email: <a href="mailto:menangkarokarobpn@gmail.com">menangkarokarobpn@gmail.com</a>. 085261039979.</li> </ol> <ul style="list-style-type: none"> <li>• The CH do not have a new Location Permit, as well as new Land Title (HGU). PT Perkebunan Nusantara 4 (PTPN) Pulu Raja Business Unit operational areas were ex concession from Dutch (Netherland Indie) Government Company, as mentioned and described in Government Law (UU) No. 86/1958 dated December 27<sup>th</sup> 1958, Government Regulation (PP) No. 19/1959 dated May 2<sup>nd</sup> 1959 and Land Book (on the 1<sup>st</sup> Land Title Certificate) dated July 1<sup>st</sup> 1982.</li> <li>• Land Title of Pulu raja Business Unit is valid until December 31<sup>st</sup> 2030.</li> <li>• The CH do not have new Plantation Business Permit (IUP). Decree of Asahan Regent No. 503/IUP/BPPM/1609/XI/2012 dated November 22<sup>nd</sup> 2012 mentioned that informed that PTPN 4 Pulu Raja Business Unit where located on Orika Village, Pulau Rakyat Sub-District has oil palm cultivation and processing permit which has covers about 4,630 ha with mill capacity about 30 ton FFB/hours.</li> <li>• The CH operational areas were not overlapped with Forest Areas, as mentioned in Decree (SK) of Minister of Forestry No. 44/2005. The Estates has starts it's planting operational and processing in 1912 and 1985, respectively.</li> <li>• The CH operational areas has also not overlapped with mining business.</li> <li>• Land utilization report has been reported to HTPT or Land Use Rights and Registration.</li> <li>• There are no reports from stakeholders related to land dispute (with the local communities and/or other companies) issues.</li> </ul>	<p>All comments given indicates positive response of company operational activities towards legality aspect such as land rights, business permit, land dispute/grievances, etc., as mentioned in Criteria 2.2; 2.3; 6.3 and 6.4.</p>
<p><b>Agency of Plantation and Animal Husbandry of Asahan District</b> Tuesday, July 18<sup>th</sup> 2017 Interviewee:</p> <ol style="list-style-type: none"> <li>1. Rafiani Ritonga (Staff on Plantation Division)</li> <li>2. Rohana Marpaung (Section Head of Nursery and Estate Crop Protection/Kasie Perbenihan dan Perlindungan Perkebunan).</li> </ol> <ul style="list-style-type: none"> <li>• The CH has Plantation Class II (according to assessment in 2015), which noted that scoring on social is the lowest aspect that need</li> </ul>	<p>All comments given indicates positive response of company operational activities towards local, national</p>

Public Issues (Institution/ NGO/Community)	Auditor Responses
<p>to be concerned.</p> <ul style="list-style-type: none"> <li>• Certification Unit is consider cooperative and satisfactory fulfill administrative obligation, such as reporting plantation business progress (LPUP) every semester, etc.</li> <li>• There is no additional and/or revision on Location Permit, IUP and HGU.</li> <li>• The Certification Unit do not have smallholder scheme program.</li> <li>• The Certification Unit has involved local communities in annual CSR program meeting. The Agency expect that road on villages shall become priority in the coming CSR program.</li> <li>• The Agency stated that there is no more indigenous people (tribes) around Pulu Raja Unit Business operational areas. Current community has already diversify (Malay, Javanese, Batak, etc.).</li> <li>• There is no overlap with forest and/or customary forest areas.</li> <li>• There has been no conflict related to land dispute with local communities.</li> <li>• The price of FFB from Independent Supplier and other Estates under PT PN III and PT PN IV were based on Plantation Agency of Sumatera Utara Province.</li> </ul> <p>There is no issues or reports from Local and National NGO related to fire incidence in Pulu Raja Business Unit. CH facility on fire incidence prevention has considered satisfactory.</p>	<p>and ratified international laws and regulations aspect, as mentioned in Criteria 2..1; 4.6 and 5.5.</p>
<p><b>Environment Agency of Asahan District</b> Tuesday, July 17<sup>th</sup> 2017 Interviewee:</p> <ol style="list-style-type: none"> <li>1. Himawan Bimo Sutejo (Kasie. Peningkatan Kapasitas).</li> <li>2. Ir. Poniran (Kabid. Penaatan dan Peningkatan Kapasitas Lingkungan Hidup), email: <a href="mailto:poniranbuntupane66@gmail.com">poniranbuntupane66@gmail.com</a>; 081376910666.</li> </ol> <ul style="list-style-type: none"> <li>• The company is consider cooperative and satisfactory fulfill administrative obligation report, such as quarter report of liquid waste, semester environment management and monitoring plan report (RKL/RPL), quarter hazardous waste report, semester air emission, noise, odor, vibration test report, etc.</li> <li>• The Agency informed that in 2018, those reports is submitted online through Ministry on Environment and Forestry link website. The company is required to register which aims for submit access.</li> <li>• Hazardous waste warehouse and land application permit of PTPN are still valid until 2019. Furthermore, there is no change and/or revision of the permits.</li> </ul> <p>The company has good relationship and satisfactory communicate all environment related issues to the Agency.</p>	<p>All comments given indicates positive response of company operational activities towards environment management aspect, as mentioned in Criteria 4.4; 4.6; 5.1; 5.2 and 5.3.</p>



Public Issues (Institution/ NGO/Community)	Auditor Responses
<p><b>Transmigration and Labor Agencies of Asahan District</b> Tuesday, July 18<sup>th</sup> 2017 Interviewee: 1. Mas'Ud (Kasie. Lembaga Hubungan Industrial)</p> <ul style="list-style-type: none"> <li>The company has a Board Committee of Occupational Safety and Health (P2K3) board authorized by the Manpower Agency. The company has combined the OHS committee of estates and mill.</li> <li>The company is consider cooperative and satisfactory fulfill administrative obligation report, such as Semester WLTK, Semester P2K3, quarter work accident report, etc.</li> <li>The Agency has no information whether government insurance (BPJS) for Manpower and Health scheme of workers has been fulfilled by the company. BPJS has only applied for permanent worker.</li> <li>There is no issues on foreign worker, child labor abuse, employee dispute, discrimination and other negative issues related to manpower aspects.</li> <li>Wages paid has reported more that Minimum Wage Decree of Sumatera Province and Asahan District Regent for period 2017, which is about IDR 1,961,354.69 and IDR 2,208,787.13, respectively.</li> <li>The Certification Unit has Collective labor agreement which valid until December 2017.</li> <li>The Certification Unit has Plantation Labor Union / SPBun. Changing of committee members has informed to the Manpower Agency.</li> <li>The Certification Unit has Cooperation Institution of Bipartite (LKS Bipartite) which valid until October 2019.</li> <li>The Certification Unit has license of processing machineries such as Boiler, generator set, electrical installation, etc.</li> <li>The Certification Unit has involved Labour Agency on the training on OHS and manpower aspects. The upcoming training and socialization has planned to be conducted in August 2017.</li> <li>Companies has consider cooperative in terms of providing information which requested by the Agency.</li> <li>Contract worker for harvesting activities is prohibited as it was not in accordance with Permenaker No. 19, 2012.</li> </ul>	<ul style="list-style-type: none"> <li>Related to risk assessment (HIRAC) implementation, it has become nonconformity in the <b>4.7.2 indicator</b></li> <li>There is a change of secretary of P2K3 and Chairman III in PTPN IV Unit Pulu Raja, but has not been shown evidence of endorsement of the new arrangement of P2K3 by relevant agency. It become nonconformity in the <b>4.7.4 indicator</b></li> <li>Related to PPE, it has become nonconformity in the <b>4.7.3 indicator</b>.</li> <li>Related to Secretary of P2K3, it has become nonconformity in the <b>4.7.4 indicator</b>.</li> <li>Related to First Aid Box, it has become nonconformity in the <b>4.7.5 indicator</b>.</li> <li>Related to BPJS Health and Employment program, it has become nonconformity in the <b>4.7.6 indicator</b>.</li> </ul>
<p><b>Head of Labor Union (SPBun)</b></p> <ul style="list-style-type: none"> <li>The walls, roofs, windows and doors in employee housing of Empalament &amp; Division are damaged</li> <li>Wages of employees already paid in accordance with UMP</li> </ul>	<ul style="list-style-type: none"> <li>The result of field observation at Housing of Division V &amp; II, it is known that the wall, roof, windows and doors are broken. The company</li> </ul>

Public Issues (Institution/ NGO/Community)	Auditor Responses
<p>standarts of North Sumatra.</p> <ul style="list-style-type: none"> <li>- Overtime of employees already paid.</li> <li>- PPE already distributed to workers.</li> <li>- The workers already facilitated with housing, domestic water, electricity.</li> <li>- All employees have been registered in the <i>BPJS</i> program.</li> <li>- There was noo issues of occupational accidents, child labor under 18 years, and employee discrimination.</li> </ul>	<p>has conducted rgradual improvement. It become OFI in <b>6.5.3 indicator</b></p> <ul style="list-style-type: none"> <li>- The wages of permanent workers already paid in accordance with UMP standart of North Sumatra, but the wages of contractor workers is still below UMK standart Asahan District. It become nonconformity in the <b>6.5.1 indicator</b></li> <li>- Overtime / worker incentive already paid. It is in accordance with <b>6.5.2 Indicator</b>.</li> <li>- Still found Mill workers and Esate that do not use PPE when they was working. It become nonconformity in the <b>4.6.5 indicator</b></li> <li>- Related to <i>BPJS</i> become nonconformity in <b>4.7.6 indicator</b>.</li> </ul>
<p><b>Head of Gender Committee</b></p> <ul style="list-style-type: none"> <li>- There is was no neative issue of discrimination against women workers, sexual harassment or gender violence, human rights violations, work place accident experienced by women.</li> <li>- Pregnant and lactating female workers are not allowed to engage in activities related to chemicals including pesticides.</li> </ul>	<p>There was no negative issues about discrimination, sexual harassment, violence against women, human rights violations. It is in accordance with <b>criterion of 6.8; 6.9; 6.13</b></p>
<p><b>Local Contractor of FFB Transportasion</b> (CV Cahaya Indah)</p> <ul style="list-style-type: none"> <li>- Contractor comes from Sungai Piring Village</li> <li>- SPK transport of FFB and plant maintenance</li> <li>- Have ± 28 workers who come from the village around the company</li> <li>- There was no worker under the age of 18 years.</li> <li>- Workers already provided PPE.</li> <li>- Workers have paid their wages in accordance with provincial minimum wage.</li> <li>- Workers have been facilitated BPJS Health</li> <li>- Never work accident</li> <li>- There was no issue in wages payment</li> <li>- Coordination with the company goes well</li> </ul>	<ul style="list-style-type: none"> <li>- Cooperation with local contractors is one form of corporate contribution from company to village development. See <b>6.11 indicator</b>.</li> <li>- Cooperation with local contractors already equipped with letter of employment agreement. This is in accordance with the <b>criterion of 6.11</b>.</li> <li>- Related to underage child labor and PPE become nonconformity with indicator of <b>6.7.1; 4.7.4</b></li> <li>- Related to BPJS become nonconformity with <b>indicator of 4.7.6</b>.</li> <li>- There was no occupational injury issues. It is in accordance with <b>indicator of 4.7.4</b></li> <li>- Related with underage child labor and PPE has become nonconformity with <b>indicator of 6.7.1; 4.7.3</b></li> <li>- Related to associated with <i>BPJS</i> has become nonconformity in <b>indicator of 4.7.6</b></li> <li>- There was no occupational injury issues. It is</li> </ul>

Public Issues (Institution/ NGO/Community)	Auditor Responses
	in accordance with <b>indicator of 4.7.4</b>
<p><b>Local Contractor of FFB &amp; EFB Transportasion (CV Akbar Pratama)</b></p> <ul style="list-style-type: none"> <li>- Contractor comes from Sungai Piring Village</li> <li>- SPK transport of FFB and plant maintenance</li> <li>- Have ± 28 workers who come from the village around the company</li> <li>- No worker under the age of 18 years.</li> <li>- Workers already provided PPE.</li> <li>- Workers have paid their wages in accordance with provincial minimum wage..</li> <li>- Workers have been facilitated BPJS Health</li> <li>- Never work accident</li> <li>- No issue in wages payment</li> <li>- Coordination with the company goes well</li> </ul>	<ul style="list-style-type: none"> <li>- Cooperation with local contractors is one form of corporate contribution from company to village development. See <b>6.11 indicator</b>.</li> <li>- Cooperation with local contractors already equipped with letter of employment agreement. This is in accordance with the <b>criterion of 6.11</b>.</li> <li>- Related to underage child labor and PPE become nonconformity with indicator of <b>6.7.1; 4.7.4</b></li> <li>- Related to BPJS become nonconformity with <b>indicator of 4.7.6</b>.</li> <li>- There was no occupational injury issues. It is in accordance with <b>indicator of 4.7.4</b></li> <li>- Related with underage child labor and PPE has become nonconformity with <b>indicator of 6.7.1; 4.7.3</b></li> <li>- Related to associated with <i>BPJS</i> has become nonconformity in <b>indicator of 4.7.6</b></li> <li>- There was no occupational injury issues. It is in accordance with <b>indicator of 4.7.4</b></li> </ul>
<p><b>Head of Persatuan Village (Datuk Muda Haidir Sinulingga)</b></p> <ul style="list-style-type: none"> <li>- Until now, PTPN IV Pulu Raja and Persatuan village have been good enough in communicating and often coordinating.</li> <li>- Physical supporting for village development and social supporting to orphans is good enough.</li> <li>- Before conducting replanting activities in Division V, PTPN IV has coordinated and reported first with village stakeholders.</li> <li>- Most of the people on Persatuan village working in the operational PTPN IV area.</li> <li>- The response is always responded by PTPN IV if the community village asks for information.</li> </ul>	<ul style="list-style-type: none"> <li>- It is has been verified according to the information contained in the indicator of 6.2.1</li> <li>- Social responsibility has been given regularly and has been checked in the indicator of 6.11.1</li> <li>- Replanting activity has conducted mechanically without burning.</li> <li>- Opportunities to work without discrimination have been implemented and it is explained in criterion of 6.8</li> <li>- Requests for information and responses have been checked by the auditor team on criterion of 1.1</li> </ul>



Public Issues (Institution/ NGO/Community)	Auditor Responses
<p><b>Head of bangun Village (Amlan Simanjuntak)</b></p> <ul style="list-style-type: none"> <li>- Most (<math>\pm</math> 10%) Persatuan village working in the operational area of PTPN IV.</li> <li>- Until now, PTPN IV Pulu Raja and Persatuan village have been good enough in communicating and often coordinating.</li> <li>- There are several complaints of Bangun villagers related to water out of the operational activities of PTPN IV to the agricultural areas of the villagers resulting in overflow in overflow / flooding in case of rain. Because of this the Head of Village sent a letter requests for "<i>Pencucian parit</i>" support to PTPN IV since November 2013, but until the ASA-02 audit, PTPN IV has not responded.</li> </ul>	<ul style="list-style-type: none"> <li>- Opportunities to work without discrimination have been expressed and this is explained in criterion of 6.8</li> <li>- This has been verified according to the information contained in the indicator of 6.2.1.</li> <li>- Complaints and requests for assistance up to the time of surveillance-02 have not been responder by PTPN IV. This will be an observation by the auditor team.</li> </ul>

4.0	<b>CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY</b>
4.1	<b>Formal Sign-off of Assessment Findings</b>
	<p>Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.</p> <p>Signed on behalf of:</p> <div style="display: flex; justify-content: space-around; align-items: flex-end; margin-top: 100px;"> <div style="text-align: center;"> <p>PT Perkebunan Nusantara IV Head of Strategic Planning Department of PTPN IV</p>  <p><b><u>Ir. Biduri Marahimin</u></b> Friday, 20 October 2017</p> </div> <div style="text-align: center;"> <p>PT Mutuagung Lestari Lead Auditor</p>  <p><b><u>Octo H.P.N. Nainggolan</u></b> Friday, 20 October 2017</p> </div> </div>

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

No	Institution/NGO/Community	Address	Phone/Email	Form of Communication	Date of Contact	Response	
						Yes	No
1	National Land Agency of Asahan District	Asahan District, Nort Sumatra	-	Interview	July 18 <sup>th</sup> , 2017	✓	
2	Plantation and Animal Husbandry Agency of Asahan District	Asahan District, Nort Sumatra	-	Interview	July 18 <sup>th</sup> , 2017	✓	
3	Environment Agency of Asahan District	Asahan District, Nort Sumatra	<a href="mailto:poniranbuntupane66@gmail.com">poniranbuntupane66@gmail.com</a> ; 081376910666	Interview	July 18 <sup>th</sup> , 2017	✓	
4	Transmigration and Labor Agencies of Asahan District	Asahan District, Nort Sumatra	-	Interview	July 18 <sup>th</sup> , 2017	✓	
5	Labor Union / <i>SPBun</i>	Asahan District, Nort Sumatra	-	Interview	July 18 <sup>th</sup> , 2017	✓	
6	Gender Committee	Asahan District, Nort Sumatra	-	Interview	July 18 <sup>th</sup> , 2017	✓	
7	Local Contractor of FFB Transportasion (CV Cahaya Indah)	Asahan District, Nort Sumatra	-	Interview	July 18 <sup>th</sup> , 2017	✓	
8	Local Contractor of FFB & EFB Transportasion (CV Akbar Pratama)	Asahan District, Nort Sumatra	-	Interview	July 18 <sup>th</sup> , 2017	✓	
9	Persatuan Village Head (Datuk Muda Haidir Sinulingga) and community leader	Pulau Rakyat, Asahan District, North Sumatra	-	Interview	July 18 <sup>th</sup> , 2017	✓	
10	Persatuan Village Head (Amlan Simanjuntak) and community leader	Pulau Rakyat, Asahan District, North Sumatra	-	Interview	July 18 <sup>th</sup> , 2017	✓	
11	6 female Contractor Workers (replanting - LCC nursery)	Afdeling V, PTPN IV Pulu Raja		Interview	July 19 <sup>th</sup> , 2017	✓	
12	3 Male Contractor Workers (replanting - LCC nursery)	Afdeling V, PTPN IV Pulu Raja		Interview	July 19 <sup>th</sup> , 2017	✓	
13	2 Harvesting Supervisors, Afdeling-V	Afdeling V, PTPN IV Pulu Raja		Interview	July 19 <sup>th</sup> , 2017	✓	

14	<b>5 Harvesters, Afdeling-V</b> (Boyman, Yendi, Slamet, Paino, Suwito)	Afdeling V, PTPN IV Pulu Raja		Interview	July 19 <sup>th</sup> , 2017	✓	
15	<b>Plant Protection Supervisor, Afdeling-V</b>	Afdeling V, PTPN IV Pulu Raja		Interview	July 20 <sup>th</sup> , 2017	✓	
16	<b>2 Harvesting Supervisors, Afdeling-II</b>	Afdeling II, PTPN IV Pulu Raja		Interview	July 20 <sup>th</sup> , 2017	✓	
17	<b>7 Harvester, Afdeling-II</b> (M. Arif)	Afdeling II, PTPN IV Pulu Raja		Interview	July 20 <sup>th</sup> , 2017	✓	
18	Sawit Watch Indonesia	-	info@sawitwatch.or.id	Quisioner by email	July 12 <sup>th</sup> , 2017		✓
19	Wahana Lingkungan Hidup Indonesia	-	<a href="mailto:informasi@walhi.or.id">informasi@walhi.or.id</a> ; <a href="mailto:info@walhi.or.id">info@walhi.or.id</a>	Quisioner by email	July 12 <sup>th</sup> , 2017		✓
20	Aliansi Masyarakat Adat Nusantara	-	<a href="mailto:rumahaman@cbn.net.id">rumahaman@cbn.net.id</a>	Quisioner by email	July 12 <sup>th</sup> , 2017		✓
21	World Wild Found Indonesia	-	<a href="mailto:suhandri@wfw.or.id">suhandri@wfw.or.id</a> ; <a href="mailto:wfw-indonesia@wfw.or.id">wfw-indonesia@wfw.or.id</a>	Quisioner by email	July 12 <sup>th</sup> , 2017		✓

**Appendix 2. Assessment Program**

DATE	17 – 21 July 2017	
TIME DURATION	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
<b>Monday, 17 July 2017</b>		
06.00 - 08.30	<b>JAKARTA → MEDAN</b>	• ON / SHL / AMR
09.00 - 15.00	<b>MEDAN → PTPN-IV (PULU RAJA)</b>	• ON / SHL / AMR
15.00 - 15.30	<b>OPENING MEETING</b> (Audit Team Introduction, audit process explanation, etc)	• ON / SHL / AMR
15.30 - 16.30	<b>Document verification:</b> • Time Bound Plan Verification & Partial Certification	• ON / SHL / AMR
<b>Tuesday, 18 July 2017</b>		
07.30 - 12.00	<b>STAKEHOLDER CONSULTATION:</b> • Government Institution (Asahan District, Local NGO)	• AMR
08.00 - 12.00	• Villagers and community leader (Bangun and Persatuan Villages)	• ON
08.00 - 12.00	• Worker Union, Gender Committee, Contractors	• SHL
12.00 - 13.30	<b>BREAK</b>	
13.30 - 16.30	• <b>Fied Observation to PULU RAJA POM</b> Loading Ramp, Operational Processing, WWTP, Safety aspect, Supply Chain, Schedule waste.	• SHL / ON
<b>Wednesday, 19 July 2017</b>		
07.00 - 11.00	<b>Fied Observation (Afdeling V):</b> • Best Agricultural Practices (Nursery, replanting area, harvesting, pest management, EFB application) • Worker Welfare (payments, complaint mechanism, safety aspect, force labour) • Chemical ans schedule waste management • Legal boudary and conservation area • Worker amenities and facilities (clean water, housing) • Land fire facilities.	• ON  • SHL • SHL • AMR • AMR
11.00 - 12.00	<b>BREAK</b>	
12.00 - 16.00	<b>Verification of previous non-conformances implemeantation (Stage-02 &amp; Surveillance-01)</b>	• ON / SHL / AMR
<b>Thursday, 20 July 2017</b>		
07.00 - 11.00	<b>Fied Observation (Afdeling II):</b> • Best Agricultural Practices (Nursery, harvesting, pest management, EFB application) • Worker Welfare (payments, complaint mechanism, safety aspect, force labour) • Chemical ans schedule waste management • Legal boudary and conservation area • Worker amenities and facilities (clean water, housing) • Land fire facilities.	• ON  • SHL • SHL • AMR • AMR
11.00 - 12.00	<b>BREAK</b>	
12.00 – 15.00	• <b>Document Review</b>	• ON / SHL / AMR
15.00 - 16.00	• <b>Auditor team internal discussion</b>	• ON / SHL / AMR
15.00 - 16.00	• <b>Audit Conclusion preparation</b>	• ON / SHL / AMR

DATE	17 – 21 July 2017	
TIME DURATION	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
Friday, 21 July 2017		
07.00 – 09.00	• CLOSING MEETING	• ON / SHL / AMR
09.00 - .....	• PULU RAJA → MEDAN → JAKARTA	