

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

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

Name of Management Organisation : Dolok Sinumbah Palm Oil Mill subsidiary of PT Perkebunan Nusantara IV

Plantation Name : Dolok Sinumbah Estate

Location : Village of Dolok Sinumbah, Sub District of Hutabayu Raja, District of Simalungun, Province of Sumatera Utara, Indonesia.

Certificate Code : **MUTU-RSPO/111**

Date of Certificate Issue : **03 April 2018**

Date of License Issue : **03 April 2018**

Date of Certificate Expiry : **02 April 2023**

Date of License Expiry : **02 April 2019**

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ST-1	05 – 07 October 2015	Octo HPN Nainggolan (Lead Auditor) Naila Karima, Sahat Simarmata, Joko Alam	Ganapathy Ramasamy	Ardiansyah
ST-2	23 – 27 March 2017	M. Rinaldi (Lead Auditor), Octo HPN Nainggolan, Mahmus Firdaus, Dwi Haryati		

Assessment	Approved by MUTUAGUNG LESTARI on
ST-2	03 April 2018

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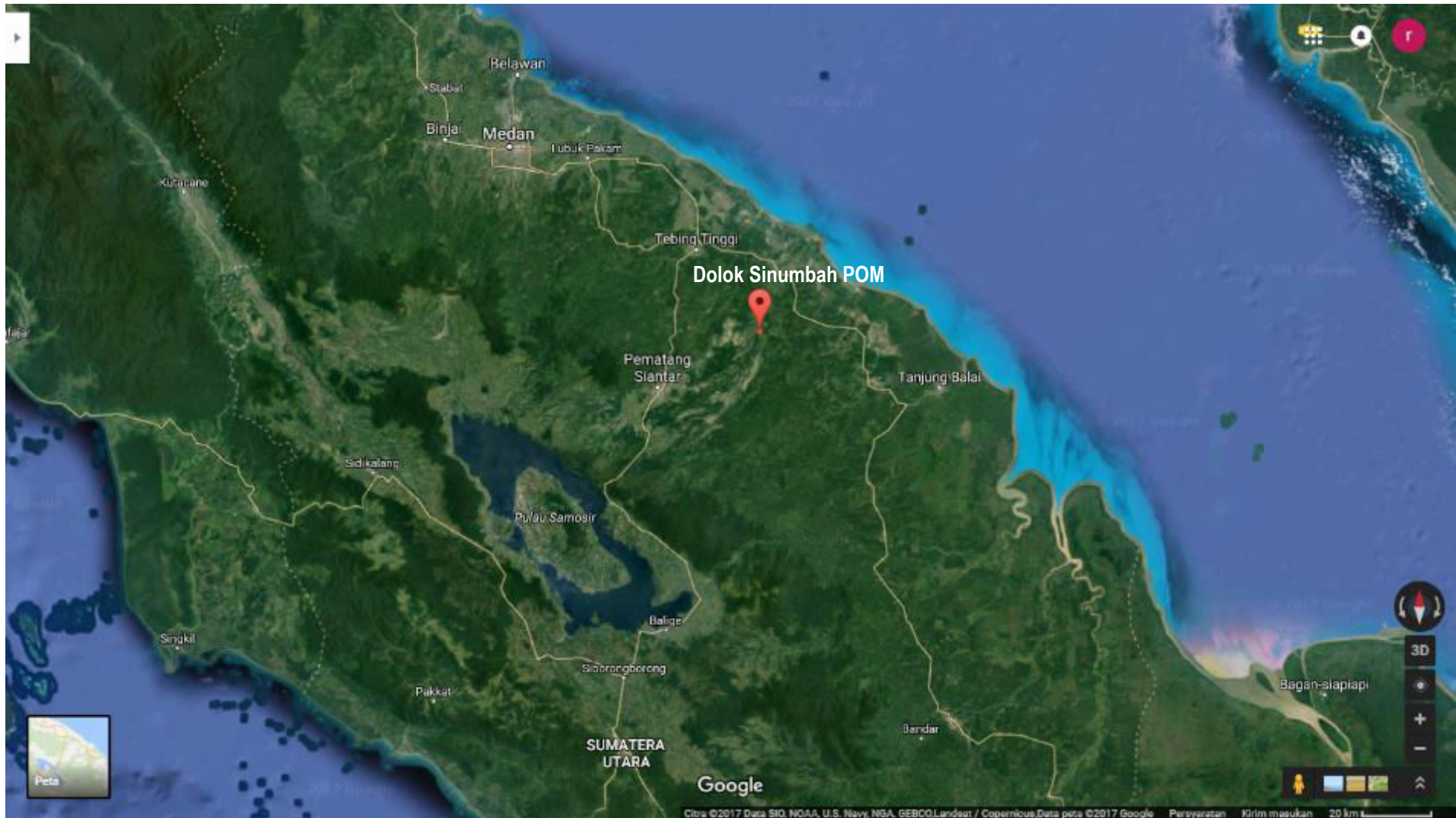
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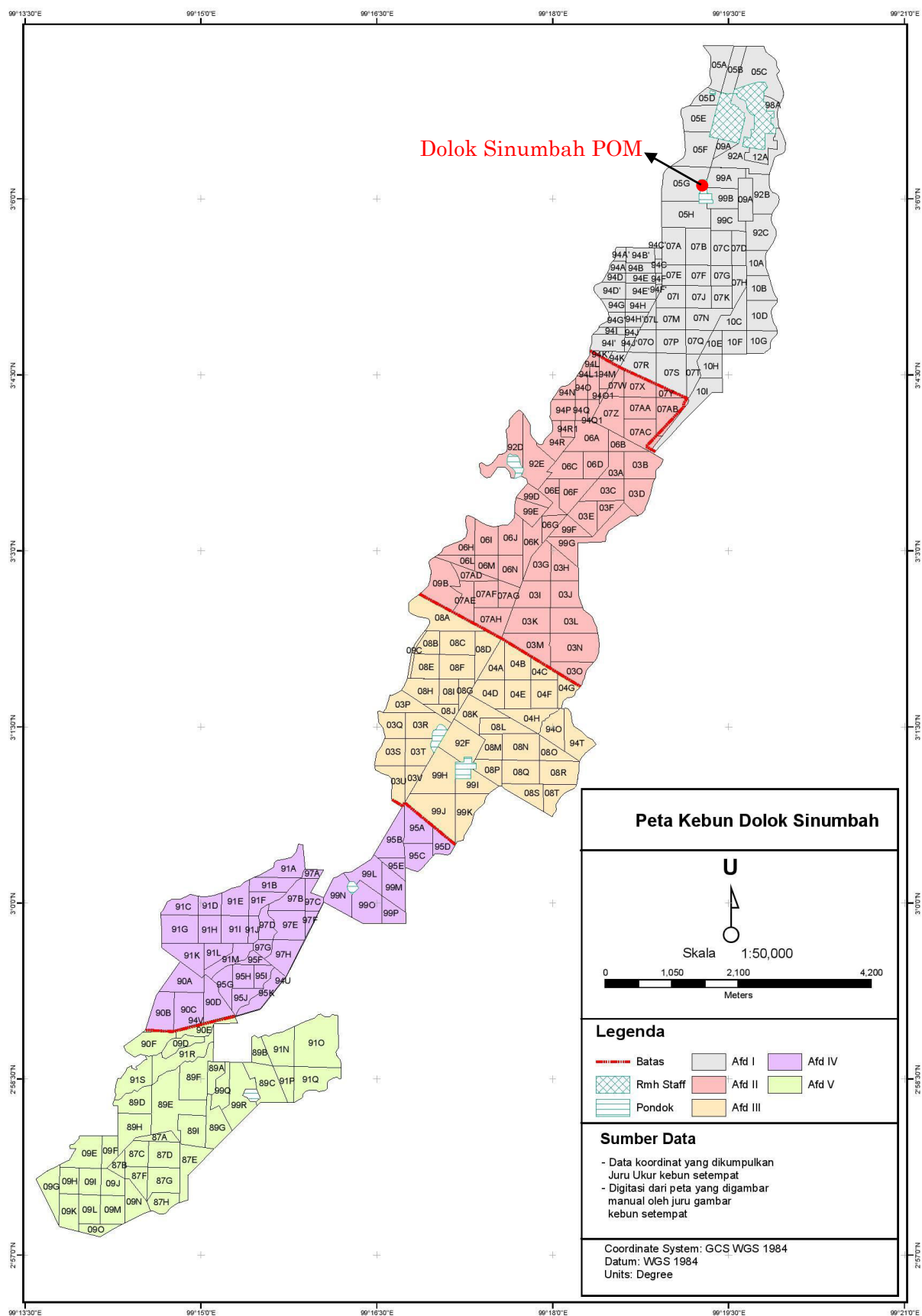
Figure 1. Location Map of Dolok Sinumbah POM



SPO – 4006a.7 (August 2016)

Prepared by Mutuagung Lestari for **Dolok Sinumbah POM – PT. Perkebunan Nusantara IV**

Figure 2. Operational Map of Dolok Sinumbah Estate



Abbreviations Used

ASA	:	Annual Surveillance Assesment
BOD	:	Biological Oxygen Demand
BPJS	:	Worker Social Insurance Agency
COC	:	Conduct of Conduct
CPO	:	Crude Palm Oil
CSR	:	Corporate Social Responsibility
EFB	:	Empty Fruit Bunch
FFB	:	Fresh Fruit Bunch
GHG	:	Green House Gass
HCV	:	High Conservation Value
HGU	:	<i>Hak Guna Usaha</i> (Land Use Permit)
HIRARC	:	Hazard Identification Risk Assessment and Risk Control
IPM	:	Intergrated Pest Management
ISPO	:	Indonesian Sustainable Palm Oil
IUP	:	<i>Izin Usaha Perkebunan</i> (Plantation Business Permit)
LPUP	:	<i>Laporan Perkembangan Usaha Perkebunan</i> (Plantation Business Report)
MSDS	:	Material Safety Data Sheet
NGO	:	Non Government Organization
OER	:	Oil Extraction Rate
OHS	:	Occupational Health and Safety
P2K3	:	OHS Committee
PKO	:	Palm Kernel Oil
POM	:	Palm Oil Mill
POME	:	Palm Oil Mill Effluent
PPE	:	Personal Protection Equipment
PPKS	:	<i>Pusat Penelitian Kelapa Sawit</i> (Palm Oil Research Centre)
PTPN	:	<i>Perseroan Terbatas Perkebunan Nusantara</i>
RJP	:	<i>Rencana Jangka Panjang</i> (Long-Term Bussiness Plan)
RKL/RPL	:	<i>Rencana Kelola Lingkungan/ Rencana Pemantauan Lingkungan</i> (Environmental Management and Monitoring Plan)
SIA	:	Social Impact Assessment
SOP	:	Standard Operational Procedures
Walhi	:	<i>Wahana Lingkungan Hidup</i>
WTP	:	Water Treatment Plant
WWF	:	World Wide Fund
WWTP	:	Waste Water Treatment Plant

1.0	SCOPE of the CERTIFICATION ASSESSMENT		
1.1	Assessment Standard Used	<ul style="list-style-type: none"> • <i>RSPO Principles and Criteria (P&C) for for the Production of Sustainable Palm, National Interpretation Principles and Criteria RSPO 2013 for Indonesia (July 2016).</i> • <i>RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Module D / E for CPO Mill)</i> 	
1.2	Organisation Information		
1.2.1	Organisation name listed in the certificate	PT Perkebunan Nusantara IV	
1.2.2	Contact person	Ade Reza	
1.2.3	Organisation address and site address	Head Office: Jln Letjen Suprpto No.2, 20151, Medan, Sumatera Utara, Indonesia Representative offices submission of applications : Village of Dolok Sinumbah, Sub District of Hutabayu Raja, District of Simalungun, Province Sumatera Utara, Indonesia.	
1.2.4	Telephone	(62-61) 415 4666	
1.2.5	Fax	(62-61) 457 3117	
1.2.6	E-mail	perencanaan@ptpn4.co.id	
1.2.7	Web page address	www.ptpn4.co.id	
1.2.8	Management Representative who completed the application for certification	Khayamuddin Panjaitan	
1.2.9	Registered as RSPO member	1-0082-09-000-00 29 June 2009	
1.3	Type of Assessment		
1.3.1	Scope of Assessment and Number of Management Unit	Palm Oil Mill and supply base Dolok Sinumbah Mill ; Dolok Sinumbah Estate	
1.3.2	Type of certificate	Single	
1.4	Locations of Mill and Plantation		
1.4.1	Location of Mill		
	Name of Mill	Location	Coordinate
			Latitude Longitude
	Dolok Sinumbah POM	Village of Dolok Sinumbah, Sub District of Hutabayu Raja, District of Simalungun, Province Sumatera Utara	3° 6' 42" N 99° 19' 46" E

1.4.2	Location of Certification Scope of Supply Base			
	Name of Supply Base	Location	Coordinate	
			Latitude	Longitude
	Dolok Sinumbah Estate	Village of Dolok Sinumbah, Sub District of Hutabayu Raja, District of Simalungun, Province of Sumatera Utara	3° 6' 46" N	99° 19' 46" E
1.5	Description of Area Statement			
1.5.1	Tenure			
	• State		6,332.97	Ha
	• Community			Ha
1.5.2	Area Statement			
	• Total area		4,159.57	Ha
	• Mature area		2,853.00	Ha
	• Immature area		904.00	Ha
	• Reserve Area		114.00	Ha
	• Emplacement, Division Office		182.71	Ha
	• Experiment Area of PPKS		1.00	Ha
	• Infrasructure (Road and drainage)		102.00	Ha
	• Cemetery		2.86	Ha
	• HCV (has include on planting area and emplacement area)		331.09	Ha
*Area of 2,173.40 Ha is used by Bah Jambi Estate (subsidiary of PTPN IV)				
1.6	Planting Year and Cycles			
1.6.1	Age profile of planting year			
	Planting Year	Hectarage (Ha)		
		Dolok Sinumbah	Total	
	1994	227	227	
	1995	140	140	
	1997	76	76	
	1998	18	18	
	1999	317	317	
	2003	402	402	
	2004	130	130	
	2005	163	163	
	2006	207	207	
	2007	499	499	
	2008	317	317	
	2009	204	204	
	2010	143	143	
	2012	10	10	

	2015	100	100
	2016	804	804
	TOTAL	3,757	3,757
1.6.2	New Planting area after January 2010	-	Ha
1.6.3	Planting Cycle	2 nd Cycle	
1.7	Description of Mill and Supply Base		
1.7.1	Description of Mill		
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)
			CPO
			Out put (tonnes)
			Extraction (%)
			Palm Kernel
			Out put (tonnes)
			Extraction (%)
	Dolok Sinumbah Mill	30	143,830.08
			33,659.99
			23.40
			5,512.56
			3.83
	*Source Production Data on March 2016 – February 2017		
1.7.2	Description of Certification Scope of Supply Base		
	Name of Estate	Total Area (Ha)	Planted Area (Ha)
			FFB (tonnes/year)
			Yield (tonnes/ha/year)
			Supplied to Mill
			FFB (tonnes/year)
			%
	Dolok Sinumbah Estate	4,159.57	3,757.00
			65,836.68
			22.71
			65,461.41
			99.43
	TOTAL	4,159.57	3,757.00
			65,836.68
			22.71
			65,461.41
			99.43
	*Source Production Data on March 2016 – February 2017		
1.7.3	FFB description from other source		
	Name of sources/Organisation (RSPO certified / non-certified)	Type of Organisation	Number of smallholders
			Production Area (Ha)
			Supplied to Mill
			FFB (tonnes/year)
	PT,HAL (Non Certified)	Independent	-
			-
			2,026.62
	UD,PARIAMA JAYA (Non Certified)	Independent	-
			-
			3,522.06
	UD,VENNY JAYA(Non Certified)	Independent	-
			-
			2,180.72
	CV,PUTRA MANDIRI (Non Certified)	Independent	-
			-
			33.68
	UD,GINTAR (Non Certified)	Independent	-
			-
			354.21
	UD.MAS (Non Certified)	Independent	-
			-
			5.01
	Baimbingan (Non Certified)	Subsidiary of PTPN IV	-
			3,062
			49,966.91
	Marjandi (Non Certified)	Subsidiary of PTPN IV	-
			1,802
			3,052.59
	Tonduhan (Non Certified)	Subsidiary of PTPN IV	-
			2,118
			10,557.94
	Marihat (Non Certified)	Subsidiary of PTPN IV	-
			3,970
			4,398.66

	Bah Birong Uu (Non Certified)	Subsidiary of PTPN IV	-	2,194	2,371.87			
	TOTAL				78,470.27			
*Source Production Data on March 2016 – February 2017								
1.7.4	Product categories			FFB, CPO, PK				
1.8	Estimate Tonnage of Certified Product							
1.8.1	Past Annual Claim Certified Product		Previous Certificate Claim to (tonnes/year)	Actual certified product to (tonnes/year)				
	• FFB Production							
	• CPO Production							
	• Palm Kernel (PK) Production							
	*Will be verify in the survailance assesement							
1.8.2	Product selling							
	Tonnage of selling product		Actual selling product period					
	CSPO		-					
	CSPK		-					
	CPO under other scheme trading (e.g ISCC, RFS)		-					
	CPO under conventional trading (if any)		-					
	PK under other scheme		-					
	PK under conventional trading (if any)		-					
	*Will be verify in the survailance assesement							
1.8.3	Estimate of Certified FFB Claim							
	Name of Estate(s)	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)			
	Dolok Sinumbah Estate	4,159.57	3,757.00	69,128	23.85			
	TOTAL	4,159.57	3,757.00	69,128	23.85			
	*Projected FFB production for 12 months of certificate							
1.8.4	Estimate of Certified Palm Product Claim							
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO Out put (tonnes)	Extraction (%)	Palm Kernel Out put (tonnes)	Extraction (%)	Supply Chain Module
	Dolok Sinumbah Mill	30	69,128	16,590	24	2,765	4	MB
	*Projected CSPO and CSPK production for 12 months of certificate							
1.9	Other Certifications							
	ISO 9001:2008		Certificate No.16 00 J 14189 Issued by TUV Nord Validity of certificate from 26 September 2014 until 25 September 2017					
	ISO 14001: 2004		Certificate No.08 04 J 14063 Issued by TUV Nord Validity of certificate from 26 September 2014 until 25 September 2017					
	OHSAS 18001:2007		-					

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

			Meranti Paham	2019	Labuhan Batu Utara, Sumatera Utara	-
			Panai Jaya	2019	Labuhan Batu Utara, Sumatera Utara	-
	Sosa	2019	Sosa	2019	Padang Lawas, Sumatera Utara	-
	PT Agro Sinergi Nusantara	2020	PT Agro Sinergi Nusantara	2020	Aceh Barat, Aceh	-
	PT Sinergi Perkebunan Nusantara	2020	PT Sinergi Perkebunan Nusantara	2020	Morowali Utara, Sulawesi	-
1.10.2	Progress of Associated Smallholders and Outgrowers for Certifiable Standard					
	PTPN IV- Dolok Sinumbah POM does not have scheme smallholders.					

2.0	ASSESSMENT PROCESS
2.1	Assessment Team
ST-2	<p>1. M. Rinaldi (Lead Auditor Witnessed). Indonesian citizen, Diploma of Oil Palm Plantation. He has experience 4 years working as Assistant Agronomy since 2009. He has attended training RSPO Lead Auditor, training of Auditor ISPO, training of Lead Auditor ISO 9001-2008, training of ISO 14000, training of HCV identification, training of OHS management system, training of potential and conflict resolution. Experienced in auditing in relevant scheme (ISPO) since 2014 with the aspects of land legality, environmental, social, occupational health and safety, Best Management Practices, Conservation and worker welfare. At this activity he assess aspect of Legal, social, conservation, Worker Welfare and SCCS.</p> <p>2. Octo HPN Nainggolan (Lead Auditor Witnessing). 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 witnessing lead auditor.</p> <p>3. Mahmud Firdaus (Auditor). Diploma in Supervisor Food Quality Assurance and Bachelor on Management at Bogor Agricultural University. He is experienced in the field of Quality Assurance (QA) and personnel competence (auditor center) with the last position for each field is the coordinator. The types of training that have been followed are training of ISPO lead auditors, ISO 14001: 2004, RSPO Awareness, GHG training, ISO 9001: 2008, ISO 17021 & ISO 17065 training, Palm Oil Production training, Peat Management training, HACCP and food safety management system. During this assessment he was observed and audit on Planning, GHG, waste management and environment</p> <p>4. Dwi Haryati (Auditor Trainee). Indonesian citizens. Bachelor of Agriculture Department of Agriculture – Program study : Agronomy. She has experienced on Palm Oil Plantation as Sustainability staff. Training have been followed include: Training Auditor ISPO, Quality Management ISO 9001-2008, ISO 14001 Environmental Management, ISO 17021 & 17065, HCV, General Health Safety Expert, Health Safety Management System, Workshop GHG by the ISPO Commission, IHT Palm Oil Mill Processing, Awareness RSPO, IHT Best Practice in Peat Management, Mapping Potential and Conflict Resolution in Production Forest. RSPO audit experience since March 2015 and ISPO since May 2014. During this assessment he was observed and audit on Transparency, best management practices and Occupational Health and Safety.</p>
2.2	Assessment Methodology, Assessment Process and Locations of Assessment
2.2.1	Figure of person days to implement assessment
ST-2	<p>Number of auditors : 3 auditor</p> <p>Number of days for ST-2 at site : 4 days</p> <p>Number of working days for ST-2 at site : 12 Working days</p>
2.2.2	Assessment Process
ST-2	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the Dolok Sinumbah Mill subsidiary of PTPN IV to the requirements of Indonesian National Interpretation of RSPO Principles and Criteria, July 2013 (endorsed by the RSPO Board of Governors meeting on 30th September 2016) and RSPO Supply Chain Certification Standard for Organizations Seeking or Holding Certification Adopted by The RSPO Board or Governors on November 21st 2014 (Module E for CPO Mill).</p> <p>The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) <i>interview</i>, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site.</p>

Some opportunities for improvement of the results ST-2 delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (ASA-1). All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of ST-2.

The assessment program please find Appendix 2

2.2.3 Locations of Assessment

ST-2	<p>Number of units in this certification activity are two estates, which supply the raw material (FFB) to one palm oil mill. In conducting the assessment, the team of auditors used the $0.8\sqrt{y}$ formula to determine the management units sampling to be focused on and also considered the issues raised by stakeholder. Based on this formula, the team of auditors determined that the sampling locations are one palm oil mill (Dolok Sinumbah POM) and one estates (Dolok Sinumbah Estate)</p>
	<p>Dolok Sinumbah Mill</p> <ol style="list-style-type: none"> Weighbridge Station. Observation and interview with the worker about supply chain procedure. Loading Ramp Station. Observation and interview with sortation personnel related to personnel understanding over sortation procedure, the implementation of sortation, fruit criteria, and fruit separation with ripeness and rawness criteria. Transfer carriage and process station. Observation and interviews about safe working practices, PPE, process machine. Sterilizer Station. Interview about safety work implementation, PPE's and work accident. Boiler Station. Auditor was interview boiler operator, boiler man has license. Company was provide PPE's every year. Fibers and shell is used as fuel to reduce fossil fuel consumption and maximize renewable energy. Engine Room. Auditor was observe engine room condition, all operator was using PPE's, fire extinguisher that known it was no monitoring form Hydrant simulation. There was no available good pipe and nozzle (not standby condition), water pressure was can't rech higher point. WWTP. Observation of the condition of wastewater management. Composting Area. Observation and interview related to management of EFB. Water Treatment Plan. Observation and interview with operator about OHS implementation, management of hazardous waste Workshop. Observation and interviews with employees related to management of hazardous waste and hazardous material, training, provision of PPE, training, emergency response facilities Hazardous waste warehouse. Observations related the process of temporary storage before being sent to the third party, building condition, emergency response equipment, symbol and label of hazardous waste. <p>Dolok Sinumbah Estate</p> <ol style="list-style-type: none"> Afdeling I blok 2007 P (Interview with Pesticide Applicators). Auditee 1 supervisor, and 4 Pesticide Applicators. To observe applicators knowledge on safe spraying technique, pesticide handling, pesticide mixing, dosage, type of pesticides and its target, area that prohibited to be sprayed, extra fooding and personal protection equipment (PPE), first aid box, insurance, regular medical checkup, training, Policy related to pregnant and breastfeeding women workers to do the work spray, The foreman was no brought the first aid box to the field Afdeling I blok 2007 C. (Harvesting activity). Observation and interview about harvesting techniques, criteria of ripe fruits, PPE, first aid bag, mechanism of information request, insurance, delivery of complaints and grievances, regular medical checkup, training given, rules of worker union and gender committee as well as to crosscheck employee status and wages. Afdeling I (Interview with Census/Global Telling Worker). Auditee: 1 census worker. To observe worker knowledge on sampling technique, identification of pest and disease attack, time of census, economic threshold, technique of pesticide application, PPE used towards company standard and training given. Housing Afdeling I. Field observations the facilities and infrastructure provided for employee welfare, environmental hygiene and sanitation. Block 92A (016A) Afdeling I (Land Application). To observe flatbed and POME condition.

	<p>18. Block 16A Afdeling I (Replanting). To observe replanting activity which carried out by contractor.</p> <p>19. Afdeling I block 1994C (Interview with Census/Global Telling Worker). Auditee: 1 census worker. To observe worker knowledge on sampling technique, identification of pest and disease attack, time of census, economic threshold, technique of pesticide application, PPE used towards company standard and training given, conservation area, the existence of protected flora and fauna, mechanism of information request, delivery of complaints and grievances, insurance, rules of worker union as well as to crosscheck employee status and wages.</p> <p>20. Pesticide Warehouse. Observation about type of pesticide used, implementation of OHS, implementation of hazardous material management.</p> <p>21. Fertilizer Warehouse. Observation about storage of fertilizer, implementation of OHS, implementation of hazardous material management.</p> <p>22. Oil & Fuel Storage. Observation about implementation of OHS, implementation of hazardous material management.</p> <p>23. Clinic. Observation and interview with doctor and paramedic of the company about accident records, handling of infectious waste.</p> <p>24. Division II Block 92D. Observation legal boundary conditions No. 01 & No. 11 and observation of riparian</p> <p>25. Division II Block 09B. Observation about areal in outside of land use tittle</p> <p>26. Division II Block 06L. Observation about legal boundary, however the boundary pole was not found</p> <p>27. Division II Block 94M/ 94K. Observation about disputed areas</p> <p>28. Division I Block 98 A. Observation about HCV area in the form of water springs.</p>
2.3	Stakeholder Consultation and Stakeholders Contacted
2.3.1	Summary of stakeholder consultation process.
ST-2	<p>Summary of stakeholder consultation process</p> <p>Consultation of stakeholders for Dolok Sinumbah POM subsidiary of PTPN IV was held by:</p> <ol style="list-style-type: none"> 1. Public announcement on the MUTU website (www.mutucertification.com) and RSPO website (www.rspo.org) at February 16th 2017. 2. Stakeholder consultations with NGOs have been conducted by sending questionnaires via email to several NGOs (WWF, Walhi, Sawit Watch) on March 16th 2017. 3. Public consultation meeting with internal stakeholders (worker union, committee gender, local contractor and local communities) by interviews at 23 February 2017. 4. Stakeholder consultations with government have been conducted by interview to several governments in Simalungun District on February 23th 2017. <p>Numbers of input from stakeholders were clarified by Dolok Sinumbah POM subsidiary of PTPN IV</p>
2.3.2	Stakeholder contacted
	Please find appendix 1
2.4	Determining Next Assessment
	The next visit (ASA-1) will be determined 9-12 months after certified issued.

3.0. ASSESSMENT FINDINGS

3.1. Summary of Assessment Report of the RSPO Certification

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

During the assessment, there were twenty one (21) Nonconformities were assigned against Major Compliance Indicators ; fourteen (14) nonconformities were assigned against Minor Compliance Indicators; and one (1) nonconformances against supply chain requirement for CPO mill and six (6) opportunities for improvement were identified.

Further explanation of the non-conformities raised and corrective actions taken by the company are provided in section 3.5. The company has already prepared and implemented the corrective actions that had been reviewed and accepted by Auditors in form of documentation evidences e.g. (document record/photographic/etc...). Those corrective actions taken that consist of twenty one (21) Major non-conformities and four (4) Minor non-conformities against P&C RSPO and one (1) against supply chain requirement for CPO mill had been closed out shall be verified during next assessment.

MUTUAGUNG LESTARI found that Dolok Sinumbah POM – PT Perkebunan Nusantara IV complied with the requirements of RSPO Principles & Criteria and National Interpretation, RSPO Principles and Criteria (P&C) for Sustainable Palm Oil Production, Republic of Indonesia - RSPO INA-NIWG, May 2008.

Therefore MUTUAGUNG LESTARI Recommends RSPO Certification of compliance is Issued

Ref Std.	VERIFICATION RESULT of MUTU-Certification	
PRINCIPLE #1 COMMITMENT TO TRANSPARENCY		
1.1	Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.	
1.1.1	<p>Business unit has a list of stakeholder that consist of local government, Government agencies, local NGO, public, media, and business non governmental. Any requests for information from the public are recorded in the estate office personnel. Company has the SOP No.60 Information Request and Responses effective date on August 1, 2012.</p> <p>Based on interview with stakeholder, they have aware the type of information through direct communication, email or telephone. Procedures for accessing the information contained in Requests for information and responses no. 60 date August,01 2012.</p> <p>The company appointed Assistant of Human Resources and General of the operational unit to respond any requests for information from stakeholders.</p>	
1.1.2	<p>Business Unit shows incoming and outgoing mail documents that describe the activities of communication with the surrounding community. For example, a letter dated 30 September 2016 No. B.133/BPS/12093/09/2016 from Statistical Center Agency of Simalungun District about Plantation Company Survey third quarter of 2016. The letter contains a list of Entry to survey Plantation Corporation third quarter of 2016. The letter has been responded on 29 November 2016 by the Head of Administration and Assistant Human Resources & Public.</p> <p>However Business unit has procedures (SOP Communication and Consultation with the Community) to provide constructive feedback to the stakeholders but not yet include establishing a time frame in response to requests for information. Nonconformity No.2017.01 with Major category</p>	

1.1.2	Status: Nonconformity No.2017.01 with Major category	
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	<p>The company has a document that can be accessed by the public, which are listed in the SPO Policy on January, 2 2015. It has classified the types of information that can be accessed by stakeholders. The documents are company's general information such as vision and mission, productivity, CSR, etc which can promote the image of the company. While the documents which are confidential such as management reports, work order letter and other confidential letters are not publicly accessible. Based on interviews with the estate office staff, other data related to the environment, FFB price information, Human Rights Policy and Code of Conduct Including documents accessible to the public can also be accessed by relevant stakeholders when there are requests for information to the Management Unit.</p>	
	Status: Comply	
1.3	Growers and millers commit to ethical conduct in all business operations and transactions.	
1.3.1	<p>The company has policy containing a commitment to integrity and ethical behavior code are contained in the Code of Conduct (COC) written in 2013. In chapter V describes the Prohibition For Business People. This chapter contains the code of conduct with respect to conflict of interest, Corruption, Collusion & Nepotism and bribery, political activities, drugs and gambling, and misconduct which are prohibited for the business people. Every person is prohibited to conduct corruption, collusion, nepotism and bribery (Gratuities).</p> <p>The COC has been socialized to employees on December 28, 2016. The COC also communicated through posters and giving pocket book to employees.</p> <p>However there is not enough evidence that the policy has been communicated to the contractor. Nonconformity No.2017.02 with Minor Category.</p>	
1.3.1	Status: Nonconformity No.2017.02 with Minor Category	
PRINCIPLE #2 COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS		
2.1	There is compliance with all applicable local, national and ratified international laws and regulations.	
2.1.1	<p>Legality</p> <ul style="list-style-type: none"> The Business Unit has had a land use title as evidence of tenure. This is in conformance with Government Regulation No. 40 of 1996. The Business Unit has Plantation Business Permit as evidence of land utilization. This is in conformance with the Regulation of the Minister of Agriculture No. 98 of 2013. <p>Occupational, Health and Safety aspect</p> <p>The Management Unit is able to present the operator license, such as the ones of the following names;</p> <ul style="list-style-type: none"> First Class Boiler Operator, Registration No. 4072-OPK3-PUBT-B.1/V/2013, valid to May,3 2018. Hoisting Crane Operator, Registration No. 2524/OPK3/PAA-OC/VII/2015 valid to July,3 2020. Welder, Certificate No. 37/W2/BLKI/2003 dated 17 to 21 March 2003. The Company already has an OHS Committee organizational structure, there is a fire fighting structure and has conducted fire emergency training / simulation activities on November 21, 2016. This has been in accordance with Labor Ministerial Decree No. 186 of 1999. <p>Evidence on compliance with applicable national laws in plantation aspect :</p> <ul style="list-style-type: none"> Use of license pesticide allowed by the government : <p>The company had pesticide document allowed based on pesticide book issued by agriculture and forestry of Indonesia Government such as Paratop 276 SL (parakuat diklorida), Marshal 5 G (Karbosulfan 5%), Gempur 480 SL (Isoprofil amina glifosat 480g/l), Amcothene 75 SP (Asefat 75,05%), Petrokum 0,005, Ally 20 WG (Metil metsulfuron 20%), Phostene97 WG (Asefat 97%), Decis 25 EC (Deltametrin 25g/l), dan Orthene SP (Asefat 75%).</p>	

- Certified palm oil seed.

The company do not conducting palm oil nursery. The seeds use by the company for replanting activity does have license from the ministry of agriculture. Example :

- Seeds from Kelapa Sawit dari Pusat Peneilitian Kelapa Sawit (PPKS), Medan No. 2017/KKS/Puslit/XI/2012, No. DO.03711/MED/KS/XI/2012 date 10 November 2012 amount of 5.861 pieces. Type of seeds are D x P.
- Seeds from PT. Socfin Indonesia (Socfindo) No.48122/2012, date 25 June 2012 amount of 25.000 pieces. Type of seeds are D x P.

There are several non-compliance with regulatory such as : **Nonconformance No.2017.03 with major category.**

1. The laws No. 13 of 2003 on Section 50 relating to Employment:
 - a. Based on field visits on the block 99A afdeling I and interview with worker that conduct harvesting (take lost fruits) but no formal working ties.
 - b. Based on an interview with Labor Union (SP-Bun), explained that there are still families who helped work on the harvesting.
 - c. Based on an interview with the Labor Agency, explained that everyone who works should have a working ties.
2. Regulation of Labour Ministerial No. 19 Year 2012 on condition the delivery of some work to other companies:
 - a. Organization of the Indonesian Palm Oil Association (GAPKI) explained that the harvest work is the main occupation.
 - b. Based on the document review of work order contractors recapitulation, there is a harvest activities undertaken by third parties (CV. Hizkia Jaya).
3. Plantation Business Permit (IUP) states that the licensee must report the development of the plantation business every quarter, semester and yearly. However, the company has not been able to show evidence of the plantation business reporting.
4. Permit of extension of the utilization palm oil industrial wastewater No.188.45 SK/3436/LINGHUP-2015. However, the Management Unit has not been able to provide evidence of reporting to the Governor of North Sumatra and the Minister of Environment and Forestry on:
 - a. Results the quantity and quality of waste water monitoring every 3 months.
 - b. The results of the groundwater quality monitoring every 6 months
 - c. Results of soil quality monitoring once a year
5. Regulation of Labour Ministerial No. 02 of 1982 on the welder qualification. Based on the field visit at the transfer carriage, there is worker who conducting welding activities but workers have not been trained in accordance with the regulations.

2.1.2 ; 2.1.3

The business unit has list of regulation that contained in regulatory compliance evaluation report period in 2016 and 2017. There is personnel that appointed to update and evaluate compliance of regulation which contained in Manager Letter no. DOS/Kpts/.../2017 dated 27 February 2017.

Business Unit has a regulatory compliance evaluation report period in 2017, however the business unit has not been able to show the mechanism/procedure for evaluating compliance with laws or regulations. **Nonconformity no. 2017.04 with minor category.**

2.1.4

Based on document verification, there is a noncompliance consist of:

1. Business Unit has not been able to show a mechanism or methodology adjustments in case of changes in laws and regulations in accordance with the operational needs of the business unit.
2. Based on the verification of the list of regulations in 2017, it is known that the Business Unit has not been updating the regulations, such as regulations on the management of hazardous waste and minimum wage..

Nonconformity no. 2017.05 with minor category.

2.1.1	Status: Nonconformity no. 2017.03 with Major Category	
2.1.3	Status: Nonconformity no. 2017.04 with Minor Category	
2.1.4	Status: Nonconformity no. 2017.05 with Minor Category	

2.2

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

2.2.1

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

- Land tenure document indicated by the Decree of the Head of National Land Agency (BPN) 44/HGU/BPN/2003 dated August 8, 2003 related to Extension Period of Granting the Land Use Title located in Simalungun, North Sumatra Province which explains about granting of extension of the term of the concession for 25 years until December 31, 2026 covering an area of 6,332.97 Ha
- The land concession document written in Plantation Business Permit (IUP) with Simalungun Regent Decree number 188.45/2769/K-PPT/2012 dated August 8, 2012 about Plantation Business Permit for PT. Perkebunan Nusantara IV-Dolok Sinumbah Business Unit by granting the area of concession with covering an area of 6,332.97 Ha in accordance with National Land Agency Decree No. 44/HGU/BPN/2003 with a Mill capacity of 30 tons/hour

The history of land ownership stated in the Law of the Republic of Indonesia Number 86 year 1958 dated December 27, 1958 on Nationalization of Dutch-owned company where the Dolok Sinumbah PTPN IV plantation is part of the area.

The company shows area statement document explained that the use of the operational area of Dolok Sinumbah plantation is 4,211.90 hectares. There are areas that get into the management of the business unit Bah Jambi, which is part of the land use title area of Dolok Sinumbah around 2,173.40 Ha. Based on interviews with National Land Agency and Plantation Agency of Simalungun District, explained that the land use title and Plantation Permit may be used by other business units because it is still in one entity of PT. Perkebunan Nusantara 4.

There is a mismatch on this indicator, among others: **Non-conformity no. 2017.06 with Major category**

1. Based on Area Statement data of Dolok Sinumbah (4,211.90 ha) and data of used area by Bah Jambi Estate (2,173.40 ha), total area of operational use is 6,385.3 Ha while HGU Dolok Sinumbah is 6,332.97 hectares. So it is known that there are 52.33 hectares are outside the concession. By decree of the land use title, it is known that an area of 52.33 hectares have been excluded from the scope of the land use title because the area is an area of public facilities. The company could not show evidence that the area of land use has been adapted to land tenure permit.
2. There is an area of 35.94 Ha operating areas that do not have the permission tenure and land utilization. It evidenced through:
 - Based on the Land use title Decree No.44/HGU/BPN/2003, it is known to have an area of 35.94 hectares (based Parcel Map Number. 09.26.2000 was in letter F area) that are outside the land use title and are not included in the extension of the land use title area.
 - Based on field visits in the area (Block 09B) and production data in January and February 2017, it is known that the area is managed by the company.
 - Based on the document of Plantation Business Permit (IUP) with Simalungun Regent Decree number 188.45/2769/K-PPT/2012 dated August 8, 2012, it is known the Plantation Business Permit just covering area in according to National Land Agency decree No. 44/HGU/BPN/2003.

2.2.2

The company owns boundaries pole that describes the position markers per section however it has not yet to be demonstrated that the poles were installed in accordance with a license/concession. **Non-conformity no. 2017.07 with Minor category.**

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

The Company shows Boundaries Pole Screening Program Semester II on 2016 which describes the number of poles, condition of pole and coordinate of pole. Based on these documents, there are 217 boundary poles with 12 poles in damaged condition and 31 poles missing and has been fixed on November 5, 2016 a total of 12 poles. In addition the company shows the program to fix the poles are planned in April and November 2017.

Based on the field visit in block 06L and 92D, it is known that there is a non- conformance of installed poles, among others:

Nonconformity No. 2017.07 with Minor category.

- On the block 92D there is a pole with No. BPN 11 but in the pole examination documents, there is no pole with the number.
- The absence of boundary pole in the field on block 06L while in the boundaries pole examination documents explain there are 3 boundary poles in the block 6L.

2.2.3

Based on interviews with village heads of Dolok Sinumbah and community leaders of Pematang Kerasaan Rejo, described there is a land disputes with communities of Puulo Sarana and Kampung Tempel.

Disputes that occurs is done through legal actions by the plaintiff. Company can shows documents of the process of dispute resolution, among others:

1. Dispute on the land area of 143 ha located in the Puulo Sarana Communities, Bahal Batu Village, Hutaayu King Sub-District, Simalungun (MADANI Farmers Group) who have taken the legal action. Based on the judges of the Supreme Court Decision No. 250 K/TUN/2006 dated February 19, 2008 rejected the appeal of the applicant's appeal.
2. Dispute area of ± 243 Ha located in Kampung Tempel, Pematang Kerasaan Rejo Village, Bandar Sub-District, Simalungun District by Kampung Tempel Farmers Group. Company documents show the settlement process with the final process which letter of the Secretary of the Supreme Court (No. 331/PAN/HK.06/IV/2005 dated March 25, 2015) to the Director of Human Resources and General PTPN IV explained that the verdict issued in accordance with decision number 04/PK/TUN/2014 can be reviewed. But until now the results of a review of the Supreme Court can not be shown and will be observed further in the next assessment. The company is encouraged to ensure the results back from the land dispute resolution with the community of Kampung Tempel. **OFI No.1**

2.2.4

Based on interview with the leader of Tempel village and a field visit on the dispute areas. Block 94L and 94M, its known that conflict is not significant. The case already done with legal action and there are not any act that distrub the activities in the dispute areas.

2.2.5

The company has show location map to dispute area, however the company cannot be shown that the map was made in a participatory manner with affected parties. **non-conformace No 2017.08 with Minor category.**

2.2.6

There are code of conduct of the company which explained that the company is not use violance in keeping the peace and orderliness. Based on the result of interview with leader of Dolok Sinumbah village & Pematang Kerasaan Rejo village and field observation there are not any indication of use of confrontation and intimidation by company to resolve a land dispute.

2.2.1 Status: Nonconformity No 2017.06 with Major Category

2.2.2 Status: Nonconformity No 2017.07 with Minor Category

2.2.5 Status: Nonconformity No 2017.08 with Minor Category

2.3

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

2.3.1, 2.3.2, 2.3.3 & 2.3.4

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

Based on the interview with leader of Dolok Sinumbah, leader of Pematang Kerasaan Rejo and document review of Land

Use Title & Indonesian Laws No 86 on 1958, that explained the company's area come from the area of the dutch-owned company. For dispute areas in the form claims by local communities have been resolved with the involvement of government. (verified 2.2.3)

Status: Comply

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

3.1

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

3.1.1

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

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

3.1.2

Replanting activity has shown on RJP document, the replanting activity are for 2016-2022 period. Programs for replanting are as follow :

1. For 2016 : 824 Ha.
2. For 2017 : -
3. For 2018 : 227 Ha
4. For 2019 : 140 Ha
5. For 2020 : -
6. For 2021 : 97 Ha
7. For 2022 : 19 Ha

The progress for replanting activity has been documented on RJP document. The company show records on RKAP 2017 that there is replanting activity on 2016 is 824 Ha. Work Program for replanting is describe in RKAP document. In every year, this document will be evaluate and reported by manager unit to head office PTPN IV in forms of management report (LMKS 9).

Status: Comply

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

The company has have plantation and palm oil mills standard operating procedures (SOP) in basic guidance and working instruction PTPN IV that has approved by main director in June 2013. The company has identified procedures from nursery, crop, FFB transport, until SOP for FFB processing. The procedures has available in each department and for master document has been placed in Pusat pengendali dokumen (PPD) or Document control central (DCC) department. All SOP made in appropriate language (Indonesian) and easy to understand by all employee.

All SOP has been distribute to all department on 22 January 2014 by PPD personnel such as to head of assistance (ASKA), head of plantation (KDTP), administration (ADMIE), and human resources (HR). All SOP has relevant with the operations in estate nor mill.

Based on interview with harvester on Block 2007 C/D, they are all able to describe the harvest activity in accordance with the SOP such as frond stacking technique and FFB ripeness criteria based on loose fruit parameter on the palm circle, as well as PPE that compulsory to be used such as helmet, google, boots and sickle/chisel covers.

4.1.2 & 4.1.3

The company had masterlist document which list all updated operating procedures. In monitored revision, the company refer to Document control procedures (PML/MR/01 revised no. 01 dated 6 August 2010). Its procedures are based on implementation of ISO 9001. The company also had corrective action procedures (PML/MR/04 revised no. 01 dated 6 August 2010) and preventive action procedures (PML/MR/05 revised no. 01 dated 6 August 2010) signed by management representative.

Based on interview with management representative known that mechanism to control all implementation of SOP are based on internal audit activity which is conduct 2 times in a year. The personnel conducting internal audit are "Satuan pengendali internal (SPI) / Internal Control Team (ICT)". Based on the document review during the stage-2 audit, the company cannot show the document or mechanism mentioned internal audit activity conducted 2 times in a year and audited by *Satuan pengendali Internal (SPI)*. **Nonconformity no 2017.09 with Minor Category**

The company showed "daftar ikhtisar hasil pemeriksaan dan saran/ rekomendasi September 2016 – February 2017 " document. The document are summary of finding internal audit activity conducted by SPI, signed on 15 march 2017. There was several nonconformity raise by internal auditor, the findings are related to operations and management activity. Records for internal audit findings are available in each department and the objectives evidence made according to corrective and preventive actions. All evidences submitted to SPI for being verify.

4.1.4

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

There are five contractors which has a fixed partnership agreement in supplying FFB to Dolok Sinumbah palm oil factory, there are; UD Anastesia, UD Pariama Jaya D., UD. Gintar, PT. Hot Abadi Lestari dan UD Venny Jaya.

Documentation for total FFB origin from contractor recorded on book of third party FFB that explain supplier of FFB which is recorded each day. For example on Febuary 2017 there are supply from UD Parimana Jaya as much as 304.56 tons; PT. Hot Abadi Lestari as much as 68.16 tons; UD Gintar as much as 46.99 tons.

4.1.2 Status: Nonconformity no. 2017.09 with Minor Category

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

Procedure of soil fertility management was presented in Manajemen Pemupukan (No A.10) procedures. Its procedures approved by main director on June 2013 that mentioned steps for maintaining soil fertility through fertilizer to enrich the soil.

There was also *Pemanfaatan limbah pabrik kelapa sawit* procedures (No SPO-17 dated 2 january 2015). The document describe the waste of palm oil mill for EFB application, POME application, fiber, shell and solid application.

Based on the document and records, the implementation of SOP has made by administration and verified by plantation manager on monthly basis. The company had record of implementation of the SOP, such as :

1. POME application for 2016 to afdeling 1 block 16A/B are 21,455 ton
2. EFB application in Afdeling 1 :

Planting Year	Block No.	Hectarage	Total (Kg)	
			Plan	Implementation
2010	I	19	760,000	759,330
2010	H	14	560,000	561,000
2010	F	16	640,000	638,800
2010	D	16	640,000	640,000
2010	E	9	-	397,230
2016	A	9	360,000	351,880

2016	B	23	920,000	430,460
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4.2.2

Company had recommendation of fertilizer document for 2016 made by *Pusat Penelitian Kelapa Sawit* (PPKS) on December 2015. The document informed about nutrient status, type and specification of fertilizer, dossages, instruction of fertilizer application, times and frequency of fertilizer application, and effort to increase fertilizer efectivity. The company showed record of fertilizer application based on recommendation for 2015-2016 period as follow :

No.	Name of Fertilizer	2015			2016		
		Total of Fertilizer (kg)	FFB production (kg)	Total of Fertilizer / FFB (kg)	Total of Fertilizer (kg)	FFB production (kg)	Total of Fertilizer / FFB (kg)
1	Dolomite	1,124,348.25	82,498,070	0,014	904,703	64,107,490	0,014
2	NPK 14.8.25 +1 TE		82,498,070	-	1,452,545	64,107,490	0,023
3	Urea	1,156,032.77	82,498,070	0,014			
4	TSP		82,498,070	-			
5	MOP		82,498,070	-			
6	RP		82,498,070	-			
7	Kalphos	1,629,482.75	82,498,070	0,020			
Total		3,909,863.77	82,498,070	0,047	2,357,248	64,107,490	0,037

4.2.3

The company had available procedures for management of fertilizer (No A.10 dated 01 January 2013) which is include working instructions of soil and leaf analysis. Based on the procedures, analysis for soil conducted in every 1-5 years and analysis for leaf conducted is in annual basis along with visual surveillance.

Soil analysis conducted in 2014 on laboratory testing of PPKS Medan and leaf analysis conducted in 15-24 June 2016 along with leaf sampling unit (LSU) by PPKS.

Summary result on soil analysis are :

1. pH, Ntotal, Corganic, P, KTK, K, Ca and Mg, in medium level
2. Cu in low (trace) level

Result on leaf analysis, example as follow :

Afdeling	Ha	Amount of plant	LSU
I	716	99,108	18
II	769	105,513	19
III	676	90,333	19
IV	150	17,891	6
V	220	29,853	13
Total	2,531	342,698	75

Based on recommendation of fertilizer document 2016, identified that methodology conducted by PPKS to made fertilizer recommendation are based on (1) soil, leaf and LSU analysis (2) fertilizer usage in 2013-2016 (3) previous 5 year production (4) result of field inspection

4.2.4

The company had SOP pemanfaatan limbah pabrik kelapa sawit (No SPO-17, dated on 2 January 2015) that mentioned implementation of nutrient recycling through EFB and POME application. Fiber and shell recycling as fuel for boiler. There was SOP for replanting (SPO-02.0 dated June 2013) mentioned methodology in replanting activity by chipping. Palm residues gathered in one place to esily organize the replanting activity.

The recycling nutrient strategy record in the company as follow (example) :

1. Plan and application of EFB. Based on EFB application known that in 2016 period there was 10,190,430 kg. application in afdeling 1 as follow :

Planting year	Block No	Ha	Total (Kg)	
			Plan	Application
2010	I	19	760000	759330
2010	H	14	560000	561000
2010	F	16	640000	638800
2010	D	16	640000	640000
2010	E	9	-	397230
2016	A	9	360000	351880
2016	B	23	920000	430460
Total			3,880,000	3,778,700

2. Composting. Application of composting in afdeling 1 on January 2017 are 143,320 kg
3. POME Application. In 2016 there was data on production of palm oil amount of 139,160 ton and POME produce amount of 83,496 ton. From POME production, 62,041 ton has distribute to composting activity and 21,455 ton use for land application.
4. Recycling plant residue in replanting area on 2016 in afdeling 1 (31 Ha) conducted in chipping.

Based on field observation at Block 16A Afdeling I, it was observed that the company has implement the EFB and POME application. The other recycling activity also land cover crop (*Muccuna bracteata*) was planted on replanting area. There was also plant residue on chipping activity in that area.

Status: Comply

4.3

Practices minimize and control erosion and degradation of soils.

4.3.1

The company had HCV identification document conducted in 2011 by third party organization (Citra cendekia). Based on the document there are available maps of fragile soil scale 1:35,000 which identified that soil type in the company areal are Alluvial, Brown Podsolik, red yellow Podsolik, and Latosol. Type of soil in the areal are not in fragile and marginal soil category.

4.3.2

The company had Replanting procedures (SPO-02.0 dated june 2013) that mentioned for slope area will be made terracing or individual terrace based on slope level. Another activity conducted of slope management by the company are LCC planted. Based on slope maps scale 1:35,000 identify that slope in afdeling I – V are 2-8% (flat), there is no areal above 40° (limit of slope permitted for palm oil planting).

4.3.3

The company had road maintenance program in document of plan and application of road maintenance on annual basis. It was observed that the company had records as follow :

Afdeling	Collection road		Production road	
	Plan (Ha)	Application (Ha)	Plan (Ha)	Application (Ha)
1	127,188	122,427	73,324	54,993
2	2,680	2,680	117,232	117,232
3	116,276	116,276	46,700	46,700
4	38,380	38,380	27,588	27,588
5	2,760	2,760	1,200	1,200
Total	287,284	28,2523	266,044	247,713

Based on the table above, the conclusion are the company had implement the road maintenance based on the annual programs. During field observation, it could be concluded that road condition in Dolok Sinumbah Estate were generally

satisfactory, well maintained and able to be passed easily.

4.3.4 & 4.3.5

Based on the document there are available maps of fragile soil scale 1:35,000 which identified that soil type in the company are Alluvial, Brown Podsolik, red yellow Podsolik, and Latosol. Type of soil in the areal are not in peat category.

4.3.6

The company had HCV identification document conducted in 2011 by third party organization (Citra cendekia). Based on the document there are available maps of fragile soil scale 1:35,000 which identified that soil type in the company areal are Alluvial, Brown Podsolik, red yellow Podsolik, and Latosol. Type of soil in the areal are not in fragile and marginal soil category.

There was SOP "pemanfaatan limbah pabrik kelapa sawit" (SPO-17 dated 2 January 2015), mentioned that strategy for improvement of soil structure, increase water content and organism content in areal with EFB application, composting, and POME application.

Status: Comply

4.4

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

4.4.1 ; 4.4.2

The company has identified river and water source in its operational area and mapped it. The identification is recorded in company's HCV identification document. The identified river are Bahbolon river, Bah Kasindir river, Bah Mancok river, water spring in afdeling I and afdeling III (two location in afdeling III). Business unit has monitored water usage every months. It is described in the document Hunjuk Kerja Dolok Sinumbah, which shows that the average water consumption for processing TBS period January-December 2016 amounted to 1.53 m³ / tonne of FFB with standard usage budget by an average of 2 m³ / tonne. For the period January-February 2017, water consumption for processing TBS of 1.36 m³ / tonne.

In addition, the company has conducted surface water monitoring conducted by Sucofindo Laboratory on August 10, 2016 to water quality upstream and downstream of Bah Tongguran river with quality as follows:

Parameter	Unit	Upstream of Bah Tongguran river	Downstream of Bah Tongguran river	Quality standards*
pH		6,79	6,65	6-9
BOD 5 hari 20 'C	mg/l	1,1	1,4	3
COD (K ₂ Cr ₂ O ₇)	mg/l	16,09	18,61	25
DO	mg/l	7,45	7,42	Min 4

*Government Regulation NO.82 YEAR 2001, CLASS II

Based on the document, it is known that all parameter still below the quality standard in accordance with Government Regulation No.82 on 2001, Class II

Based on field visit of water spring in blok 98 A afdeling I, it is known that maintenance done by put on a plank of HCV and managed by giving tanks and roofs to prevent dirt and dust.

Business Unit has showed HCV monitoring reports including riparian area that contains the location, plank condition, the purpose of monitoring, reviewing method. However, in these documents have not contained the monitoring indicators, monitoring results and actual conditions of HCV based on the results of monitoring that conducted regularly.

Nonconformity no. 2017.10 with Major category.

4.4.3.

The company has licenses related to the utilization of wastewater contained in the extension of industrial wastewater utilization permit on the land in the palm oil plantation of PTPN IV Dolok sinumbah in accordance with decree letter of Simalungun Regent no. 188.45 / 3436 / LINGHUP-2015 dated October 23, 2015 and is valid for up to 5 years. Based on initial permit of utilization of wastewater no. 188.45 / 263 / LINGHUP-2010, that the permitted Land Application location is block 92 and block 99 Afdeling 1. The company has wastewater treatment plant for mill process effluent treatment before discharge to land application area. The company conducted monthly effluent laboratory test. During the period of July to December 2016, the BOD nd

pH of the effluent are complied with the regulation (BOD<5000 mg/l and pH 6-9). The treated effluent sent to permitted land application..

Based on field visit in block 16 A afdeling 1 (formerly block 92 afdeling 1- naming block based on planting year), it is known that the company has implemented POME in accordance with the permit.

4.4.4

Water usage records documented in the document Hunjuk Kerja Dolok Sinumbah. Average of water consumption for processing is 1,53 m³/ton FFB from budget 2 m³ water/ ton FFB. All the evidence provided and field visit lead the auditor to conclude that the company has had well water management program and has been implemented with periodic monitoring. The business unit is encouraged to ensure the management of Surface Water Utilization Permit. **OFl.2**

4.4.2 Status: Nonconformity no. 2017.10 with Major Category

4.5

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

4.5.1

Based on SOP "pengendalian hama dan penyakit tanaman" (No A.08 dated June 2013), the company had identify the potential pest are bagworm, rat and *Oryctes*. The company had early warning systems by conducted census (global telling /effective telling) periodically (weekly basis).

Census conducted in 2016, identified that there are record of pest attack for nettle caterpillar amount of 770 attack, bagworm amount of 1,000 attack. The company had record of implementation in pest management as follow :

1. Bagworm and nettle caterpillar Global telling and controlling activity (December 2016)
 - a. Afdeling I. no attack
 - b. Afdeling II. Planting year 1999 - 2003. Census areal = 63 Ha. Attack areal = 63 Ha.

Global telling		EffectiveTelling		Corrective action					
date	average attack (larva / frond)	date	average attack (larva / frond)	date	amount (ha)	amount of plant	chemical	dossages (kg.lt/Ha plant)	amount (ltr)
5/12	4.2	6/12	9.2	11/12	18	1,807	decis	300 cc/Ha	5,4
5/12	4.1	6/12	8.1	10/12	10	1,366	decis	300 cc/Ha	3
5/12	4.5	6/12	10.1	10/12	22	2,843	decis	300 cc/Ha	6,6
6/12	4.7	6/12	10.4	11/12	13	1,706	decis	300 cc/Ha	3,9

Based on the table above, there are usage of pesticides to control the bagworm and nettle caterpillar. Pesticides use because the result of effective telling are above minimum threshold. The minimum threshold for bagworm and nettle caterpillar defined by the company in effective telling are > 5 larvae per frond. For controlling the leaf-eat caterpillar, the company planting the beneficial plant (*Turnera subulata*), this known when the field visit at Block 92D there is a beneficial plant of *Turnera subulata* that planting on the edge of the block.

2. *Oryctes*.
There are available data for controlling oryctes such as :
 - a. Afdeling II, block 16F in February 2017. Hectarage areal about 135 Ha. Pesticide use 97.53 L.
 - b. Afdeling I, block 16A/B January 2017. Hectarage areal about 284 Ha. Pesticide use 21.30 L.

4.5.2

Training on integrated pest management already conducted to personnel who involved in the pest management. There

are example records for training in pest management on 6 -8 april 2015 to 3 personnel.

Based on field observation afdeling I block 1994C and interviews with census worker known that the worker has attend the training. The worker also explained the sampling technique for census, identification of pest and disease, economic threshold, etc. The census worker explanation are comply with the SOP for integrated pest management.

Status: Comply

4.6

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

4.6.1

Pesticides (herbicides, insecticides) used has been ascertained in accordance with the target weeds and pests. The company carries out control weeds in path and circle. Example of the pesticides and targeted species are :

No	Merck	Active ingredients	Targeted pest and weed
1	Ally 20 WG	Metil metsulfuron 20%	Broad leaf weeds
2	Relly 20 WG	Metil metsulfuron 20%	Broad leaf weeds
3	Push up	Iso propil amine gliposat 300 g/l	Broad leaf weeds
4	Marshal %G	Karbosulfan 5%	horn beetle / <i>Oryctes</i>
5	Decis 2,5 EC	Deltametrin 25 g/l	Fire caterpillar
6	Naichi	Deltametrin 25 g/l	Fire caterpillar
7	Capture 100 EC	Sipermetrin 100 g/l	Bagworm
8	Starane 200 EC	Floroksipir 200 g/l	Broad leaf weeds
9	Phostene	Asefat 97%	Bagworm
10	Manuver	Dimehipo 6%	Bagworm
11	Percis	Deltametrin 35 g/l	fire caterpillar

Pesticides use by the company has registered in accordance with "Buku Komisi Pestisida 2016".

4.6.2

The company has documented the pesticide in the document "laporan penggunaan pestisida tahunan" that informs pesticides, the active ingredient, the amount of pesticide use per year, Lethal Doses 50 active ingredients, extensive application to the amount of active ingredient per hectare.

4.6.3 & 4.6.4

Company has IPM and pesticide reduction plan in SPO procedure of Control of Pest and Disease (No document: Unit.Usaha.A.08 June 2013). The SOP explained that the pesticide used based on the census result and the controlling of pest and disease can use biological control, for example the leaf-eating caterpillars can be controlled by planting beneficial plant such as *Turnera subulata*.

Based on the field visit to the pesticide warehouse, it is known that the company still has pesticides with the type of paraquat and brodifacum which belongs to WHO 1A type. Based on document of pesticide use period 2014-2016, it is known that pesticide with brodifacum type is not used and use of paraquat in 2015 are 627.4 litre and in 2016 are 202.7 litre. This is shown that the company has decreased the use of paraquat. There are policy from head of plantation dated on 4 august 2006 to minimize usage of paraquat. The business unit is encouraged to have a list of pesticides that directly refer to the WHO 1A & 1B list. **OFI No.3**

Based on document verification, it is known that there were use of pesticides for pest / disease. It can be seen from document of Daily Work report afdeling I and II from January to February, 2017 and documents of the use of pesticides in 2014-2016. Based on these documents, there were use of chemicals for pest control of horn beetle (*Oryctes*) in the form of marshall in the immature area for example block 16F and 16B. However, the business unit has not been able to show evidence of having conducted census horn beetle pest in the immature area which become the basic of the use / application of chemicals in accordance with the procedures to control pests and diseases of business unit (Doc No. A.08).

This issue on indicator 4.6.3 raise as nonconformity no. 2017.11 with Major category.

4.6.5

The Company has procedures for handling hazardous chemicals in SOP No. 03/04/12 dated 23 April 2013. Pesticide operator has been trained on 23-29th November 2016 at the business unit Bah Jambi-PTPN IV. Based on field visit in block 2007 P, spray workers already use respirator mask in accordance with MSDS. Obtained information that the mixing of pesticide carried out in premixed area on warehouse. The pesticides that will be applied is already mixed. Based on document review, the pesticide inventory record is equal to the availability of pesticides in the storage warehouse during the auditor's field visit.

However, based on interviews with spray workers in the block 07P afdeling I and document review of training, it is known that there are three workers who have not received training in pesticide application. **Nonconformity No.2017.12 with Major category.**

The company has been providing PPE for pesticide applicators. However based on field observation that known some non conformities, such as: **Nonconformity No.2017.12 with Major category.**

1. Based on the field visit in the block 07P afdeling I, there are three workers not wearing gloves and two workers wearing cloth gloves. This is not in accordance with the pesticide MSDS that should use gloves for chemicals.
2. Based on the field at the warehouse of chemicals, it is known that the MSDS are available at warehouse but not in a language easily understood (Indonesia).

4.6.6

Business unit has a procedure of Handling Hazardous Materials document no: 04/03/12 Revision 00 dated April 23, 2013, which contains the identification of materials, installation of signs warning of danger, the provision of MSDS, packaging hazardous materials, handling in accordance with health and safety, hazardous waste handling.

Based on field visit at chemical warehouse, it is known that the storage of chemicals / pesticides not in accordance with the procedures document no. 4.3.12 and Ministerial Regulation No. 3 year 1986, for example, there is no symbol/hazard warning, ventilation, hazard detection tool. **Nonconformity no. 2017.13 with Major category.**

4.6.7

The application of pesticide in the field has been following the method, which will minimize the negative risk. Including the direction to choose pesticide, to store pesticide, to use pesticide, such as the chosen pesticide formula should be based on the justification of pesticide use. The company has provide the special facilities for spray worker to clean up after work and for storage the PPE and working equipment (such as apron, mask, etc.)

4.6.8

Pesticides has not applied from the air, but with knapsack sprayer

4.6.9.

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

4.6.10

Pesticide waste disposal SOP contained in the document of Policies and Standard Operating Procedures RSPO and ISPO Sinumbah Dolok business unit, document no. SPO No. 02, effective date of January 2, 2015. Based on field visit at chemical storage and interview with storage officer, it is kown that ex container of pesticides/chemicals are stored in Hazardous waste storage. Based on field visit in hazardous waste storage and interview with storage officer, ex container of pesticides/chemicals whichis stored in Hazardous waste storage will be delivered to licensed collectors. Business unit showed record/documentation of hazardous waste shipment to the licensed collector in form of manifest and minutes of shipment hazardous waste on December 15, 2016.

4.6.11

The company have a regularly program medical check up for pesticide operator. Dolok Sinumbah afdeling I and II has a

list of the latest pesticide operator as many as 11 workers. This semester, the regularly medical check up was conducted on March, 6 2017, however not all workers have conducted a medical examination, for example Division I only conducted examination to 2 pesticide operators from 5 workers.. **Non conformity 2017.14 with Major category.**

Based on the interview with sprayer in Afdeling I blok 2007, there are information obtained that the worker had not indicate of skin disease and itches.

4.6.12

The management unit has a policy to preventing pregnant and breast feeding women from pesticide handling. This policy has been socialized by circular letter No.DOS/SE.Int/16/II/2015 dated January 2015. According to interview with spraying team in Block 2007P afdeling I that known all spraying team with average age over 40 years, where a small chance to pregnant. Pregnancy test has conduct every month to all women workers.

4.6.3	Status: Nonconformity no. 2017.11 with Major Category	Open
4.6.5	Status: Nonconformity No.2017.12 with Major Category	
4.6.6	Status: Nonconformity No.2017.13 with Major Category	
4.6.11	Status: Nonconformity No.2017.14 with Major Category	

4.7

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

4.7.1

OHS policy of PTPN IV Dolok Sinambuh business units was authorized by unit Manager on 24 October 2014, which is the company's commitment in the implementation of OHS on the operational activities of the POM and Estate. This policy available on Bahasa easily understood by all workers and contractors.

4.7.2

Procedures of OHS Risk Management (No. Doc 4.2.1, 1 July 2015) was approved by the Chairman of OHS Guiding Committee. This document explains how, assessment, hazard identification and control. However there are noncompliance consist of: **Non Conformity 2017.15 with Major category.**

- The procedure is not clear that the risk precautions for the use of PPE is based on the product label/MSDS of materials. For example:
 - For fertilizers warehouse activities, PPE at HIRAC arranged in the form of shoes, gloves, helmet. This is not in accordance with the MSDS Dolomite which requires the use of a dust mask.
 - For spraying activities used helmet, gloves, shoes. While on the MSDS requires the use of safety goggles, chemical resistant gloves, long-sleeved clothing, pants, shoes with socks, and a respirator.
- Based on the field, there is a risk of conditions, among others:
 - Field visit in the mill, there is a rotating machine in WTP, EFB conveyor machine and pump wastewater that are not covered by a safety cover
 - At the diesel fuel storage tank there is a domestic waste burning activities.
 - In the area of Hositing Crane, there are employees who bring cars and motorcycles entered the factory area
 - On the block 99A Afdeling I, there is a burning midrib former activity.
 - At the sterilizer station there is a cable dynamo open.
 - In the Blow Down areas, there is a electricity panel has not been covered.

4.7.3

The Company provides safe working practices to workers involved in the operations. The management unit showed evidence of safety training such as for boiler operator, welder and electrician. The management unit shows an example of PPE through spending records in the form of a helmet, safety shoes, cloth gloves, dust mask / chemical, welding goggles on February 1 to 3, 2017. If there is any failure to the PPE will be replaced according to the availability in the warehouse.

The management unit has conducted safe work training through safety briefing every morning before work. Based on interviews with workers in the engine room, workers are always monitored in the use of PPE to reduce noise levels in the workplace. Based on the document review, monitoring and measurement activities of noise levels are done periodically every semester.

Based on the field, there are workers who do not use PPE according to risk identification, among others: **Non Conformity**

2017.16 with Major category

1. Based on the field visit in fertilizer warehouse, workers who work loading of fertilizer not use PPE according to HIRAC and MSDS. Only two workers use boots.
2. Based on field observation at the transfer carriage station, there is welding activities but the workers only using PPE in the form of sneakers (unsafety shoes) and face protectors. This is not in accordance with HIRARC (should use PPE such as safety shoes, gloves, dust masks, goggles).
3. In the loading ramp area, loading workers are not using PPE.
4. Hoisting Crane operator not use safety shoes and only use slippers.

4.7.4

Guiding Committee of Occupational Safety and Health of PTPN IV Dolok Sinumbah business unit is an organization that is responsible for the implementation of OHS on the operational activities of POM and Estate. Guiding Committee of OHS conduct a meeting every month to discuss OHS problems, for example, a meeting in February, 7 2017 with the agenda of risk management. In addition, Guiding Committee of OHS has reported the activities of guiding committee of OHS on a quarterly basis to Manpower Agency of Simalungun District.

4.7.5

Procedures of OHS Emergency Management (No. Doc 4.3.16, second revision effective date April, 23 2013), this procedure provide guidance on the steps of handling emergencies quickly and accurately to reduce the impact of any losses. Management unit shows emergency response training documentation that was held on November 2015. Emergency response training is in the form of how to use the fire extinguisher and hydrant, controlling earthquakes and natural disasters, first aid training, riot control, handling splattered and spilled hazardous material, land fire.

Non-Conformity 2017.17 with Minor category

- Business unit has shown document of monitoring first aid box where located in the building, but has not shown monitoring for first aid bags which held by field supervisor.
- Based on field visit in the oil warehouse, it is known that the fire extinguisher is not pressurized. This is not in accordance with the result of workplace inspection stating that the extinguisher is still in good condition.

4.7.6

All workers had been given medical treatment that was covered by accident insurance. The management unit shows evidence of payment of Labour Assurance (BPJS-TK) dues with the details permanent workers as many as 481 workers.

4.7.7

The entire of work accident that has been recorded and monitored by the company, the note is submitted in document of work accident report. Based on Guiding committee of occupational safety and health reports fourth quarter, there is a recording of occupational accidents than in October-December 2016 to inform how many days of work lost. Over the past 12 months, there were 7 accidents that included minor injuries to 33 days lost.

4.7.2	Status: Non Conformity 2017.15 with Major category.	
4.7.3	Status: Non Conformity 2017.16 with Major category	
4.7.5	Status: Non Conformity 2017.17 with Minor category	

4.8

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

4.8.1 & 4.8.2

The company had training programs based on analysis of training needs for each employee. The training needs analyze in annually and sent to Human resources head office PTPN IV. Based on training schedule 2016, there are programs for training as follow :

1. Training on ISO 9001 and 14001
2. Best practice agrochemical application & safety use training
3. Welder training
4. Palm oil mill Mandore and assistant mandore
5. Electrician health and safety training
6. Olidoss application
7. Mentoring / coaching

8. "systems mobile computer carcodd leanuer" training
9. Technical audit systems based on 19011:2011
10. Limited and dangered Pesticides training

Based on the training programs, the programs did not cover training for P&C RSPO and RSPO SCCS in mills. **This is nonconformity No 2017.18 with Major Category.**

The company had training record for each worker in 2016,as example :

1. Internal audit technic based on ISO 19011:2011. Date of training on 21-22 Nopember 2016. Attendee: Fahmi Yulizar, Triono, Lili Siswandi.
2. Refresh & welder training. Date of training on 10 February 2016. Attendee: M. Pardon
3. "Systems mobile computer barcode scanner". Dated of training on 3 November 2016. attendee: parlindungan Purba
4. Best practice agrochemical application & safety use training. Date of training on 22 February 2016. Attende: Jhon Aslim Sinaga, Jaga Sembiring, Indra RA Sinohaji,
5. Mentoring / Coaching. Date of training on 26-28 September 2016. Attendee: Yuna Damanik.
6. Palm oil mill Mandore and assistant mandore. Dated of training on 17-19 May 2016. attenddee: suratno; Khoerun

The company has able to show documentation for training such as training attendance list, training presentation, photos of training. All training records are maintained in each estates.

4.8.1 Status: nonconformity No 2017.18 with Major Category

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 company has had an environmental impact assessment documents include:

- Terms of Reference (KA-SEL) approved on 8 July 1992 with no. 503/BJ/VII/92 (source of RKL-RPL).
- Environmental Evaluation Study which was approved on January 13, 1993 with no. RC.220 / 59 / B / I / 1993. (Source of RKL-RPL).
- In addition, the company also has RKL-RPL conducted in 2004 that has been adapted to the Response Letter No. 432/Bpdl.2004 on 29 December 2004 by the Regional Environmental Agency of Simalungun Regency, business unit located in the village of Dolok Sinumbah, sub district of Huta Bayu, Simalungun regency, Sumatra utara. Operational areal extents of oil palm plantations is 3,919 ha and a pal oil mill capacity is 40 tonnes FFB / hour.

Based on document verification of Environmental documents RKL-RPL that conducted in 2004, however:

- Business unit have not been able to show Environmental Evaluation Studies document that is the initial environmental impact assessment document.
- In the document RKL-RPL 2004, it is known that area of the environmental impact assessment is 3.919 ha, this is not in accordance with area managed 4.211.89 ha.

Nonconformity no. 2017.19 with Major Category

5.1.2 ; 5.1.3

Business unit has documen RKL-RPL (Management and Monitoring Environment Plan) year 2004. In that document has been explained about the types of impact, impact sources, benchmark impact, environmental management objectives, management involved, location of management, management period and intitutions which is managed. In the management plan explained that PIC is plantation and palm oil mill unit, while the supervisor was related agencies. Relating to the implementation of environmental management and monitoring have been included in the document RKL-RPL semester I of 2016 and has been delivered to environmental agency on August 2016. The business unit is encourage to ensure the report of RKL-RPL semester II year 2016. **OFI No 5.1.3**

There is noncompliance in indikator 5.1.3, consist of:

1. Based on the results of document verification of report of RKL-RPL monitoring results, it is known that there are still environmental parameters have not been monitored, managed and evaluated by the business unit, for example, the source of the impact of aquatic biota (parameter being monitored in the form of diversity index and uniformity of aquatic biota (plankton and benthos) were performed every 6 months).
2. Business Unit has reported RKL-RPL implementation semester I of 2016 to the relevant agencies. However, it has not provided sufficient evidence that the preparation of the Report of the RKL-RPL in accordance with Minister regulation no. 45 of 2005 on Implementation Guidelines for Preparation of RKL-RPL.

Nonconformity no. 2017.20 with Minor Category

5.1.1	Status: Nonconformity no. 2017.19 with Major category	
5.1.3	Status: Nonconformity no. 2017.20 with Minor category	

5.2

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

5.2.1

The company has identified HCV and RTE species on 2011. The identification was done by Citra Cendekia which is lead assessor is registered as RSPO approved assessor. The result was reviewed by Lingkar Komunitas Sawit (LINKS). Publik consultation has been done October, 3 2011 attended by 80 people from goverment agency, workers and communities arroud the operational. The identified HCV area are HCV 1.1; HCV 4.1 and HCV 6.Total of the business unit-managed HCV area is 331.09 Ha consist of HCV 1&4 in the form of riparian of water springs and river with total area of 328 Ha and HCV 6 in the form of graveyard with total area is 3.09 Ha

5.2.2

Some protected flora and fauna identified based on PP 7 of 1999 are Burung Tengkek/Raja Udang (*Halcyon pileata*), Burung Kacer (*Enicurus velatus*), Burung Elang Bondol (*Haliastur indus*), Burung Elang (*Spilornis cheelabido*), Musang (*Paradoxurus hermaphroditus*), Trenggiling (*Manis javanica*), Macan akar (*felis bengaliensis*), Berang-berang, and Kayu Raja/Tualang (*kompassia excelsa*). Based on field visit in block 92 D and pioneer planting realization data, it is known that the management unit has installed a spray-prohibited plank and has planted pioneer crops by 2015.

Business Unit has shown document of Management Plan and Realization of HCV in 2016. However, has not provided sufficient evidence that the management plan of HCV in accordance with the management recommendations in the document Identification of HCV and can not be shown evidence that the management plan by planting trees in the area of the water spring has been done. **Nonconformity no. 2017.21 with Major category.**

5.2.3

Business unit has Circular Letter on January, 9 2017 about policies or rules regarding the protection of animals and plants are endangered and protected. The circular Letter explained that:

- Not allowed to capture, maintain, sell traded animals / endangered species, and protected.
- Not allowed to spoil, cutting rare and protected trees

Business unit has showed documentation of HCV sozialization. For example, socialization on January 10, 2017 attended by 19 participants. Based on interview with workers, they known about a ban on hunting or capturing protected animals

Business Unit has a Circular Letter regarding the protection of animals and plants are endangered and protected. However, in the Circular Letter has not explained about the sanctions to the worker if it is proven capture, hurt, collect or kill species listed in the Rare Threaten Endangered categories. **Nonconformity no. 2017.22 with Minor category.**

5.2.4

Based on the field in block 98 A (water spring), business unit has made efforts to protect species of rare species or threatened, for example;

1. Marking of areas that have been identified as an area of high conservation value.
2. Installation of Sign Board for the prohibition of hunting, cutting down trees.

3. Socialization ban spray activities in the area adjacent to the HCV.

Business Unit showed a document of monitoring HCV area. However, it has not provided sufficient evidence that monitoring of HCV and RTE species is done periodically in accordance with the recommendations monitoring in the document of HCV Reports and its evaluation. **Nonconformity no. 2017.23 with minor category.**

5.2.5

All of HCV area is in the concession area and does not overlapping with community rights.

5.2.2 Status: Nonconformity no. 2017.21 with Major Category

5.2.3 Status: Nonconformity no. 2017.22 with Minor Category

5.2.4 Status: Nonconformity no. 2017.23 with Minor Category

5.3

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

5.3.1

Business unit has identify source of waste and pollution from estate and mill. For example, ex-container of chemical, used lubricating oil, hazardous waste from estate and POM activities, emission from operational machine, emission from transportation FFB, POME etc.

5.3.2

Business unit has hazardous waste storage permit no. 188.45/855/Sekrt-2016. Based on field visit at chemical storage and interview with storage officer, it is kown that ex container of pesticides/chemicals are stored in Hazardous waste storage. Based on field visit in hazardous waste storage and interview with storage officer, ex container of pesticides/chemicals whichis stored in Hazardous waste storage will be dilivered to licensed collectors. Business unit showed record/documentation of hazardous waste shipment to the licensed collector in form of manifest and minutes of shipment hazardous waste on December 15, 2016.

Based on verification document and field visit, there is noncomplaine consist of: **Nonconformity no. 2017.24 with Major category.**

1. Business Unit has not been able to show Labor Agreement with the licensed collector / transporter of hazardous waste.
2. Based on the results of field visits in the warehouse of chemicals and oil warehouse, there are ex container stored not on the licensed area (hazardous waste storage). It is not in accordance with SOP document no. SPO 02, no. Revisions: 02 effective date on January 2, 2015 which states that ex containers of chemicals collected in the hazardous waste storage.
3. Based on the results of field visits in hazardous waste storage, it is known that the unit has not been updating recording hazardous waste that produced. For example,
 - There is a used lamp that has not been recorded in the hazardous waste logbook.
 - The number of used batteries is not accordance with the hazardous waste logbook.

5.3.3.

Business unit has a document of waste management and disposal management, as contained in:

- SOP Disposal of Remaining hazardous waste, agrochemical and chemical containers and equipment wash water contained in the policies and Standard Operating Procedures RSPO and ISPO Dolok Sinumbah document no. SPO 02, no. Revisions: 02 effective date on January 2, 2015.
- Standard Operating Procedures waste management air pollution contained in the SPO no. 14 effective date on January 2, 2015 revision 00.
- Standard Operating Procedures Palm Oil Waste Utilization Plant with the date of SPO 17, the effective date on January 2, 2017 revision 00.
- Domestic waste management procedures SPO No. 20 January 2, 2015.

Business unit has taken an efforts to reduce emission and pollution. The effort taken by the business unit are:

- Business unit showed documents of use of waste water monitoring as results of palm oil processing were recorded each month. For example, based on these data, the number of FFB process in December 2016 is 13.569 tonnes and

waste is used for composting process is 5.021 m³ and a number of outlets that flowed into the Land Application is 3.129 M³.

- Business unit also utilize fibre and shells as fuel for the boiler. Based on data in December 2016, it is known that fibre and shells used for boiler is 1.899,677 tonnes and 881,993 tonnes.

Based on the results of field visits in housing complex Afdeling 1, it is known that there is a domestic waste that burned in the back of the worker houses. This is not in accordance with the domestic waste management procedures SPO No. 20 January 2, 2015. **Nonconformity no. 2017.25 with Minor category.**

5.3.2 Status: Nonconformity no. 2017.24 with Major category

5.3.3 Status: Nonconformity no. 2017.25 with Minor category

5.4

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

5.4.1

Business unit use of renewable energy of shell and fibre for exchange the consumption of fossil fuel. The use of fibre and shell as renewable energy reduces the amount of fossil fuel consumption. During 2016, business unit has used fiber and shell amount 0,065 ton/ FFB and 0,14 ton/FFB, average use of fuel is 2,19 liter/ton FFB. The use of these renewable energy types also reduce the emission sourced from fossil fuel consumption.

Status: Comply

5.5

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

5.5.1 & 5.5.2

The company had SOP replanting (SPO-02 dated on July 2007) that mentioned methods for replanting are using land clearing methods (mechanics and manual) and under planting methods. Burning methods on replanting activity are prohibited.

Management representative mentioned that for replanting activity conducted by mechanic and manual. There are available contract agreement with contractors in replanting activity that mentioned the replanting activity shall not use burning methods and all burning activity in the areal replanting are prohibited.

Status: Comply

5.6

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

5.6.1 ; 5.6.2

The company has the identification of sources of emissions Greenhouse gases contained in document GHG Inventory List, among others:

- Mill activities: sources of emissions are from operational machine activities, processing FFB / WWTP, the use of waste (POME) into the land and use EFB into the land.
- Estate activities : sources of emissions come from land clearing activities (including replanting), fertilizer, FFB transportation, and spraying.

The Company has monitored the level of noise and smoke emission in the area undertaken by the accredited laboratory conducted periodically and reported in each semester contained in the RKL-RPL report. The test results show the noise level and smoke emission do not exceed the quality standart.

Company has showed efforts to control greenhouse gases in the form of oil palm plantation activities without burning and planting trees in the village of Kampung Tempel. However, it has not provided sufficient evidence that the business unit has had a program to reduce GHG emissions for all activities that have been identified and its implementation.

Nonconformity no. 2017.26 with Major category.

5.6.3

The company has monitored the air quality carried out by conducting air quality testing in an accredited laboratory and reported

every semester contained in the RKL-RPL report. The test results show the air quality is still in accordance with applicable regulations.

However, company has not been able to shown the results of calculation of GHG emissions in 2016 using the RSPO PalmGHG. **Nonconformity no. 2017.27 with Minor category.**

5.6.2 Status: Nonconformity no. 2017.26 with Major category

5.6.3 Status: Nonconformity no. 2017.27 with Minor category.

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 company has had analysis report of social impact of bussines unit that conctructed together with CV Citra Cendikia on 2011. In the documantation explains the component of assessments are the population demography areas (population structure, ages, the spread of ethnic, jobs and growth), Social and Economic (regional economy and regional development, home economics, poverty, accessibility, economic, transport conditions, employment, business opportunities), Social (accessibility of education, accessibility of health, public health), social and Cultural (social Institution, customs, social changes), perception (form of CSR activities and public perception). Based on interview with community, there is known that all aspect in SIA has been covered all issue, for example perception (form of CSR activities and public perception).

6.1.2

Data collecting method that is used in making of social impact of bussines unit Dolok sinumbah are guideline interview & open interview, interview based on questionnaire and observations of daily life of the people around plantation.

Records of public involvement in the implementation of the SIA identification are recorded in the form of Questionnaire of SIA and list of stakeholder aspirations with follow-up aspirations dated October 3, 2011. The public consultation are recorded in minutes of Public Consultations with interviewees including head of Tanah Jawa Village, Community Leaders of Bahal Batu Village, Head of Environment Agency of Simalungun District, Head of Agriculture Agency of Simalungun district, Head of Hutabayu Raja Village and Head of Maligas Bayu Village.

6.1.3

Bussines unit shows the plan of analysis of social impact managment that made every semester. The plan is made based on the SIA report. Plan for semester II 2016, there are;

Social Parameter	Source of Impact	Management Plan
Public facility and social facility	<ul style="list-style-type: none"> Road Condition are poor, potholes and dirt Activities of FFB truck 	Improve communication with village stakeholders to discuss village development program participately
Work opportunity	<ul style="list-style-type: none"> Low uptake of local labor Rising unemployment due to lack of skills of the local work force 	Socializing if there is job hiring
Bussines opportunity	<ul style="list-style-type: none"> Lack of managerial capabilities to manage the business Lack of venture capital for small business 	Encourage the realization of Partnership and Community Development program in accordance with the needs of the village
Conflict with farmer	Lack of areas to feed cattle	<ul style="list-style-type: none"> Socialized to the public the impact of cattle Establish zones that can be entered by cow

The company shown the implementation of the management plan, there are:

- Collecting data on the total of population, ethnicity, livelihood and collect data on assistance in the area of facilities/infrastructure, economic sector, the activities of rural empowerment, form of local wisdom and natural

resources. Activities have been carried out in 4 villages and planned for 7 Village (Marihat Bandar, Timbaan, P. Kerasan Rejo, Boluk, Maligas Bayu, Bahal Batu and Bahalat Bayu) will be conducted in April and May.

- In conducting the installation of signs and boundaries pole of prohibited area for cattle and shows socialization to the community around the company on January 9, 2016, followed by Village of Dolok Sinumbah, Maligas Bayu, Kampung Dolok

However, the Business Unit has not been able to show the realization of the activities for the management plan on the parameters of Business opportunity and Employment Opportunities. **Non-conformity No. 2017.28 with Major category**

6.1.4

Business unit has not showed the evidence of reviewing the Management and monitoring of social impact that involve the affected parties every 2 years. **Non-conformity No 2017.29 with Minor category**

6.1.5

Based on a field visit, Review of documents and interviews with workers of weighbridge and sorting, it is known that there is no FFB derived from smallholder schemes.

6.1.3 Status: Nonconformity no. 2017.28 with Major Category

6.1.4 Status: Nonconformity no. 2017.29 with Minor Category

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

Business unit has communication procedure and consultation with people written in SOP of Communication and Consultation with Community in document number 03.02 august 1, 2012. In SOP explain that all communication and consultation with people is recorded and processed through the HR assistant. Based on interviews with village heads of Dolok Sinumbah and Pematang Kerasan Rejo, explained that communication with the company is done through the employees of HR.

6.2.2

Business Unit shows Manager of Dolok Sinumbah Business Unit Decree No. DOS/Kpts/I/2017 dated February 27, 2017 which describes about officer who is responsible for consultation and communication with the public is an assistant of Human Resources and Public.

6.2.3

Business Unit has a list of stakeholders No. Document DOS-RSPO-05 informing stakeholders name, job title/department, contact number, and address. The list of stakeholders written is internal and external stakeholders. For example:

- Village Government around the Estate
- Government District of surrounding the Estate
- Government agencies
- Institutions around the plantation
- The mass media / journalists
- Non Government Organization

Business Unit shows incoming and outgoing mail documents that describe the activities of communication with the surrounding community. For example, a letter dated 30 September 2016 No. B.133/BPS/12093/09/2016 from BPS Simalungun District about Plantation Company Survey third quarter of 2016. The letter contains a list of Entry to survey Plantation Corporation third quarter of 2016. The letter has been responded on 29 November 2016 by the Head of Administration and Assistant Human Resources & Public.

Status: Comply

6.3

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

6.3.1

Business Unit has a mechanism for dealing with complaints and dissatisfaction in the SOP of Internal Communication and

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

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

6.3.2

Based on interviews with labor unions and the Management, explained that there is a grievance related to delays in the provision of PPE and uniforms. However, the business unit has not been consistent in the application of SOP of Internal Communication and Employee Grievance which explained that all complaints should be documented. **Non-Conformity**

No 2017.30 with Major category

6.3.2	Status: Nonconformity no. 2017.30 with Major Category
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6.4

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

6.4.1, 6.4.2 & 6.4.3

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

Disputes that occurs is done through legal actions by the plaintiff. Company can shows documents of the process of dispute resolution, among others:

1. Dispute on the land area of 143 ha located in the Puulo Sarana Communities, Bahal Batu Village, Hutaayu King Sub-District, Simalungun (MADANI Farmers Group) who have taken the legal action. Based on the judges of the Supreme Court Decision No. 250 K/TUN/2006 dated February 19, 2008 rejected the appeal of the applicant's appeal.
2. Dispute area of ± 243 Ha located in Kampung Tempel, Pematang Kerasaan Rejo Village, Bandar Sub-District, Simalungun District by Kampung Tempel Farmers Group. Company documents show the settlement process with the final process which letter of the Secretary of the Supreme Court (No. 331/PAN/HK.06/IV/2005 dated March 25, 2015) to the Director of Human Resources and General PTPN IV explained that the verdict issued in accordance with decision number 04/PK/TUN/2014 can be reviewed. But until now the results of a review of the Supreme Court can not be shown and will be observed further in the next assessment. The company is encouraged to ensure the results back from the land dispute resolution with the community of Kampung Tempel. **OFI**

Status: Comply

6.5

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

6.5.1

The company have Letter No. 04.15/SE/13/IV/2016 dated 24 May 2016 concerning Provisions of Employee Salary and Special Allowance of 2016, Reference Decree of Dir. PTPN IV No: 04.15/Kpts/25/V/2016, dated 24 May 2016. The provision of the basic salary refers to North Sumatera Governor Decree No. 188.44/630/KPTS/2015 dated 30 December 2015 concerning the Minimum Wages of North Sumatera province in 2016. Observations results on wage records and interviews with estate and mill workers show that the management unit has paid the worker's wages in accordance with the Decree established. The auditor has verified the overtime calculations for mill workers. For example, processing workers (employee IC grade) have received overtime pay in accordance with the applicable regulations.

6.5.2

The company have a Collective Labor Agreement (CLA) of PTPN IV in 2016 - 2017. The collective labor agreement has been registered to the North Sumatera Provincial Manpower and Transmigration Office (Registration No 01 01/DFT/PKB/6/SU/1/2016) and was approved by Head of Manpower and Transmigration Decree No. KEP.18-6/DTK-TR/2016 about Registration of Collective Labor Agreement on 27 January 2016. The CLA has been in accordance with applicable employment legislation.

The Collective Labor Agreement document describes the matters in explanation that can be understood by the workers, as follows:

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

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

6.5.3

Based on field observations in the employee housing division I, the sanitary conditions of housing in a state of stagnant and does not flow. However, the business unit has not been able to show a plan and realization to improve that facility.

Nonconformance No.2017. 31 with Minor category

6.5.4

Management unit have a real effort to help workers get enough food resources and affordable through the construction of roads which easily passed on the location of the nearest market. Nearby market with a distance of 1.8 Km of Emplacement namely Simpang Dosin market and for in Afdeling 5 close to the small market in the village of Maligas Bayu.

6.5.3	Status: Non Conformance No.2017. 31 with Minor category
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6.6

The employer respects the right of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.

6.6.1

The company should respect the rights of all workers to form and join a trade union that is contained in the CLA of 2016-2017. PT Perkebunan Nusantara IV has the estate worker union (SP-Bun Dolok Sinumbah). It has been registered on the Manpower Agency of North Sumatera Province in decree No. 11/Kpts/SP.BUN-PTPN-IV/V/2014, dated May 22, 2014. According to the result of interview with the worker union, the company has given the opportunity for the workers to join or form the worker union.

6.6.2

The meeting between the company and labour union is conducted periodically or where there is a significance issue raised. The minutes of meeting was held on 26th November 2016, related on production supervision, extra security, and the provision of a vehicle patrol car. All the records of meeting are well documented and available in place.

	Status: Comply	
6.7 Children are not employed or exploited.		
6.7.1 <p>The Company has had commitments related to transparency and confidentiality of information, environment, and policies related to child labor, work opportunity, retention time of documents, sexual harassment, land fires, hazardous waste management and others which are contained in the policies and SPO documents.</p> <p>The Company has demonstrated evidence of company's policy documentation related to the child labor policy in documents, among others:</p> <ol style="list-style-type: none"> 1. The process of labor recruitment where it has been mentioned that the minimum age of employment which is eligible for employment is 18 years. 2. There are prohibitions to employ under aged children in every Work Agreement with the third parties. 3. SOP with document number 03.02 dated 2nd January 2015 related child labor policy which states that the minimum age to be allowed to work in the company is at least 18 years old and it is in accordance with the labor statute No. 13 year 2003. 4. The employment data in February 2017 which shows that there are no employees under 18 years old. <p>Based on the employees document study of PTPN IV Dolok Sinumbah in June 2017, there are no employees under 18 (eighteen) years old. The results of field observations and interviews also show that there are no employees under 18 years old at the time of the audit.</p>		
	Status: Comply	
6.8 Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.		
6.8.1 <p>The company has a policy regarding anti-discrimination, equal opportunity and treatment in employment are contained in SOP No. 04.02. This policies of work equation which state that PT PTPN IV provides equal chance and opportunity as much as possible without discrimination for all employees to perform their jobs in order to achieve the company's vision and mission. Based on interviews with employees, it is known that workers are very diverse origin, ethnicity, background, education, gender, and religion. Interviews with union and village revealed that the company open up employment opportunities for the community.</p> 6.8.2 <p>Document review and interviews with management representative, it was explained that recruitment of the employees is based on identifying the needs of manpower. It is no discrimination involving gender, religious, ethnic origin and background all meet the criteria required by the company. All prospective employees have the right to employment in accordance with the requirements specified. Moreover, interviews with workers (harvester, warehouse officer, paramedic, etc.), also revealed that there is no indicating of discrimination issue.</p> 6.8.3 <p>Workers have the same opportunity in improving career. Promotion of employees based on skills, abilities, health and quality required by the job position. The management unit has the workers archive, consists of recruitment appointment Decree Letter from Direction No. 04.15/Kpts/R/16/III/2015, designation as contract workers period, job application letter, medical checkup of workers candidate, personal identity card and Curriculum vitae. According to interviews with workers show that there is no discrimination caused by SARA (ethnicity, religion and race) or caused by other things in the PTPN IV Dolok Sinumbah.</p>		
	Status: Comply	
6.9 There is no harassment or abuse in the work place, and reproductive rights are protected.		
6.9.1 <p>Company has a policy to prevent sexual assault and sexual harassment, are contained in SOP with document number 06.02 dated 2nd January 2015 related sexual harassment policy which states that PT PTPN IV is responsible for preventing sexual harassment in the workplace and taking corrective action to prevent sexual harassment related to jobs.</p>		

The business unit has empowerment of women in the structure of Unit Labor Union. However, based on a document review mechanism for handling sexual harassment is known that women's issues are not delivered through the empowerment of women so it is showing that the organization does not deal with women's issues. **Nonconformity 2017.32 with Major category.**

6.9.2

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

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

6.9.3

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

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

According to interview with workers in mill and estate, they were understood about this mechanism. While based on interview with worker union, a worker can make a complaint through worker union with anonymity of whistle blower.

6.9.1	Status: Non-Conformance 2017.32 with Major category
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6.10

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

6.10.1

Dolok Sinumbah business unit determines the FFB purchase price with its own calculations which is made every day. The calculation is based on price of CPO & PK and Extraction of CPO & PK. Company show a price list specified in the Estimated Purchase Price of FFB Third Party document. For example, on February 24, 2017: Rp.1,864; February 22, 2017: Rp. 1,940.

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

6.10.2

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

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

Transactions are recorded in the Summary of FFB Revenue document that describes the delivery date, FFB quantity

delivered, FFB price and total payment. For example, for PT. Hot Abadi Lestari transaction date of February 22 to 27 2017 with a total of 39.3 tonnes of FFB and the price between Rp. 1,864 to 1,956 (according to the daily price).

6.10.3

Company shows FFB transaction agreement letter with five supplier, among other:

Name of supplier	No contact	Date of available	Date of finish
UD. ANASTESIA	DOS/SP/03/II/2017	11 March 2017	11 March 2018
UD Pariama jaya D.	DOS/SP/02/II/2017	27 February 2017	27 February 2018
UD. Gintar	DOS/SP/01/II/2017	15 February 2017	15 February 2018
PT. Hot Abadi Lestari	DOS/SP/04/IV/2016	04 April 2016	04 April 2017
UD Venny Jaya	DOS/SP/07/VI/2016	17 June 2016	17 June 2017

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

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

6.10.4

Based on the Letter of Agreement, explained that payments are made every 1 week. The company shows Summary of FFB Revenue as the basis for FFB calculating payments. Recapitulation conducted for one week period, for example UD Gintar with a recapitulation of payments for the period from February 9 to 16, 2017 and was paid through by Mandiri bank on 23 February 2017.

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

Status: Comply

6.11

Growers and millers contribute to local sustainable development wherever appropriate.

6.11.1

The company's contribution to local development in the form of proposals from the surrounding villages business units. Some of the proposals submitted as repairing roads, improving irrigation, street paving and repair of village office. Auditor giving notes on this element as an **Observation** and will be verify in the next assessment. #OFI (Opportunity for Improvement) to realize the results of consultation with local communities related to local development. Until the audit activities are carried out, the company is conducting data collection on the needs of the surrounding villages

6.11.2

Based on interviews with management unit, the company does not have smallholder scheme.

Status: Comply

6.12

No forms of forced or trafficked labour are used.

6.12.1; 6.12.2 & 6.12.3

Document review and interviews with workers revealed that no migrant labour. The company shows that every worker has a work agreement and to work in accordance with the division of labour in the labour agreement. According to interviews with workers revealed that they are working with the place and the division of tasks in the work order.

Based on a field visit at Block 92A (016A) Afdeling I, the auditor noticed a harvesting worker accompanied by his wife at rest but the business unit has not been able to provide evidence related to the prohibition of the use of forced labor.

However Business Unit has not been able to provide evidence related the prohibition of the use of illegal or forced labour.

Nonconformity no. 2017.33 with Major category.		
6.12.1	Status: Nonconformiy no. 2017.33 with Major Category.	
6.13		
Growers and millers respect human rights		
6.13.1		
The companya respect the human rights set out in the Policy no.07 effective dated on January 2, 2015. This policy has been communicated to workers, for example at the date of 1 November 2016 in conjunction with work meetings Labor Union. In addition, it has also been socialized to the contractors in any employment agreement. One chapter describes the protection of worker rights and reproductive also non discrimination. Until the audit carried out no reported cases of human rights violations.		
	Status: Comply	
PRINCIPLE #7 Responsible development of new plantings		
7.1		
A comprehensive and participatory independent social and environmental assessment is undertaken prior to establishing new plantings or operations, or expanding existing ones, and the results incorporated into planning, management and operations.		
Based on the documents review and interviews with National Land Agency & Village around the company, it is known that there are not any lands clearing over 2005. Planting carried out in 2005-2016 is replanting activities.		
	Status: Comply	
7.2		
Soil surveys and topographic information are used for site planning in the establishment of new plantings, and the results are incorporated into plans and operations.		
Based on the documents review and interviews with National Land Agency & Village around the company, it is known that there are not any lands clearing over 2005. Planting carried out in 2005-2016 is replanting activities		
	Status: Comply	
7.3		
New plantings since November 2005, have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.		
To ensure that there was not new plantings in primary forest or HCV area, the CB has comunicated with RSPO compensation on November 2016 regarding to ensure Liability Disclosure and Land Use Change Analysis (LUCA). RSPO Compensation explained that the Dolok Sinumbah POM (supply base Dolok Sinumbah Estate) has been sent the disclosure and all the units are free from non-compliant land clearance.		
Based on documents review and interviews with heads of village, known that the company had been establised from the era of Dutch Governance and there was no new land clearing activities from 2005 to the present.		
	Status: Comply	
7.4		
Extensive planting on steep terrain, and/or on marginal and fragile soils, is avoided.		
Based on the documents review and interviews with National Land Agency & Village around the company, it is known that there are not any lands clearing over 2005. Planting carried out in 2005-2016 is replanting activities		
	Status: Comply	
7.5		
No new plantings are established on local peoples' land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.		
Based on the documents review and interviews with National Land Agency & Village around the company, it is known that there are not any lands clearing over 2005. Planting carried out in 2005-2016 is replanting activities.		
	Status: Comply	

7.6

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

Based on the documents review and interviews with National Land Agency & Village around the company, it is known that there are not any lands clearing over 2005. Planting carried out in 2005-2016 is replanting activities.

Status: Comply

7.7

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

Based on the documents review and interviews with National Land Agency & Village around the company, it is known that there are not any lands clearing over 2005. Planting carried out in 2005-2016 is replanting activities

Status: Comply

7.8

New plantation developments are designed to minimise net greenhouse gas emissions.

Based on the documents review and interviews with National Land Agency & Village around the company, it is known that there are not any lands clearing over 2005. Planting carried out in 2005-2016 is replanting activities

Status: Comply

PRINCIPLE #8 Commitment to continuous improvement in key areas of activity
8.1

Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.

Social Impact

The company has a Social Impact Analysis made with CV Citra Scholar in 2011. In addition, Business Unit has made SIA Management Plan are made each semester. The plan is based on the SIA report prepared in a participatory manner. Plans for the second half of 2016 are among others:

Social Parameter	Source of Impact	Management Plan
Public facility and social facility	<ul style="list-style-type: none"> Road Condition are poor, potholes and dirt Activities of FFB truck 	Improve communication with village stakeholders to discuss village development program participately
Work opportunity	<ul style="list-style-type: none"> Low uptake of local labor Rising unemployment due to lack of skills of the local work force 	Socializing if there is job hiring
Bussines opportunity	<ul style="list-style-type: none"> Lack of managerial capabilities to manage the business Lack of venture capital for small business 	Encourage the realization of Partnership and Community Development program in accordance with the needs of the village
Conflict with farmer	Lack of areas to feed cattle	<ul style="list-style-type: none"> Socialized to the public the impact of cattle Establish zones that can be entered by cow

Continuous improvement on best practices activity are :

1. Use of fertilizer based on recommendation. The recommendation refer to result of soil and leaf sampling
2. Residue of recycling tree on replanting activity
3. Application of EFB and POME for enrich nutrient.

Status: Comply

3.2. Summary of Assessment Report of Supply Chain Requirement

Clause	(Module E) CPO Mills - Mass Balance Requirements
E.1	Definition
E.1.1	<p>Certification for CPO mills is necessary to verify the volumes of certified and uncertified FFB entering the mill and volume sales of RSPO certified producers. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. In that scenario, the mill can claim only the volume of oil palm products produced from processing of the certified FFB as MB.</p> <p>Palm Oil Mill Dolok Sinumbah uses RSPO supply chain modules mass balance (E) because they still receive FFB from uncertified plantation which is a third party (UD Anastesia, UD Pariama Jaya D., UD. Gintar, PT. Hot Abadi Jaya Lestari and UD Venny)</p> <p>Based on SOP of Palm Oil Supply Chain (SPO.ADO-07 dated January 2, 2015 revision 2) explained that the use of the supply chain in the mill of PTPN IV are Mass Balance model because entire production of palm oil and palm kernel are mixed between certified and uncertified product.</p>
	Status: Comply
E.2	Explanation
E.2.1	<p>The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the CB in the public summary of the P&C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced should then be recorded in each subsequent annual surveillance report.</p> <p>To estimate the production of FFB, CPO and PK which are produced by the Dolok Sinumbah POM for 12 months after the audit activities has been described in the report ST-2, among others:</p> <p>FFB: 69,128 Tons CPO: 16,590 Tons (Estimated OER = 24%) PK: 2,765 Tons (Estimated KER = 4%)</p>
	Status: Comply
E.2.2	<p>The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).</p> <p>Dolok Sinumbah POM has not register to RSPO supply chain IT platform. Non-Conformity No 2017.34 with Major Category</p>
	Status: Non-Conformity No 2017.34 with Major Category
E.3	Documented procedures
E.3.1	<p>The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:</p> <ul style="list-style-type: none"> a. Complete and up to date procedures covering the implementation of all the elements in these requirements; b. The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site procedures for the implementation of this standard. <p>The Company has procedures regarding to ensure the implementation of all the elements mentioned in the terms of SCCS for Mill, which listed in::</p> <ol style="list-style-type: none"> SOP of Palm Oil Supply Chain No. SPO 07 dated January 2, 2015 (revision 2) which explains:

- Supply Chain Model is Mass Balance
- FFB derived from their own plantation, one parental plantation and FFB of 3rd party certified by RSPO marked with stamps of CSPO (Certified Sustainable Palm Oil).
- The factory reports the shipments of CPO, PK, PKO and PKM to marketing and headquarters processing sections
- The marketing reports to the Supervisory Board and the Giver of Claim of RSPO (Greepalm, UTZ/E-trace) and include contract number and the name of the buyer, the type of crude palm oil and its derivatives, detailed information on the transport document.
- There is a flow diagram of the palm oil supply chain.

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

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

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

Status: Comply

E.3.2

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

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

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

Status: Comply

E.4

Purchasing and goods in

E.4.1

The site shall verify and document the volumes of certified and non-certified FFBs received.	
<p>The Company has procedures for Registration Control Acceptance and Delivery Product No. SPO 16 dated January 2, 2015 (revision 2) which explains:</p> <ol style="list-style-type: none"> 1. Identification of the recording. <ul style="list-style-type: none"> ➤ Recording must have a clear title or name, it can be written in the form (hard copy) and can be in the form of electronic data (soft file) either on the computer system ➤ Recording for FFB reception and delivery activities of CPO, PK, PKO and PKM certified must be documented by using data of monthly, quarterly, semester and yearly 2. Storage recording. 3. Protection of recordings 4. Making of recording 5. The shelf life. <ul style="list-style-type: none"> ➤ consider the norm of laws and regulations existed ➤ wisdom of the leader as person in charge of records in the responsibility area ➤ The shelf life of all records and reports shall be at least 5 years. <p>The Company may improve the quality of the SOP by adding a form / tabulation recording. OFI</p>	
	Status: Comply
E.4.2	
The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.	
<p>The company has mechanism of providing the information to the CB if over-production happen from tonnage of projected certified production. The mechanism is written in SOP of Information delivery and production claim no. SPO 18 dated January 2, 2015 revision2. SOP.</p>	
	Status: Comply
E.5	Record keeping
E.5.1	
<ol style="list-style-type: none"> a. The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis. b. All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO. c. The site can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three months. However, a site is allowed to sell short.(ie product can be sold before it is in stock.) 	
<p>Recording of balancing and shipment of RSPO-certified products will be verified again when Dolok Sinumah POM has have RSPO certification. Dolok Sinumah POM also has procedures that describe the separation between the FFB from certified plantation and not-certified plantation, CPO output from the mill, giving of the certified stamp, and documenting every monthly, quarterly, semester and yearly. Mill documents are stored for 5-year in accordance with the policies and SPO. The mechanism is contained in the SOP of Control, Registration, Acceptance and Product Delivery No. SPO 16 dated January 2, 2015 (revision 2)</p>	
	Status: Comply
E.5.2	
<p>In cases where a mill outsources activities to an independent (not owned by the same organization) palm kernel crush, the crush still falls under the responsibility of the mill and does not need to be separately certified. The mill has to ensure that the crush is covered through a signed and enforceable agreement.</p>	
<p>Dolok Sinumbah POM does not use outsourced activity to independent palm kernel crusher, however the whole kernel sent to Pabatu POM which is a subsidiary of PTPN 4.</p>	
	Status: Comply

3.3. Conformity Checklist of Certificate and Logo Use

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

3.4. Summary of RSPO Partial Certification.

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

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

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

MUTU Auditor has verified company partial certification and concludes that:

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

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

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

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

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

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

NCR No.	: 2017.01	Issued by	: Dwi Haryati
Date Issued	: 27 March 2017	Time Limit	: Before certificate issued
NC Grade	: Major	Date of Closing	: 15 January 2018
Standard Ref. & Requirement	1.1.2 Records of information requests and responses		
Non-Conformance Description & Evidence observed (filled by auditor):: Business unit has procedures (SOP Communication and Consultation with the Community) to provide constructive feedback to the stakeholders but not yet include establishing a time frame in response to requests for information			
Root Cause Analysis (filled by organization audited): There is no time frame agreement on providing constructive responses to stakeholders.			
Corrective Action (filled by organization audited): Revise the SOP by including a timetable in responding information request.			
Preventive Action (filled by organization audited): Evaluate and monitor the response implementation of information request requested by the community.			
Assessor Evaluation and Conclusion (filled by auditor): Verification-1. Date: 20 October 2017 The Company has sent the evidence of improvement in the form of: <ul style="list-style-type: none">- Communication and Community Consultation SOP. SPO 03, revision 03, effective date 02 January 2017. This procedure explains that communications and consultations with communities in the plantation and mill units are directly managed for their records and processes by HR and general assistants representing managers to communicate with stakeholders. All results of communications that occur should be submitted to the manager to be known and processed and will be informed to the community what the policy and follow-up that will be done by the company in handling the communication and consultation results within 3 months after the information received by the manager in order to maintain corporate image.- Appendix of time frame data /information and response request (No. DOS-RSPO-05). This document informs about descriptions, time request, follow-up and response time. Based on the evidence of corrective, corrective and preventive actions are noted as follows: <ul style="list-style-type: none">a. Root cause : acceptedb. Corrective action : acceptedc. Preventive action : accepted Based on the above verification, the non conformity is sufficient to be closed, but it is necessary to assess the effectiveness of corrective and preventive actions on the Major Verification activities.			
Major Verification January 15, 2018 Based on interviews with human resource assistants, it is known that SOP has been revised by adding a response time frame that is at least 3 months after information request received by the company.			

This non conformity has been sufficient to be closed, the effectiveness of corrective and preventive actions will be verified in the next audit.

Verified by : **Dwi Haryati and Mahmud Firdaus**

NCR No.	: 2017.02	Issued by	: Dwi Haryati
Date Issued	: 27 March 2017	Time Limit	: ASA-1
NC Grade	: Minor	Date of Closing	: 20 October 2017
Standard Ref. & Requirement	: 1.3.1 The company's commitment to Ethical Conduct in all transactions and business operations.		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> <p>There is not enough evidence that the policy has been communicated to the contractor.</p>			
Root Cause Analysis <i>(filled by organization audited):</i> <ul style="list-style-type: none"> - The documentation of the policy dissemination process towards the code of integrity and ethical action cannot be shown yet to the contractor. <p>Still lack of understanding of the policies implementation issued by the company.</p>			
Corrective Action <i>(filled by organization audited):</i> <ul style="list-style-type: none"> a. It can be shown the documentation of socialization process of policy against integrity code and the ethical action to the contractor. <p>The socialization of the policy has been conducted to the other contractors and stakeholders.</p>			
Preventive Action <i>(filled by organization audited):</i> <ul style="list-style-type: none"> - Conducting socialization of the policy against integrity codes and ethical actions to contractors. <p>By checking the documentation record of the Code Of Conduct socialization program that has been done by the management to the contractor who did the work for the scope of Dosin business unit.</p>			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> <p>Verification 1. Date: 20 October 2017</p> <p>The Company has sent corrective evidence in the form of minutes of socialization meetings about the policy process to integrity code and ethical action to contractor / third party. This socialization was held on November 18, 2016. The socialization conveyed about the company's commitment in ethical behavior against integrity code to contractors in all transactions and business operations in the Dolok Sinumbah business unit.</p> <p>Based on the corrective evidence, corrective and preventive actions are noted as follows:</p> <ul style="list-style-type: none"> a. Root cause : Accepted b. Corrective Action : Accepted c. Preventive Action : Accepted <p>Based on the above verification, the non conformity is sufficient to be closed, but it is necessary to assess the effectiveness of corrective and preventive actions on the next audit activities.</p>			
Verified by	: Dwi Haryati		

NCR No.	: 2017.03	Issued by	: Muhammad Rinaldi
Date Issued	: 27 March 2017	Time Limit	: Before certificate issued

NC Grade	:	Major	Date of Closing	:	15 January 2018
Standard Ref. & Requirement	:	2.1.1 There shall be evidence of compliance with the relevant laws and regulations			
Root Cause Analysis (filled by organization audited):					
There are several non-compliance with regulatory such as :					
<div>1. Statute No. 13 of 2003, Section 50 relating to Employment:<div><div>a. Based on field visits and interview with personal who work on the block 99A afdeling I conducting harvesting (take lost fruits) but no formal working ties.</div><div>b. Based on an interview with Labor Union (SP-Bun), explained that there are still families who helped work on the harvesting.</div><div>c. Based on an interview with the Department of Manpower, explained that everyone who works should have a working relationship.</div></div></div> <div>2. Regulation of Labour Ministry No. 19 Year 2012 on condition the delivery of some work to other companies:<div><div>a. Organization of the Indonesian Palm Oil Association (GAPKI) explained that the harvest work is the main occupation.</div><div>b. Based on the document review of work order contractors recapitulation, there is a harvest activities undertaken by third parties (CV. Hizkia Jaya).</div></div></div> <div>3. Plantation Business Permit (IUP) states that the licensee must report the development of the plantation business every quarter, semester and yearly. However, the company has not been able to show evidence of the plantation business reporting.</div> <div>4. Permit extension of the utilization palm oil industrial wastewater No.188.45 SK / 3436 / LINGHUP-2015. However, the Management Unit has not been able to provide evidence of reporting to the Governor of North Sumatra and the Minister of Environment and Forestry on:<div><div>a. Results the quantity and quality of waste water monitoring every 3 months.</div><div>b. The results of the groundwater quality monitoring every 6 months</div><div>c. Results of soil quality monitoring once every 1 year</div></div></div> <div>5. Regulation of Labour Ministry No. 02 of 1982 on the welder qualification. Based on the field visit in the transfer carriage, there is worker who conducting welding activities but workers have not been trained in accordance with the regulations.</div>					
Root Cause Analysis (filled by organization audited):					
Major Verification January 15, 2017					
<div>1. Lack of harvest workers and the company has not understood the requirements of workers who must have employment agreement..</div> <div>2. the company has not reporting LPUP for semester II of 2016 and lack of understanding of the company against LPUP reporting obligations</div> <div>3. Waiting for the results of wastewater, ground water and soil test for semester II of 2016 from head office.</div> <div>4. The company has not understood that all welders (helper) must attend the training.</div>					
Corrective Action (filled by organization audited):					
Major Verification 15 January 2017					
<div>1. There has been a circular of operational director of gradual harvesting of employees Make a circular about prohibiting worker assisted by family and socialization to the harvester employees.</div> <div>2. Create a request letter for additional harvest employees in accordance with the needs of the plantation unit.</div> <div>3. Conducting recruitment for harvest employees.</div> <div>4. Revise IK harvesting by inserting clause that picking the lost fruit is the responsibility of the worker itself.</div> <div>5. Report the development of the plantation business periodically in accordance with the period</div> <div>6. Reporting Monitoring results of wastewater, groundwater and soil regularly in accordance with the period</div> <div>7. Provide training for welders to all welders including helper.</div>					
Preventive Action (filled by organization audited):					
Major Verification 15 January 2017					
<div>1. Socializing the circular about prohibiting worker assisted by family and socialization to the harvester employees,</div>					

inspecting the field by the foreman and the clerk.

2. If there is a shortage of employees, it will be recruited by the HR department
3. Prepare LPUP on a regular basis
4. Sending wastewater, soil and soil samples regularly (per semester) for testing so that they can be reported in time
5. Provide welder training to all welders both Main Worker and Helper (training by PJK3 or IHT by the company).

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

Verification 1. Date 28 December 2017

The Company has sent corrective evidence in the form of:

Point 1: There is no corrective evidence related to the unavailability of employee agreement of lost fruits picker

Point 2:

- Facsimile Letter Number 04.Dir.Op/Fac/Districts/30/I/2017 from the Operational Director to the General Manager I, II, III and IV and the Palm Oil Unit Manager dated 21 January 2017 about Fulfillment of Harvest employees Data of 2017. The letter informs that the recruitment of harvest employees itself has been implemented gradually in recent years. In order to recalculate the needs of the number of harvesting employees, the unit sends the number of harvested needs adjusted to the conditions in the field (the optimal amount with the basis of the maximum harvesting capacity).
- Letter from unit manager of Dolok Sinumbah No. DOS/GMD-I/16/VII/2017 regarding the Requirement of Harvesters. This letter informs that the shortage of harvest employees and loader as many as 67 people.

However, there is still a lack of evidence that contractors on harvesting activities are not reused.

Point 3 : The delivery evidence of Plantation Development Report of semester II of 2016 to Head of Plantation Agency of Simalungun Regency. There is evidence of report submission based on letter number DOS/X/136/XI /16 dated December 21, 2016 and has been received with evidence of stamp from the relevant Service.

Point 4:

- The submission evidence of RKL-RPL report in semester II of 2016 to Environment Agency of Simalungun Regency, Environment Agency of North Sumatera Province through Letter No. DOS/X/69/IX/2017 and DOS/X/68/IX/2017 dated September 19, 2017 which contains the results of waste and ground water quality and soil quality testing and has been received by the agency.
- The submission evidence of RKL-RPL report of semester II of 2016 to Ministry of Environment RI through Letter of Introduction DOS/X/73/IX/2017 dated September 22, 2017 regarding of groundwater and soil quality test.

Point 5: the company has demonstrated the training needs analysis of 2017 in which it has explained that the training plan for the welders was conducted for 2 persons in July 2017, but has not yet been proven that the training has been carried out

Major Verification 15 January 2018

There is no corrective evidence related to the unavailability of employee agreement/contracts of lost fruits picker

1. The Company shows IK Harvest revision 02 with document number: DOS-TAN-IK-08 valid from 06 January 2017. In the IK it is explained that picking the lost fruit is the responsibility of the worker itself
2. IK Harvesting Socialization and use of PPE to workers on December 18, 2017 in Afdeling III followed by 14 workers
3. Circular letter number: DOS/SE.Int /53/XII/2017 on December 18, 2017 regarding prohibiting worker assisted by family

There is no evidence that the harvest contractor is not being used anymore

The company shows the document::

1. Circular Letter no. DOS / SE.Int / 09/2019 on January 06, 2018 to all Division about the prohibition of using third parties in harvesting work
2. Internal Memo from HR Department on October 31, 2017 number: 04.11 / GMD I / M-2585.1 / X / 2017 to GM District I on the Board of Directors' Decree PTPN IV about the selection committee of the harvesting candidate and the loader officer.
3. Memo number GMD.I/KOL/M-149/XI/2017 from GM District I on 02 November 2017 to unit manager about

- preparation of field selection of prospective employees.
4. The acceptance stage of IA-2D candidate for harvesting needs in each division
 5. Interview schedules and field tests for potential harvesters scheduled from 13 September 2017 to 09 December 2017
 6. The names of prospective harvest and load employees are made on 01 November 2017 with details
 - Division I: 32 workers
 - Division II: 23 workers
 - Division III: 28 workers
 - Division IV: 10 workers
 - Division V: 5 workers
 7. Attendance of interviews and field test of prospective employees held on 23 November 2018 with details as follows:
 - Division I: 30 workers
 - Division II: 23 workers
 - Division III: 29 workers
 - Division IV: 13 workers
 - Division V: 5 workers
- It is now still waiting for the next stage from the District

Not showing evidence of Monitoring Results of quality of waste water once every 3 months has been reported

Company shows:

1. The evidence of document submission of the of Quarter I Report of LB3 (report of monitoring result and balance sheet LB3) to DLH of Simalungun Regency on 20 April 2017
2. The evidence of document submission of the document of Quarter II Report LB3 (report of monitoring result and balance sheet LB3) to DLH Simalungun Regency on June 24, 2017
3. The evidence of document submission of documents of the Third Quarter Report of LB3 (report on LB3 monitoring and balance sheet) to DLH Simalungun District on 02 October 2017
4. Evidence of the submission of documents RKL / RPL Report Semester I 2017 to DLH Simalungun District on November 27, 2017 in it has included the results of groundwater quality testing
5. Availability of waste water sample receipt and soil sample from PTPN IV Dolok Sinumbah to the Laboratorium on December 27, 2017.
7. Result of waste water test / analysis from January - November 2017 with parameters of BOD, COD, pH, Oil and Fat, Lead, Copper, Cadmium and Zinc

No evidence of welder training has been carried out

Company shows:

1. Internal Memo Number: 04.11/KOL/M-355/II/2017 from Human Resources Division of PTPN IV on February 28, 2017 concerning the invitation of the training participants of electro motor welding and rewinding participants to be held on 13 - 15 March 2017 at Factory Tenera Machine Dolok Ilir followed by 16 participants where 2 people from Dolok Sinumbah unit.
2. In House training (IHT) was conducted on 13 - 15 March 2017 followed by 16 participants accompanied by photo of the implementation with 2 participants coming from Dolok Sinumbah plantation on behalf of: Yahya Sembiring and Sumardi. IHT is performed by a certified welder on behalf of Edison Pakpahan, Dian Suheko, Astra Agung and Ricky Irwansya.
3. Certificate welder on behalf of:
 - Richardo Siahaan (Second Class Welder) No.S.292/JL/BINWASK3-PNK3 / VIII / 2016
 - Suwarno (Class III welder) No.S.286/JL/BINWASK3-PNK3/VIII/2016

The interview with Mr. Richardo and Suwarno, it is known that the they served as a repairman in the workshop and occasionally assisted the welder. They also explained that they have obtained IHT welders held by PMT (Factory Tenera Machine).

Based on the explanation above, then this Non-Conformity can be Closed.

Verified by : Muhammad Rinaldi and Benli Manurung

NCR No.	: 2017.04	Issued by	: Muhammad Rinaldi
Date Issued	: 27 March 2017	Time Limit	: ASA-1
NC Grade	: Minor	Date of Closing	:
Standard Ref. & Requirement	: 2.1.3 Mechanisms to ensure compliance with the law should be implemented.		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> Business Unit has a regulatory compliance evaluation report period in 2017. However, it has not been able to show the mechanism / procedure for evaluating compliance with laws or regulations			
Root Cause Analysis <i>(filled by organization audited):</i>			
Corrective Action <i>(filled by organization audited):</i>			
Preventive Action <i>(filled by organization audited):</i>			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i>			
Verified by	:		

NCR No.	: 2017.05	Issued by	: Muhammad Rinaldi
Date Issued	: 27 Maret 2017	Time Limit	: ASA-1
NC Grade	: Minor	Date of Closing	:
Standard Ref. & Requirement	: 2.1.4 Systems to trace any changes in applicable laws and regulations must be provided and implemented.		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> <ol style="list-style-type: none"> 1. Business Unit has not been able to show a mechanism or methodology adjustments in case of changes in laws and regulations in accordance with the operational needs of the business unit. 2. Based on the verification of the list of rules in 2017, it is known that the Business Unit has not been updating the regulations, such as regulations on the management of hazardous waste and minimum wage. 			
Root Cause Analysis <i>(filled by organization audited):</i>			
Corrective Action <i>(filled by organization audited):</i>			
Preventive Action <i>(filled by organization audited):</i>			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i>			
Verified by	:		

NCR No.	: 2017.06	Issued by	: Muhammad Rinaldi
Date Issued	: 27 March 2017	Time Limit	: Before certificate issued
NC Grade	: Major	Date of Closing	: 19 March 2018
Standard Ref. & Requirement	: 2.2.1 There shall be a document showing ownership or lease, history of the period of ownership / land procurement and concessions in land legally.		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> <ol style="list-style-type: none"> Based on Area Statement data of Dolok Sinumbah (4,211.90 ha) and data of used area by Bah Jambi Estate (2,173.40 ha), total area of operational use is 6,385.3 Ha while HGU Dolok Sinumbah is 6,332.97 hectares. So it is known that there are 52.33 hectares are outside the concession. By decree of the land use title, it is known that an area of 52.33 hectares have been excluded from the scope of the land use title because the area is an area of public facilities. The company could not show evidence that the area of land use has been adapted to land tenure permit. There is an area of 35.94 Ha operating areas that do not have the permission tenure and land utilization. It evidenced through: <ul style="list-style-type: none"> Based on the Land use title Decree No.44/HGU/BPN/2003, it is known to have an area of 35.94 hectares (based Parcel Map Number. 09.26.2000 was in letter F area) that are outside the land use title and are not included in the extension of the land use title area. Based on field visits in the area (Block 09B) and production data in January and February 2017, it is known that the area is managed by the company. Based on the document of Plantation Business Permit (IUP) with Simalungun Regent Decree number 188.45/2769/K-PPT/2012 dated August 8, 2012, it is known the Plantation Business Permit just covering area in according to National Land Agency decree No. 44/HGU/BPN/2003. 			
Root Cause Analysis <i>(filled by organization audited):</i> <ul style="list-style-type: none"> Plant and Legal Section Land is still in the process of adjusting existing HGU to existing statement areas. The PIC does not know that there is an area of 35.94 Ha outside the HGU permit. 			
Corrective Action <i>(filled by organization audited):</i> <ul style="list-style-type: none"> Adjusting areal statement of the managed area with the existing HGU Processing the area to obtain HGU 			
Preventive Action <i>(filled by organization audited):</i> Conduct an inventory of existing land use in accordance with HGU by monitoring the location of the existing boundary so there is no management of land outside the HGU. Performed by assistant afdeling every 6 months and there is a monitoring record. (In accordance with the SOP of Maintenance of Boundaries), with the monitoring, the Estate can know which areas are entering HGU and which areas are not included in the HGU, so it does not happen things as found by the auditor.			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> Verify on December 28, 2017 <ul style="list-style-type: none"> Point 1: Company shows Ikthisar Area of Palm Oil Plantation in Dolok Sinumbah authorized by Manager of Dolok Sinumbah in December 2017 which explains that total area managed by Dolok Sinumbah covering 4,159.57 Ha and Minutes of Recapitulation of Change of area on 05 December 2017 which explains issued a management area of 52.33 Ha Point 2: The company shows the Landsite Image and explains that the area of 35.94 Ha has been located outside the operational area, but the data still lacks some data: 			



Berdasarkan hasil pengecekan patok batas melalui GPS dapat dilihat dari dokumentasi diatas bahwasannya areal 35,94 Ha tersebut merupakan areal rendah sempadan sungai dan berada diluar HGU tetapi areal tersebut ditanami oleh masyarakat lokal dengan tanaman kelapa sawit (tidak dikelola)

- The area shown (red line) is inside the HGU stamp
- Not yet shown the boundary in the document has been in accordance with the coordinate point of the relevant services
- Not yet showing evidence that the area is a local cultivated area
- Has not shown an overlay between HGU maps and operational area maps

Major Verification on January 16, 2018.

Up to the major verification activities, no new document has been presented to the auditor. At the time of visit to location of area F (according to map HGU) known that there is no physical change whatsoever. Border or boundary markers between HGU and non-HGU controlled areas were not found.

Verify on January 22, 2018

The company sent a letter of scope reduction signed by a company representative dated 22 January 2018 and revised time bound plan (TBP).

Specifically for this nonconformity, the auditor is still awaiting the results of a review of the letter and the revision of TBP, so this nonconformity are still open awaiting the results of responses from the panel committee of MAL.

Verify on March 19, 2018

The management unit has demonstrated the process for areas that do not have HGU, namely information from the BPN Regional Office of North Sumatra dated March 9, 2018 stating that an area of + 35.94 Ha is in the process of handling HGU and is excluded from the scope of certification and incorporated into TBP. Based on that statement, the Non-conformity No. 2017.06 is declared fulfilled and will be observed at the time of the next audit.

Verified by	: Ardiansyah
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NCR No.	: 2017.07	Issued by	: Muhammad Rinaldi
Date Issued	: 27 March 2017	Time Limit	: ASA-1
NC Grade	: Minor	Date of Closing	:
Standard Ref. & Requirement	: 2.2.2 Evidence that legal boundaries are shown with a clear boundary and maintained.		
Non-Conformance Description & Evidence observed (filled by auditor):			
<ol style="list-style-type: none"> 1. The company owns boundaries pole that describes the position markers per section however it has not yet to be demonstrated that the poles were installed in accordance with a license/concession 2. Based on the field visit in block 06L and 92D, it is known that there is a non- conformance of installed poles, among others: <ul style="list-style-type: none"> - On the block 92D there is a pole with No. BPN 11 but in the pole examination documents, there is no pole with the number. - The absence of boundary pole in the field on block 06L while in the boundaries pole examination documents explain there are 3 boundary poles in the block 6L. 			
Root Cause Analysis (filled by organization audited):			
Corrective Action (filled by organization audited):			
Preventive Action (filled by organization audited):			
Assessor Evaluation and Conclusion (filled by auditor):			
Verified by	:		

NCR No.	: 2017.08	Issued by	: Muhammad Rinaldi
Date Issued	: 27 March 2017	Time Limit	: ASA-1
NC Grade	: Minor	Date of Closing	:
Standard Ref. & Requirement	: 2.2.5 For any conflict or dispute related to land, there must be evidence that the disputed land has been mapped in adjacent communities and the local authorities if necessary.		
Non-Conformance Description & Evidence observed (filled by auditor):			
The company has show location map to dispute area, however the company cannot be shown that the map was made in a participatory manner with affected parties.			
Root Cause Analysis (filled by organization audited):			
Corrective Action (filled by organization audited):			
Preventive Action (filled by organization audited):			

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

NCR No.	:	2017.09	Issued by	:	Dwi Haryati
Date Issued	:	27 March 2017	Time Limit	:	ASA-1
NC Grade	:	Minor	Date of Closing	:	14 October 2017
Standard Ref. & Requirement	:	4.1.2 There is the inspection or monitoring activities according to the operating procedures at least once a year.			
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> Based on the document review during the stage-2 audit, the company cannot show the document or mechanism mentioned internal audit activity conducted 2 times in a year and audited by <i>Satuan pengendali Internal (SPI)</i> .					
Root Cause Analysis <i>(filled by organization audited):</i> All SOPs are centered at headquarters, and there is negligence in its distribution to the plantation unit.					
Corrective Action <i>(filled by organization audited):</i> <ul style="list-style-type: none"> • Contact the Head Office to send the Internal Audit SOP • Distribution of all policies related to RSPO-related and SOPs to the garden unit. 					
Preventive Action <i>(filled by organization audited):</i> Placing all copies of SOPs associated with RSPO in all PTPN IV plantation units.					
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> October 14, 2017 The Company has shown the evidence of improvement in the form distribution of internal audit SOP. Based on the evidence of improvement, corrective and preventive actions are noted as follows: <ol style="list-style-type: none"> The root cause: has been accepted Corrective action: has been accepted Preventive: have been accepted Based on the above verification, the nonconformity has been adequate to be closed. The effectiveness of corrective and preventive actions will be seen in subsequent audits.					
Verified by	:	Mahmud Firdaus			

NCR No.	:	2017.10	Issued by	:	Mahmud Firdaus
Date Issued	:	27 March 2017	Time Limit	:	Before certificate issued
NC Grade	:	Major	Date of Closing	:	16 January 2018
Standard Ref. & Requirement	:	4.4.2 Protection of water bodies and wetlands, including maintaining and preserving riparian areas and other water bodies buffer zones at or before replanting, must be shown.			

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

Business Unit has showed HCV monitoring reports including riparian area that contains the location, plank condition, the purpose of monitoring, reviewing method. However, in these documents have not contained the monitoring indicators, monitoring results and actual conditions of HCV based on the results of monitoring that conducted regularly

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

- The HCV area monitoring report includes river borders containing location, plank conditions, monitoring objectives, review methods. However, the document did not contain monitoring indicators, monitoring results and actual HCV conditions.
- Negligence in making HCV monitoring reports.
- Has not been set PIC which appointed to responsible for HCV monitoring

Corrective Action *(filled by organization audited):*

Create a monitoring document that contains monitoring indicators, monitoring results and actual conditions of HCV based on monitoring results conducted periodically and uptodate.

Preventive Action *(filled by organization audited):*

- Arrange monitoring documents accordance monitoring indicator, monitoring result and actual condition of HCV based on monitoring result conducted periodically (every 6 months).
- SOP that regulate the monitoring of HCV areas conducted by PPD (RSPO officer) based on letter issued by Manager.

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

The Company has appointed field officers in the implementation and management and monitoring of HCV (including water and wetlands) on March 20, 2017. The Company also showed reports of HCV monitoring on March 2017. For example, HCV monitoring in afdeling III that described monitoring in the border area of water spring. The water spring is a type of HCV 1.1 which is located in block 99.1 and block 03.S with plank condition was in good condition.

The monitored indicator described the condition of the water spring condition which still good by maintaining the tree around the water spring and maintain the shelter and roof to avoid dirt which done based on direct observation and work maps.

In addition, the company also showed photos of HCV conditions as well as photos of planting of woody plants in the HCV area especially in river border and other wetlands.

Based on the verification, nonconformity has been adequate to be closed, but it is necessary to assess the effectiveness of corrective and preventive actions on the activities of Major Verification.

Major Verification January 16, 2018

Based on field observation in HCV area of river border at block 2016G Division 2 was known that the company has been managing with planting mahogany trees and other trees around the river border. Furthermore identified plank with good condition and maintained. The HCV officer explained that the monitoring of the area has been conducted regularly, and the monitoring results are reported to the plantation manager for review. Based on this, the nonconformity has been fulfilled to be closed.

Verified by : **Mahmud Firdaus**

NCR No.	: 2017.11	Issued by	: Dwi Haryati
Date Issued	: 27 March 2017	Time Limit	: Before certificate issued

NC Grade	:	Major	Date of Closing	:	15 January 2018
Standard Ref. & Requirement	:	4.6.3 The use of pesticides must be minimized as part of the plan, and in accordance with the IPM plan. There can be no preventive pesticide use for disease prevention (prophylactic use).			
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> <p>Based on document verification, it is known that there were use of pesticides for pest / disease. It can be seen from document of Daily Work report afeding I and II from January to February, 2017 and documents of the use of pesticides in 2014-2016. Based on these documents, there were use of chemicals for pest control of horn beetle (<i>Oryctes</i>) in the form of marshall in the immature area for example block 16F and 16B. However, the business unit has not been able to show evidence of having conducted census horn beetle pest in the immature area which become the basic of the use / application of chemicals in accordance with the procedures to control pests and diseases of business unit (Doc No. A.08).</p>					
Root Cause Analysis <i>(filled by organization audited):</i> <p>The document control officer (PPD) does not understand documents related to pest & dissase. Documents are still in each division</p>					
Corrective Action <i>(filled by organization audited):</i> <ul style="list-style-type: none"> - show the document census of horn beetle pest - Storing documents related to RSPO in one special place so as to facilitate the granting of documents when requested in the audit. 					
Preventive Action <i>(filled by organization audited):</i> <p>Appoint PIC to monitor the implementation of the census and pest control and ensure that all documents related to pest are stored in the document control officer</p>					
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> <p>December 21, 2017 The company has shown the evidence of improvement in the form of decree of appointment of special officer of pest and disease control on 6 November 2017 (also information about name of appointed officer, along with its jobdesc), result of pest census from April to November 2017.</p> <p>January 15, 2018 Based on field visits to 16F division 1, it is known that at the time of the day activities there was no indication of pest attack and application of pesticides. The results of interviews with company representatives, explained that the census results in the block is still below the threshold so that no treatment is done using chemicals. Based on description, nonconformity has been fulfilled to close. Effectifness of improvement evidences and preventive measures will be seen in subsequent audits.</p>					
Verified by	:	Mahmud Firdaus			

NCR No.	:	2017.12	Issued by	:	Dwi Haryati
Date Issued	:	27 March 2017	Time Limit	:	Before certificate issued
NC Grade	:	Major	Date of Closing	:	15 January 2018
Standard Ref. & Requirement	:	4.6.5 There shall be evidence of the application of pesticides by trained personnel and in			

	<p>accordance with the instructions for use on the product label and storage instructions. Adequate safety equipment must be provided and used. Warnings about the products must be observed, understood and applied correctly by workers (see Criterion 4.7).</p>
<p>Non-Conformance Description & Evidence observed <i>(filled by auditor):</i></p> <ol style="list-style-type: none"> Based on interviews with spray workers in the block 07P afdeling I and document review of training, it is known that there are three workers who have not received training in pesticide application Based on the field visit in the block 07P afdeling I, there are three workers not wearing gloves and two workers wearing cloth gloves. This is not in accordance with the pesticide MSDS that should use gloves to chemicals. Based on the field at the warehouse of chemicals, it is known that the MSDS are available at warehouse but not in a language easily understood (Bahasa). 	
<p>Root Cause Analysis <i>(filled by organization audited):</i> Major Verification 15 January 2018</p> <ul style="list-style-type: none"> The risk management officer has not specified specifically in HIRAC about spray-coated The company has not understood that for pesticide operators have to receive training Supplied MSDS from suppliers are only available in English 	
<p>Corrective Action <i>(filled by organization audited):</i> Major Verification 15 January 2018</p> <ul style="list-style-type: none"> Revise the HIRAC Conduct the training of pesticide application to all spray worker Replaces MSDS to Indonesian language 	
<p>Preventive Action <i>(filled by organization audited):</i> Major Verification 15 January 2018</p> <ul style="list-style-type: none"> Perform monitoring of PPE used routinely in accordance with those described in the HIRAC document. The company issues Circular Letter from DOS / SE unit manager / Intrn / 46 / XI / 2017 on 04 November 2017 regarding paraquat reduction program. It is explained that paraquat is not used anymore except in specific situations that have been identified in the guidelines of national best practices. Monitoring MSDS of each chemical in the warehouses 	
<p>Assessor Evaluation and Conclusion <i>(filled by auditor):</i> Verification January 16, 2018 The Company have the evidence of improvement in the form of:</p> <ol style="list-style-type: none"> Documentation socialization of PPE usage in Afdeling II on 01 August 2017 which was attended by 34 participants (harvesters, loader officer, supervisor, clerk and assistant), attached photo document. The company shows implementation of pesticide handlers training conducted on 04 December 2017 followed by the pesticide foreman and workers from Division I - V followed by 21 participants. The company explained that it was not using paraquat chemicals so that no special training was done. Based on a visit in the chemical warehouse found no more paraquat chemicals. Result of document review List of Fertilizer and Chemical Supplies for the period of June 2017 - January 2018 it is known that the pesticide chemicals used by the company are; <ul style="list-style-type: none"> Starane Mashal Asefat manthene Gempur Petrokum Phostene Percis Capture Santafuron 	

- Decis
- Scud

- Circular Letter number 04.04 / SE / 18 / X / 2016 on October 14, 2016 concerning prohibition of pesticide use with WHO classification class IA and IB.
- Circular Letter from unit manager number DOS / SE.Intrn / 46 / XI / 2017 on 04 November 2017 about paraquat reduction program. It is explained that paraquat are not used anymore except in specific situations that have been identified in the guidelines of national best practices.
- Monitoring of PPE Division II in November 2017 against 14 fertilizer and spray workers with PPE types of helmets, googles, gloves, boots, masks and chemis clothes. The document describes the conditions and used of PPE
- Monitoring of PPE Division IV in December 2017 against 17 officers of security and loader with PPE type of helmet and shoes. The document describes the conditions and used of PPE
- Monitoring of PPE Division III in January 2018 against 24 workers with PPE type of helmets, masks and shoes. The document describes the conditions and used of PPE
- PPE Distribution record PPE Division I on January 13, 2018 for 59 workers with PPE types given helmets, boots, khemis clothes, rubber sieves, masks and glasses
- PPE Distribution record Division II records on January 13, 2018 for 66 workers with PPE types given helmets, boots, chemis clothes, rubber sieves, masks and glassess.
- Based on field visits in the chemical central warehouse, there is known that MSDS are available for each chemicals and has been available in Indonesia language

Based on the explanation above, the non conformity has been closed

Verified by : Dwi Haryati and Benli Manurung

NCR No.	: 2017.13	Issued by	: Mahmud Firdaus
Date Issued	: 27 March 2017	Batas Waktu	: Before certificate issued
NC Grade	: Major	Tanggal Terpenuhi	: 16 January 2018
Standard Ref. & Requirement	4.6.6 Pesticides are stored with recognized best practices. All pesticide containers must be managed properly according to regulations and or instructions on the packaging (See Criterion 5.3).		
Non-Conformance Description & Evidence observed <i>(filled by auditor)</i> : Based on field visit at chemical warehouse, it is known that the storage of chemicals / pesticides not in accordance with the procedures document no. 4.3.12 Revisi 00 and Ministerial Regulation No. 3 year 1986, for example, there is no symbol / hazard warning, ventilation, hazard detection tool.			
Root Cause Analysis <i>(filled by organization audited)</i> : <ul style="list-style-type: none">- The lack of understanding of the officers against the practice and management of pesticides in accordance with applicable regulations.- The company has no understanding of Labor Ministerial Decree No. 3 of 1986.			
Corrective Action <i>(filled by organization audited)</i> : <ul style="list-style-type: none">- Put on a symbol / warning, ventilation, hazard detection tool.- Conducting socialization to workers related to Labor Ministerial Decree No. 3 of 1986- Adjust the warehouse in accordance with Labor Ministerial Decree No. 3 of 1986			

Preventive Action *(filled by organization audited):*

- Monitoring hazardous warehouse so that its condition and specifications will still refer to Labor Ministerial Decree No. 3 year 1986.
- Conducting periodic socialization to warehouse officers.

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

Verification on October 23, 2017.

Based on the corrective action submitted, the company has identified the suitability of the warehouse with Labor Ministerial Decree no. 3 year 1986. The company showed evidence of improvement in the form of the symbol / warning of danger in the chemicals/pesticide warehouse, the condition of ventilation in chemical warehouse, and the hazard detection equipment in chemical warehouse. However, the Company has not been able to show evidence of warehouse conformity identification with Labor Ministerial Decree no. 3 year 1986 in accordance with the corrective action that has been made.

Verification on December 29, 2017

The Company showed the identification of warehouse condition in accordance with Labor Ministerial Decree No. 3 year 1986 dated November 30, 2017 consisting of 8 points of hazardous warehouse conditions. The company also showed documentation on the socialization of the management of hazardous and toxic materials on December 11, 2017 which was attended by 10 participants. However, the identification of the conformity of the warehouse condition has not yet contained related warning/sign of hazards and PPEs used by workers. Based on the explanation, the nonconformity is not fulfilled.

Major verification of January 16, 2018

The company showed the document:

1. Identification of warehouse condition based on Labor Ministerial Decree no 03 year 1986 on November, 30 2017 by PPD and warehouse officer with specification:
 - Separate from general activities
 - The walls and floors are strong and easy to clean
 - The door is tightly closed and given a warning sign
 - Always lock when not in use
 - Not stored with other materials
 - Ventilation, lighting and temperature meet applicable requirements
 - equipped by fire extinguisher
 - MSDS.
2. Document of socialization of hazardous management conducted on December 11, 2017 which was attended by 11 workers
3. Document of socialization of hazardous waste management conducted on 29 December 2017 which was attended by 16 workers.

Based on the field visit at the chemicals warehouse in central warehouse Afdeling I it was found that the walls and floor of the warehouse were still not matching the result of the identification done on November 30, 2017 (in accordance with the Labor Ministerial Decree No. 03 of 1986).

Related to this matter, the company showed Minutes of the implementation of Warehouse Floor Repair number: DOS / 01 / TEK / INV / I / 2018 Which was made on January 16, 2018 by Repairing Engineer and approved by chief engineer. In the document explained that it will be conducted:

- repairing of chemical warehouse floor.
- Manufacture of bunwall and secondary containment in chemical warehouse

The repairing plan will be implemented on January 22, 2018 and will be completed no longer than two weeks after the work commences.

Based on the above description the non conformity has been fulfilled to close with a note. The effectiveness of corrective and preventive actions will be seen in the next audits.

Verified by : **Mahmud Firdaus**

NCR No.	2017.14	Issued by	Dwi Haryati
Date Issued	27 Maret 2017	Batas Waktu	Before certificate issued
NC Grade	Major	Tanggal Terpenuhi	16 January 2018
Standard Ref. & Requirement	4.6.11 Annual medical supervision specific to pesticide operators, and documented action to address health conditions related to it, must be shown.		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i>			
Business unit has a regularly program medical check up for pesticide operator. Dolok Sinumbah afdeling I and II has a list of the latest pesticide operator as many as 11 workers. This semester, the regularly medical check up was conducted on March, 6 2017. But not all workers have conducted a medical examination.			
Root Cause Analysis <i>(filled by organization audited):</i>			
Major Verification January 16, 2018			
The Company has not yet understood the obligation of periodic medical examinations for workers relating to chemicals.			
Corrective Action <i>(filled by organization audited):</i>			
Major Verification January 16, 2018			
Conduct health checks for all pesticide operators.			
Preventive Action <i>(filled by organization audited):</i>			
Major Verification January 16, 2018			
<ul style="list-style-type: none"> Identify workers related to chemicals Establish annual medical examination schedules for workers relating to chemicals 			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i>			
Major Verification January 16, 2018			
a. The company shows the document:			
<ul style="list-style-type: none"> Medical examination for pesticide operators conducted by PT Prima Medica Nusantara on 21 October 2017 to 21 Workers Health examination for pesticide operators conducted by PT Prima Medica Nusantara on 20 October 2017 to 20 Workers List of chemical officers and pesticide operators <ul style="list-style-type: none"> a. Division I: 5 people b. Division II: 7 people c. Division III: 5 people d. Division VI: 6 people e. Division V: 4 people Health examination plan in 2018 which is planned in July and December in cooperation with PT PMN Hospital barrel and Hiperkes Association of North Sumatra Province. 			

The results of interviews with pesticide operators in Block 05G - 05F Afdeling I, there is known that the workers has been conduct medical checkup every year. Inspection results has been informed to workers.

Based on the explanation above, the non conformity has been closed

Verified by : Dwi Haryati and Benli Manurung

NCR No.	: 2017.15	Issued by	: Dwi Haryati
Date Issued	: 27 March 2017	Batas Waktu	: Before certificate issued
NC Grade	: Major	Tanggal Terpenuhi	: 16 January 2018
Standard Ref. & Requirement	4.7.2 The entire operation may threaten the safety and health risks should be assessed. Measures and procedures to address the risks that have been identified should be documented and implemented. Entire precautions attached to the products should be monitored closely and applied to workers.		
Non-Conformance Description & Evidence observed (filled by auditor):			
Procedures of OHS Risk Management (No. Doc 4.2.1, 1 July 2015) was approved by the Chairman of OHS Guiding Committee. This document explains how, assessment, hazard identification and control.			
1. The procedure is not clear that the risk precautions for the use of PPE is based on the product label / MSDS of materials. For example:			
<ul style="list-style-type: none">- For fertilizers warehouse activities, PPE at HIRAC arranged in the form of shoes, gloves, helmet. This is not in accordance with the MSDS Dolomite which requires the use of a dust mask.- For spraying activities used helmet, gloves, shoes. While on the MSDS requires the use of safety goggles, chemical resistant gloves, long-sleeved clothing, pants, shoes with socks, and a respirator.			
2. Based on the field, there is a risk of conditions, among others:			
<ul style="list-style-type: none">- Field visit in the mill, there is a rotating machine in WTP, EFB conveyor machine and pump wastewater that are not covered by a safety cover- At the diesel fuel storage tank there is a domestic waste burning activities.- In the area of Hositing Crane, there are employees who bring cars and motorcycles entered the factory area- On the block 99A Afdeling I, there is a burning pruned frond.- At the sterilizer station there is a cable dynamo open.- In the Blow Down areas, there is a electricity panel has not been covered.			
Root Cause Analysis (filled by organization audited):			
Major Verification January 16, 2018			
1. Risk control measures in HIRAC have not been based on product labels / MSDS.			
2. Negligence and ignorance of aspects of occupational health and safety that could potentially be a work accident.			
Corrective Action (filled by organization audited):			
Major Verification January 16, 2018			
1. Improve the HIRAC document in accordance with MSDS			
2. Reduce / eliminate the conditions at risk			
<ul style="list-style-type: none">- Conduct continuous control and put on plank that prohibits burning- To socialize the use of PPE to workers so that it can raise awareness to use PPE when working to avoid the occurrence of work accident.- Installation of safety cover on EFB conveyor machine and POME pump- Made signs of restricted / limited access in the hosting area cranes- close the cable dynamo in the sterilizer area			

- closes the open electrical panel in the blowdown area

Preventive Action (filled by organization audited):

Major Verification January 16, 2018

1. Adding in risk management procedures to conduct HIRAC evaluation in accordance with the monitoring of work areas that will be done periodically.
2. Will monitor the work area thoroughly and periodically.

Assessor Evaluation and Conclusion (filled by auditor):

Major Verification January 16, 2018

Non conformity poin 1:

The Company has sent evidence of improvement in the form of:

1. HIRAC that explain the risk control using PPPE must in accordance with MSDS
2. Evidence of recording the implementation of PPE socialization in all units of Dolok Sinumbah.

Non conformity poin 2:

- Based on verification results in EFB conveyor machines and POME pumps, the spinning machines has been closed with safety covers.
- Based on field observation in fuel tank, there is no more signs of burning domestic rubbish.
- Based on field observation at mill, there is no more workers vehicles brought into the hosting area cranes and there has been a warning.
- Based field observation, there is no more signs of burning pruned frond
- Based field observation at sterilizer station, the dynamo cable is closed
- In the Blow Down area, electrical panel has been installed with cover.
- Additional documents:
 - General monthly workplace checklist (FM 4.4.1-01). The checklist is used to view or examine some parameters such as material, worker, machine and work environment. In the form there is sub-parameter information describing the conditions and risks per parameter.
 - Revision of Risk Management SMK3 procedure (No 4.2.1) in point 6.5 by adding a sentence to review HIRAC documents based on periodic workplace monitoring data.
 - Workplace inspection programs at risk in mill and estate on 2018.

Based on the above description then the non confirmity has been fulfilled to close with a note. The effectiveness of corrective and preventive actions will be seen in the next audits.

Verified by : **Dwi Haryati and Mahmud Firdaus**

NCR No.	: 2017.16	Issued by	: Dwi Haryati
Date Issued	: 27 March 2017	Time Limit	: Before certificate issued
NC Grade	: Major	Date of Closing	: 16 January 2018
Standard Ref. & Requirement	4.7.3 Records of training Occupational Health and Safety program (see 4.8) and Personal Protective Equipment (PPE) in accordance with the results of hazard identification and risk analysis should be available to all workers.		
Non-Conformance Description & Evidence observed (filled by auditor):			

Based on the field, there are workers who do not use PPE according to risk identification, among others:

1. Based on the field visit in fertilizer warehouse, workers who work loading of fertilizer not use PPE according to HIRAC and MSDS. Only two workers use boots.
2. Based on field observation at the transfer carriage station, there is welding activities but the workers only using PPE in the form of boots unsafety and face protectors. This is not in accordance with HIRAC (should use PPE such as safety shoes, gloves, dust masks, goggles).
3. In the loading ramp area, loading workers are not using PPE.
4. Hoisting Crane operator not use safety shoes and only use slippers.

Root Cause Analysis (filled by organization audited):

Major Verification January 16, 2018

- Awareness of workers to use PPE is still low
- Monitoring the use of PPE is still lacking

Corrective Action (filled by organization audited):

- Requires that workers to use PPE when working to reduce the risk of work accident.
- Socialize the use of PPE to all workers.

Preventive Action (filled by organization audited):

Major Verification January 16, 2018

- Monitoring the use of PPE periodically
- Socialize the use of PPE when working and issue sanctions to workers who are caught not wearing PPE while working.

Assessor Evaluation and Conclusion (filled by auditor):

Major Verification January 16, 2018

The company shows the document:

1. Socialization of the use of PPE to the processing division at mill on July 24, 2017 which was followed by 23 workers
2. Monitoring the use of PPE to Shift I processing division in Mill on 1 - 7 January 2018 to 34 workers with types of PPE shoes, masks, helmets, gloves and googles. The document describes the conditions and used of PPE
3. Monitoring the use of PPE to Shift II processing division in Mill on 08 -14 January 2018 to 34 workers with types of PPE shoes, masks, helmets, gloves and googles. The document describes the conditions and used of PPE
4. PPE distribution record for Division I on January 13, 2018 for 59 workers with PPE types of helmets, boots, chemical clothes, rubber gloves, masks and googles

The results of the field visit in block 05G Division I (spray activity), block 07AB Division I (harvest activity), loading rump station, carriage transfer station known that the worker has used PPE in accordance with HIRAC (eg safety shoes, helmet and gloves)

Based on the explanation, then the non-conformity is closed.

Verified by : **Dwi Haryati and Benli Manurung**

NCR No.	: 2017.17	Issued by	: Dwi Haryati
Date Issued	: 27 Maret 2017	Time Limit	: ASA-1
NC Grade	: Minor	Date of Closing	:
Standard Ref. &	: 4.7.5		

Requirement	There shall be procedures in case of accidents and emergencies along with the instructions that should be able to be clearly understood by all workers. Procedure in case an accident should be provided in a language that can be understood by the workers. Workers who have been trained to provide first aid should be present both in the field and in other operations, and equipment for first aid should always be available in the workplace. Note all accidents must be kept and reviewed regularly.
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i>	
<ul style="list-style-type: none"> Management unit has shown document of monitoring first aid box where located in the building, but has not shown monitoring for bags that are in field supervisor. Based on field visit in the oil warehouse, it is known that the fire extinguisher is not pressurized. This is not in accordance with the result of workplace inspection stating that the extinguisher is still in good condition. 	
Root Cause Analysis <i>(filled by organization audited):</i>	
Corrective Action <i>(filled by organization audited):</i>	
Preventive Action <i>(filled by organization audited):</i>	
Assessor Evaluation and Conclusion <i>(filled by auditor):</i>	
Verified by	:

NCR No.	:	2017.18	Issued by	:	Mahmud Firdaus
Date Issued	:	27 Maret 2017	Time Limit	:	Before certificate issued
NC Grade	:	Major	Date of Closing	:	21 December 2017
Standard Ref. & Requirement	:	4.8.1 Training Program related to aspects of the Principle and Criteria RSPO			
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i>					
Based on the training programs, the programs did not cover training for P&C RSPO and RSPO SCCS in mills					
Root Cause Analysis <i>(filled by organization audited):</i>					
Not yet able to show training program of RSPO and SCCS system for workers. The training program just planning operational training.					
Corrective Action <i>(filled by organization audited):</i>					
<ul style="list-style-type: none"> Make training program include the training of RSPO and SCCS System Conduct internal training for RSPO and SCCS systems for workers 					
Preventive Action <i>(filled by organization audited):</i>					
Establish internal training programs of RSPO and SCCS systems for workers on a regular basis					
Assessor Evaluation and Conclusion <i>(filled by auditor):</i>					
December 21, 2017.					
The Company has sent evidence of improvement in the form of training documentation (activity report, documentation photo and attendance list), and monitoring form of program and training realization related to RSPO.					
Based on the explanation, nonconformity is fulfilled with observation. The effectiveness of corrective and preventive					

actions will be seen in next audit.

Verified by : **Mahmud Firdaus**

NCR No.	:	2017.19	Issued by	:	Mahmud Firdaus
Date Issued	:	27 March 2017	Time Limit	:	Before certificate issued
NC Grade	:	Major	Date of Closing	:	19 March 2018
Standard Ref. & Requirement	:	5.1.1 Should be provided the environmental impact assessment document.			
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> Based on document verification of Environmental documents RKL / RPL that conducted in 2004, however: <ul style="list-style-type: none">- Business unit have not been able to show Environmental Evaluation Studies document that is the initial environmental impact assessment document.- In the document RKL / RPL 2004, it is known that area of the environmental impact assessment is 3.919 ha, this is not in accordance with area managed 4.211.89 ha.					
Root Cause Analysis <i>(filled by organization audited):</i> The hectare statement of environmental impact assessment did not match with the manage area. There was a difference between the hectare statement of the management area and the HGU.					
Corrective Action <i>(filled by organization audited):</i> <ul style="list-style-type: none">- Contact the Head Office to send the Environmental Evaluation Study Document to the Dolok Sinumbah Business Unit.- Environmental impact assessment based on / refers to previous SEL (Environmental Evaluation Study) document.- Make revisions to environmental documents					
Preventive Action <i>(filled by organization audited):</i> <ul style="list-style-type: none">- Keep the Environmental Evaluation Study Document well in the bussiness unit by the PPD (RSPO Officer).- Identification of conformity between HGU area and manage area by <i>Tanaman</i> Department, <i>Hukum Pertanahan</i> department both the center and the bussiness unit.- The <i>Perencanaan</i> Departement will evaluate the revised environmental documents.					
Assessor Evaluation and Conclusion <i>(filled by auditor):</i>					
Major verification of January 16, 2018 The management unit provides additional evidence in the form of: <ol style="list-style-type: none">1. Letter dated November 28, 2017 signed by the unit manager to the environmental Agency of Simalungun Regency related to the proposed revision of the RKL / RPL document. The contents of the letter include: differences in the area of RKL / RPL documents, the application of water waste has not been contained in RKL / RPL, and the difference in thoughput capacity.2. Response letter from the environmental agency dated December 4, 2017 related to the direction of the arrangement of environmental documents signed by the head of the environmental agency whose the contents of which are obliged for dolok Sinumbah unit to make changes to environmental permit in accordance with goverment regulation number 27.3. Letter from dolok sinumbah to head office PTPN 4 dated December 6, 2017 signed by the unit manager to change environmental documents in accordance with letters from environmental agency of Simalungun regency.					

4. Letter number 660/2137 / 10.2 / 2018 dated January 11, 2018 from the head of the environmental agency explaining that PTPN IV DOS unit has made a process of revising of environmental documents RKL / RPL conducted by consultants (PT Oikos consultant).
5. Memo from the *Perencanaan* Department to the president director dated January 10, 2018 on the application of budget usage for environmental document changes.
6. Document of environmental evaluation study (SEL) of palm oil in dolok sinumbah estate, mayang estate, bukit lima estate and dolok sinumbah POM and also Mayang Mill in simalungun district, SUMUT. The document was ratified on 13 January 1993. The area of environmental study for the dolok sinumbah estate is 3.919 Ha.
7. Document of SEL distribution receipt dated January 15, 2018.
8. Monitoring template of document needs to monitor the needs of RSPO documents that must be in the unit.

Based on the documents that have been submitted before and after the major verification then the nonconformity can not be closed. The company has not been able to show the environmental documents in accordance with the current real management area.

Verification March 19, 2018

The management unit has showed the process for areas that do not yet have an environmental document that is the description of the Environmental Agency of Simalungun Regency dated January 11, 2018 stating that the Dolok Sinumbah is in the process of revising the RKL-RPL. Based on that explanation, nonconformity No. 2017.19 is declared fulfilled and will be observed at the time of the next audit.

Verified by : **Ardiansyah**

NCR No.	: 2017.20	Issued by	: Mahmud Firdaus
Date Issued	: 27 March 2017	Time Limit	: ASA-1
NC Grade	: Minor	Date of Closing	:
Standard Ref. & Requirement	5.1.3 There are environmental monitoring plan document and implementation report and also improvement plan according the monitoring results if it found discrepancy. This plan is reviewed at least 2 years.		
Non-Conformance Description & Evidence observed (filled by auditor):			
1. Based on the results of document verification of report of RKL-RPL monitoring results, it is known that there are still environmental parameters have not been monitored, managed and evaluated by the business unit, for example, the source of the impact of aquatic biota (parameter being monitored in the form of diversity index and uniformity of aquatic biota (plankton and benthos) were performed every 6 months.			
2. Business Unit has reported RKL-RPL implementation semester I of 2016 to the relevant agencies. However, it has not provided sufficient evidence that the preparation of the Report of the RKL-RPL in accordance with Minister regulation no. 45 of 2005 on Implementation Guidelines for Preparation of RKL-RPL.			
Root Cause Analysis (filled by organization audited):			
Corrective Action (filled by organization audited):			
Preventive Action (filled by organization audited):			
Assessor Evaluation and Conclusion (filled by auditor):			

Verified by	:		

NCR No.	: 2017.21	Issued by	: Mahmud Firdaus
Date Issued	: 27 March 2017	Time Limit	: Before certificate issued
NC Grade	: Major	Date of Closing	: 16 January 2018
Standard Ref. & Requirement	: 5.2.2 If rare, threatened or endangered (RTE) species, and or other HCV contained in plantations or affected by the operation of oil palm plantations or factories, it should be provided that the management plan is implemented to maintain or increase its value.		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> Business Unit has shown document of Management Plan and Realization of HCV in 2016. However, has not provided sufficient evidence that the management plan of HCV in accordance with the management recommendations in the document Identification of HCV and can not be shown evidence that the management plan by planting trees in the area of the water spring has been done.			
Root Cause Analysis <i>(filled by organization audited):</i> <ul style="list-style-type: none"> - There was a negligence in monitoring the management of HCV so that the program was not in accordance with the realization - There is no officer in charge of HCV management. 			
Corrective Action <i>(filled by organization audited):</i> <ul style="list-style-type: none"> - Develop an HCV management plan accordance with the management recommendations on the HCV Identification document and show the evidence that a tree-planting management plan has been implemented. - Monitoring the management of HCVs regularly. 			
Preventive Action <i>(filled by organization audited):</i> <ul style="list-style-type: none"> - Tree planting has been done in accordance with the HCV management plan. - Put on HCV planks in areas containing High Conservation Values. - Made the HCV management plan periodically in accordance to the recommendation on recommendations on the HCV Identification document 			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> Verification on October 23, 2017. <ul style="list-style-type: none"> - The Company showed the HCV area management and monitoring plan on March 2, 2017 along with tree planting and vegetation monitoring records in the riparian area of 2017. - The Company showed the HCV area management procedures with no. SPO 08 dated August 1, 2012 explaining the management of the HCV areas. <p>Based on the verification, nonconformity has been adequate to be closed, but it is necessary to assess the effectiveness of corrective and preventive actions on the activities of Major Verification.</p> <p>Major Verification on January 16, 2018 Based on field visit to the HCV area block 2016G afdeling 2 known that the company has been managing by planting mahogany trees and other trees around the river border, furthermore, identified plank with good condition and well maintained. Based on the explanation, nonconformity is fulfilled with observation. The effectiveness of corrective and preventive actions will be seen in next audit.</p>			
Verified by	:	Mahmud Firdaus	

NCR No.	: 2017.22	Issued by	: Mahmud Firdaus
Date Issued	: 27 March 2017	Time Limit	: ASA-1
NC Grade	: Minor	Date of Closing	:
Standard Ref. & Requirement	5.2.3 There are socialization program of the status of protected, RTE species to all workers and record of sanction to individuals who work to the business unit if it is proven to catch, harm, collect or kill the species.		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> Business Unit has a Circular Letter regarding the protection of animals and plants are endangered and protected. However, in the Circular Letter has not explained about the sanctions to the worker if it is proven capture, hurt, collect or kill species listed in the Rare Threaten Endangered categories.			
Root Cause Analysis <i>(filled by organization audited):</i>			
Corrective Action <i>(filled by organization audited):</i>			
Preventive Action <i>(filled by organization audited):</i>			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i>			
Verified by	:		

NCR No.	: 2017.23	Issued by	: Octo HPN Nainggolan
Date Issued	: 27 March 2017	Time Limit	: ASA-1
NC Grade	: Minor	Date of Closing	:
Standard Ref. & Requirement	5.2.4 If a management plan has been arranged, it should be provided documentation and ongoing monitoring reports on the status of RTE species and HCV operational affected plantations and palm oil mill and the results of the monitoring are used to follow up the management plan.		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> Business Unit showed a document of monitoring HCV area . However, it has not provided sufficient evidence that monitoring of HCV (and species RTE) is done periodically in accordance with the recommendations monitoring in the document of HCV Reports and its evaluation.			
Root Cause Analysis <i>(filled by organization audited):</i>			
Corrective Action <i>(filled by organization audited):</i>			
Preventive Action <i>(filled by organization audited):</i>			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i>			

Verified by :	
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NCR No.	: 2017.24	Issued by	: Mahmud Firdaus
Date Issued	: 27 March 2017	Time Limit	: Before certificate issued
NC Grade	: Major	Date of Closing	: 16 January 2018
Standard Ref. & Requirement	: 5.3.2 There shall be evidence that all the chemicals and their containers waste disposed of responsibly.		
Non-Conformance Description & Evidence observed (filled by auditor):			
1. Business Unit has not been able to show Labor Agreement with the licensed collector / transporter of hazardous waste.			
2. Based on the results of field visits in the warehouse of chemicals and oil warehouse, there are ex container stored not on the licensed area (hazardous waste storage). It is not in accordance with SOP documentl no. SPO 02, no. Revisions: 02 effective date on January 2, 2015 which states that ex containers of chemicals collected in the hazardous waste storage.			
3. Based on the results of field visits in hazardous waste storage, it is known that the unit has not been updating recording hazardous waste that produced. For example,			
- There is a used lamp that has not been recorded in the hazardous waste logbook.			
- The number of used batteries is not accordance with the hazardous waste logbook.			
Root Cause Analysis (filled by organization audited):			
Major verification on January 16, 2018			
- The Company has not been able to show the Letter of Work Agreement with the licensed hazardous waste collector / transporter because it was stored in the head office.			
- Lack of officer understanding about SOP Disposal of hazardous waste, agrochemical chemical container no. SPO 02 revision: 02 effective date January 2, 2015.			
Corrective Action (filled by organization audited):			
Major verification on January 16, 2018			
- Contact the Head Office to send a Work Agreement Letter with licensed hazardous waste collector / transporter			
- Moving existing hazardous waste to already available hazardous waste storage.			
- Updating logbooks and hazardous waste physical balance sheets in the hazardous waste storage.			
- Perform careful data recording.			
Preventive Action (filled by organization audited):			
Major verification on January 16, 2018			
- Copying / photocopying documents of Agreement Letter with licensed hazardous waste collector / transporter to be stored in the office of the plantation and the head office.			
- Every hazardous waste generated must be immediately sent to hazardous waste storage.			
- Performing hazardous waste Logbook recordings every time there is acceptance.			
Assessor Evaluation and Conclusion (filled by auditor):			
Verification on October 23, 2017.			
- The Company has sent a letter of agreement with the transporter and collector of hazardous waste that is PT Veronica Tannaga dated March 2, 2017.			
- The Company showed evidence of improvement in the delivery of hazardous waste to PT Veronica Tannaga on August 8, 2017, together with delivery letter and hazardous waste manifest.			
Verification on December 29, 2017.			
The Company cooperates with PT Veronica Tannaga in the case of hazardous waste collection. PT Veronica Tanaga			

has several licenses related to hazardous waste management, including:

- license of collection and storage temporary hazardous waste no. 1880 year 2014 dated 31 December 2014.
- license of hazardous waste management for hazardous waste collection activities No. SK.551 / Menlhk-Sekretariat / 2015 dated 19 November 2015.
- Recommendation of transportation of hazardous waste no. S.1052 / VPLB3 / PPLB3 / PLB.3 / 12/2016 dated 28 December 2016.

Verification on January 16, 2018.

Company showed :

1. Circular letter No. DOS / SE / Intrn / 07 / I / 2018 on January, 5 2018 by the Unit Manager on management of hazardous waste.
2. Document of socialization of hazardous waste management conducted on December 11, 2017 which was attended by 11 workers
3. Document of socialization of hazardous waste management conducted on 29 December 2017 which was attended by 16 workers
4. hazardous waste balance sheets as of December 2017.

Based on field visit and hazardous waste balance sheet verification update December 2017 known that physical in storage have match with that listed in balance sheet, for example there are 4 used battery.

Based on field visits and interviews with hazardous waste storage personnel , known that the personnel have been aware of the hazardous waste management procedures and have provided data explaining the duties and responsibilities of the appointed personnel to handle hazardous waste.

Based on the explanation, then the nonconformity is stated fulfilled.

Verified by : **Mahmud Firdaus**

NCR No.	: 2017.25	Issued by	: Mahmud Firdaus
Date Issued	: 27 March 2017	Time Limit	: ASA-1
NC Grade	: Minor	Date of Closing	: 23 October 2017
Standard Ref. & Requirement	5.3.3 Must be available waste management plan which is documented and implemented to prevent and reduce pollution.		
Non-Conformance Description & Evidence observed (filled by auditor): Based on the results of field visits in housing complex Afdeling 1, it is known that there is a domestic waste that burned in the back of the worker houses. This is not in accordance with the domestic waste management procedures SPO No. 20 January 2, 2015.			
Root Cause Analysis (filled by organization audited): - Lack of socialization on domestic/household waste management.			
Corrective Action (filled by organization audited): - Make a Circular Letter about the ban on burning domestic household waste. - Socialize domestic household waste handlers to employees and their families.			
Preventive Action (filled by organization audited): - Make domestic waste dump for employees. - Monitoring domestic household waste management.			

Assessor Evaluation and Conclusion *(filled by auditor):*
Verification October 23, 2017

The Company showed a circular dated April 3, 2017 concerning the ban on burning waste and socializing the ban on burning waste to 107 employees on July 2017. The effectiveness of its compliance will be seen in the next assessment.

Closed with observation.

Verified by : **Mahmud Firdaus**

NCR No.	: 2017.26	Issued by	: Mahmud Firdaus
Date Issued	: 27 March 2017	Time Limit	: Before certificate issued
NC Grade	: Major	Date of Closing	: 16 January 2018
Standard Ref. & Requirement	: 5.6.2 Must be available of identification results of significant pollutant sources and emissions of greenhouse gases and pollutants, as well as plans and implementation document to reduce or minimize pollution and emissions.		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> Business Unit has showed efforts to control greenhouse gases in the form of oil palm plantation activities without burning and planting trees in the village of Kampung Tempel. However, it has not provided sufficient evidence that the business unit has had a program to reduce GHG emissions for all activities that have been identified and its implementation			
Root Cause Analysis <i>(filled by organization audited):</i> The Business Unit did not yet have a program to reduce GHG emissions.			
Corrective Action <i>(filled by organization audited):</i> Make a program to reduce GHG emissions for all identified activities resulting in Greenhouse Gas emissions and their implementation.			
Preventive Action <i>(filled by organization audited):</i> <ul style="list-style-type: none">- Make a program to control the greenhouse gas emissions by PPD (RSPO Officer) conducted periodically and implement it.- Implementing SOP of GHG Inventory and Mitigation.			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> Verification on October 23, 2017. The Company has demonstrated a program to mitigate GHG emissions from identified activities producing GHGs. These activities include land clearing (including replanting), fertilization, FFB transport, spraying, boiler operations and machinery and processing of FFB or WWTP. Implementation of the plan to reduce GHG emissions has been implemented by the company, for example using fiber and shell for boiler fuel, managing empty bunches through composting process as organic fertilizer, enriching in areal conservation and etc. Based on the verification, nonconformity has been adequate to be closed, but it is necessary to assess the effectiveness of corrective and preventive actions on the activities of Major Verification. Major Verification dated January 15, 2018 Based on field visit at POM, it was known that the company has implemented a GHG reduction program by using shells and fiber for boiler fuel. From interviews with company representatives, these activities have been conducted but at the			

time the stage-2 audit has not been well documented, and has not understood that it is one of reduction on GHG mitigation. The document control officer explained that the document at that time had been there but the file was mixed with other files.

Based on the verification, this nonconformity has been met to be closed. The effectiveness of corrective and preventive actions will be seen in next audit.

Verified by : **Mahmud Firdaus**

NCR No.	:	2017.27	Issued by	:	Mahmud Firdaus
Date Issued	:	27 Maret 2017	Time Limit	:	ASA-1
NC Grade	:	Minor	Date of Closing	:	
Standard Ref. & Requirement	:	5.6.3 Must be available plans and results of regular monitoring of the emissions and pollutants from activities of plantation and palm oil mill by using the appropriate method.			
Non-Conformance Description & Evidence observed (filled by auditor): Business Unit has not been able to shown the results of calculation of GHG emissions in 2016 using the RSPO PalmGHG.					
Root Cause Analysis (filled by organization audited):					
Corrective Action (filled by organization audited):					
Preventive Action (filled by organization audited):					
Assessor Evaluation and Conclusion (filled by auditor):					
Verified by	:				

NCR No.	: 2017.28	Issued by	: Muhammad Rinaldi
Date Issued	: 27 March 2017	Time Limit	: Before certificate issued
NC Grade	: Major	Date of Closing	: 15 January 2018
Standard Ref. & Requirement	6.1.3 There shall be a management plan and social impact monitoring to avoid or reduce negative impacts and enhance positive impacts were based on the analysis of social impact through the consultation process with the parties affected, documented and unscheduled including the responsibilities of implementation.		
Non-Conformance Description & Evidence observed (filled by auditor):: Business Unit has not been able to show the realization of the activities for the management plan on the parameters of Bussines opportunity and Employment Opportunities.			
Root Cause Analysis (filled by organization audited): Negligence in updating the data so that at the time of audit can not be shown.			
Corrective Action (filled by organization audited): • Can show evidence of activities for the management plan on the parameters of Employment Opportunities and			

Employment Opportunities

- Performs updated data and documents carefully and scheduled.

Preventive Action (filled by organization audited):

- Documenting activity evidence for the management plan on the parameters of Employment Opportunities and Employment Opportunities.
- Monitoring the management plan every semester and documenting all socialization conducted by the company to the surrounding community related to these parameters by General HR Assistant and General HR Clerck.

Assessor Evaluation and Conclusion (filled by auditor):

Verify on 01 November 2017

The Company shows evidence of improvements in the form of:

- The Company shows the Letter of Demand for Harvesters and loaders to Head Office conducted in July 2017. In addition, there is a Minutes of Meeting with Pangulu Nagori around the company which one of them explained that in Dolok Sinumbah Business Unit is opening new recruitment, for example meeting held on July 16, 2017 to Nagori Dolok Sinumbah, Timbaan, Marihat Bandar, etc.
- The Company shows the Letter relating to Partnership Program Proposal dated 04 July 2017 which explains the application to the General Section related to micro business capital loan from the community around Dolok Sinumbah. However, there is no evidence of micro business proposal from the community and evidence of implementation of the activity.

In order to re-identify corrective actions according to the root cause.

Based on this matter, this Nonconformity has not been fulfilled

Major verification on January 15, 2018

The company shows the document:

1. Application of business capital loan which has been submitted to head office. Furthermore, the application will be continued by environmental development program for field survey and will be submitted in accordance with PDIK no 04.12.12 dated June 2013.
2. Circular letter from the unit manager dated January 15, 2018 on the appointment of management of employment and bussiness opportunities.
3. Progress of employee recruitment.

The company shows the document:

- a. Circular Letter no. DOS/SE.Int/09/2019 on January 06, 2018 to all Division about the prohibition of using third parties in harvesting work
- b. Internal Memo from HR Division at 31 October 2017 number: 04.11/GMD I/M-2585.1/X/2017 to GM District I on the Board of Directors' Decree PTPN IV about the selection committee of the harvesting candidate and the loader.
- c. Memo No.GMD.I/KOL/M-149/XI/2017 from GM District I on 02 November 2017 to unit manager about preparation of field selection of candidate employees Tahapan penerimaann calon karyawan golongan IA-2D untuk kebutuhan permanen disetiap divisi
- d. Interview schedules and field tests for candidate harvesters scheduled from 13 September 2017 to 09 December 2017
- e. The names of candidate harvest and loader employees created on 01 November 2017 are as follows:
 - Division I: 32 persons
 - Division II: 23 persons
 - Division III: 28 persons
 - Division IV: 10 persons
 - Division V: 5 persons

f. Attendance of interviews and field tests of candidate employees held on 23 November 2018 with details as follows:

- Division I: 30 persons
- Division II: 23 persons
- Division III: 29 persons
- Division IV: 13 persons
- Division V: 5 persons

Until now still waiting for the next stage of the District

Based on improvement documents and additional evidence during major verification, this nonconformity has been met to close. The effectiveness of corrective and preventive actions will be seen in surveillance audit activities.

Verified by : **Mahmud Firdaus**

NCR No.	: 2017.29	Issued by	: Muhammad Rinaldi
Date Issued	: 27 Maret 2017	Time Limit	: ASA-1
NC Grade	: Minor	Date of Closing	:
Standard Ref. & Requirement	6.1.4 The management plan and monitoring social impacts have been documented, to be reviewed at least every 2 years. If needed, the plan should be corrected. There shall be evidence that the review process involves the participation of all affected parties.		
Non-Conformance Description & Evidence observed (filled by auditor): Business unit has not showed the evidence of reviewing the Management and monitoring of social impact that involve the affected parties every 2 years			
Root Cause Analysis (filled by organization audited):			
Corrective Action (filled by organization audited):			
Preventive Action (filled by organization audited):			
Assessor Evaluation and Conclusion (filled by auditor):			
Verified by	:		

NCR No.	: 2017.30	Issued by	: Muhammad Rinaldi
Date Issued	: 27 March 2017	Time Limit	: Before certificate issued
NC Grade	: Major	Date of Closing	: 16 January 2018
Standard Ref. & Requirement	6.3.2 Must be available recording process and the results of handling disputes		
Non-Conformance Description & Evidence observed (filled by auditor):: Based on interviews with labor unions and the Management, explained that there is a grievance related to delays in the provision of PPE and uniforms. However, the business unit has not been consistent in the application of SOP of Internal Communication and Employee Grievance which explained that all complaints should be documented.			

Root Cause Analysis <i>(filled by organization audited):</i> The Business Unit has no Responsible Person related to the complaint and has not socialized the SOP of communication	
Corrective Action <i>(filled by organization audited):</i> <ul style="list-style-type: none"> Document the Handling of Employee Complaints Company management will make intense communication to its employees so that it can quickly respond to complaints of employees. Appointment of the person in charge of the complaint Provide the socialization of SOP of internal communication 	
Preventive Action <i>(filled by organization audited):</i> <ul style="list-style-type: none"> Business units consistently document the implementation of Internal Communications SOP and Handling of Employee Complaints The business unit creates a suggestion / complaint box to accommodate workers' complaints Make monitoring of the documentation of complaints of employees and Conducted monitoring once a month 	
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> 01 November 2017 The Company shows evidence of improvements including: <ul style="list-style-type: none"> Decision Letter of Responsible Officer Related to Internal Communication and Complaints Handling related to RSPO from the Unit Manager on 04 September 2017 which explains the appointment to HR Assistant, head of SP-bun and Secretary SP-bun as the responsible officer. Internal Communication and Grievance Program Employee Complaints Monitoring which explains the date of complaint, details of complaint to follow-up, there was a recording of the complaint on March 15, 2017 regarding the delay in giving PPE and has been followed up Evidence of Socialization of SOP Internal Communications and Handling of Employee Complaints on March 15, 2017 to 34 employees including officers in charge of complaints Based on documentary evidence, this is sufficient but Major Verification is necessary to assess its effectiveness.	
Verification major on 16 January 2018 Based on the results of interviews with SP-BUN management representatives that all complaints will be documented in the Employee Complaint Monitoring. Then SP-BUN will communicate with the company to follow up the complaints. During field visits to the office of afdeling 1 and 3, an employee complaint book is available in each office.	
Verified by	: Muhammad Rinaldi and Mahmud Firdaus

NCR No.	: 2017.31	Issued by	: Muhammad Rinaldi
Date Issued	: 27 March 2017	Time Limit	: Before certificate issued
NC Grade	: Minor	Date of Closing	: 20 October 2017
Standard Ref. & Requirement	6.5.3 Growers and mills should provide decent housing, water supply, medical needs, education and public facilities in accordance with the national standard or a higher standard, if public facilities are not available or not accessible		
Non-Conformance Description & Evidence observed (filled by auditor)::			
Based on field observations in the employee housing division I, the sanitary conditions of housing in a state of stagnant and does not flow. However, the business unit has not been able to show a plan and realization to improve that facility			

Root Cause Analysis <i>(filled by organization audited):</i> There is no maintenance and improvement program for housing sanitation facilities for employees.	
Corrective Action <i>(filled by organization audited):</i> Repairing the drainage at employee housing.	
Preventive Action <i>(filled by organization audited):</i> Make monitoring of housing sanitation condition of employees	
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> Verification October 20, 2017 The Company has sent evidence of improvement in the form of: 1. Memo to technical assistant of PTPN IV unit DOS No. Int / 01 / IX / 2017 dated September 13, 2017 regarding Employee Housing maintenance and Sanitation Program. 2. Program of maintenance and sanitation in semester 2 of 2017 which can be described as follows: <ul style="list-style-type: none"> • Housing maintenance (plan in November 2017). • Drainage Maintenance on September and December and realized in September 2017. • Making a hole for domestic waste (September and December plan and realization in September 2017). Based on the above verification, the root of the problem, corrective action and preventive measures are adequate to be closed, but it is necessary to assess the effectiveness of corrective and preventive actions in the next audit activities.	
Verified by	: Muhammad Rinaldi

NCR No.	: 2017.32	Issued by	: Muhammad Rinaldi
Date Issued	: 27 March 2017	Time Limit	: Before certificate issued
NC Grade	: Major	Date of Closing	: 16 January 2018
Standard Ref. & Requirement	: 6.9.1. A policy to prevent all forms of abuse and sexual and other violence must be implemented and communicated to all employees.		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> The business unit has empowerment of women in the structure of Unit Labor Union. However, based on a document review mechanism for handling sexual harassment is known that women's issues are not delivered through the empowerment of women so that shows that the organization does not deal with women's issues			
Root Cause Analysis <i>(filled by organization audited)</i> Major Verification January 16, 2018 The company has not understood the obligation to make a council for protecting of women's rights			
Corrective Action <i>(filled by organization audited):</i> Major Verification January 16, 2018 make a council that handles the protection of women's rights contained in the SPBun on women's empowerment division.			
Preventive Action <i>(filled by organization audited):</i> Major Verification January 16, 2018 <ul style="list-style-type: none"> • Conducting annual socialization to women workers on the role of women's Empowerment associations. • Creating an annual Work program for Women's Empowerment. 			

- Conduct special socialization for newly hired women workers.

Assessor Evaluation and Conclusion *(filled by auditor):*
Major Verification January 16, 2018

The company shows the document:

1. The Company shows report documents related to sexual harassment and violence against women, as of December 2017 no cases.
2. Sexual harassment policy with document number: 06.0. In the document explained that PTPN IV is committed to provide opportunities to all employees to work in the work environment free from sexual harassment. The document was created by the President Director on 01 August 2012.
3. The socialization of women's empowerment was held on 2 September 2017 at GOR Dosin which was attended by 45 workers.
4. Chart of the mechanism for handling sexual harassment actions made on January 08, 2018 by the Unit Manager.
5. Work Program of Women Empowerment Field Year 2018
6. The composition of the Board of Women Empowerment Period 2014 - 2019 with the following arrangements:
 - Chairman: Panti Jumaini
 - Secretary: Asmiati
 - Treasurer: Yahumi

Based on interviews with pesticide operator in blocks 05G and 05F Division I, it is known that workers have been aware of SP-Bun handling women empowerment with Mrs. Panti Jumaini as chairman.

Based on the explanation, then the non-conformity is closed.

Verified by : Mahmud Firdaus

NCR No.	: 2017.33	Issued by	: Muhammad Rinaldi
Date Issued	: 22 March 2017	Time Limit	: Before certificate issued
NC Grade	: Major	Date of Closing	: 16 January 2018
Standard Ref. & Requirement	: 6.12.1 There shall be evidence there is no workers as a result of human trafficking and forced labor.		
Non-Conformance Description & Evidence observed (filled by auditor):			
Business Unit has not been able to provide evidence related the prohibition of the use of illegal or forced labour.			
Root Cause Analysis (filled by organization audited):			
The policy already exists but is still in the form of a general that is already implementing Law no. 19 of 1999 which contains the ILO convention on the abolition of forced labor.			
Corrective Action (filled by organization audited):			
Can show evidence related to policies governing the prohibition of use of trafficked labor illegally or forced.			
Preventive Action (filled by organization audited):			
<ul style="list-style-type: none">• Business Units can demonstrate policies relating to the prohibition on the use of illegally or forced labor.• Makes circular letter a ban on the use of illegally or forced labor.			
Assessor Evaluation and Conclusion (filled by auditor):			
Major Verification January 16, 2018			
The Company has shown the Circular Letter No DOS / SE.Int / 40 / IV / 2017 regarding the Prohibition on the Use of Illegally Trafficked or Forced Labor. It has been submitted to all employees in all divisions.			

Based on field visits and interviews to harvesters and sprayers in block 07AB & 05G afdeling 1, it is known that all workers are aware and understand the existence of a policy of prohibiting the use of illegal or forced labor and policies for non-employment of minors.

based on the above explanation, the non-conformity is closed.

Verified by : Mahmud Firdaus

NCR No.	: 2017.34	Issued by	: Muhammad Rinaldi
Date Issued	: 27 Maret 2017	Time Limit	: Before certificate issued
NC Grade	: Major	Date of Closing	: 29 October 2017
Standard Ref. & Requirement	SCCS E.2.2 The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).		
Non-Conformance Description & Evidence observed (filled by auditor): Dolok Sinumbah POM has not register to RSPO supply chain IT platform.			
Root Cause Analysis (filled by organization audited): There is no person responsible for the registration			
Corrective Action (filled by organization audited): PKS Dolok Sinumbah has already registered in the RSPO IT supply chain platform			
Preventive Action (filled by organization audited): PKS Dolok Sinumbah has already registered in the RSPO IT supply chain platform			
Assessor Evaluation and Conclusion (filled by auditor): October 29, 2017 The Company shows evidence of registration of PT. Perkebunan Nusantara IV Dolok Sinumbah Business Unit with Member ID: RSPO_PO1000005868 with person in charge Dolly Juanito (dhejuan@gmail.com) Based on the above explanation, the Non-conformity is stated Fulfilled			
Verified by	: Muhammad Rinaldi		

NCR No.	: 2017.35	Issued by	: Muhammad Rinaldi
Date Issued	: 27 March 2017	Time Limit	: Before certificate issued
NC Grade	: Major	Date of Closing	: 08 January 2018
Standard Ref. & Requirement	RSPO Certification System 4.2.4 poin e-i (Partial Certification)		
Non-Conformance Description & Evidence observed (filled by auditor)::			
Members of RSPO-PTPN IV has not been able to show evidence has been doing partial certification for all management units that do not have the RSPO certificate.			
Root Cause Analysis (filled by organization audited):			
<ul style="list-style-type: none">Company personnel do not know and understand the existence of obligations related to partial certification.			

- There is no set mechanism related to partial certification activities especially for subsidiaries.

Corrective Action *(filled by organization audited):*

Shows evidence to have partial certification for some management units that do not yet have RSPO certification.

Preventive Action *(filled by organization audited):*

- Will conduct partial certification comprehension training (training schedule)
- Establish mechanisms for partial certification activities (especially subsidiaries).

Assessor Evaluation and Conclusion *(filled by auditor):*
Verify on December 28, 2017

The Company has shown evidence of the implementation of partial certification activities in the form of internal audit implementation to subsidiaries and has been verified by CB in November 2017.

But companies need to re-identify the root cause and the preventive action.

Based on the explanation, this nonconformity is not fulfilled

Verify on January 22, 2018

Additional improvements from the unit:

- Memorandum of appointment of PIC reporting of partial certification member PTPN IV dated January 2018.
- RSPO certification partial implementation mechanism
- Internal audit results for subsidiaries
- Training schedule about partial certification

From the improvement documents that has been given, this nonconformity still not meet for the closed. There is a lack of information as follows:

- File of partial implementation mechanism has no information on document number and date of ratification of the mechanism is effective.
- The results of internal audit of partial certification, no information on the date of implementation of activities and personnel performing that activities.

Verify on February 8, 2018

The Company shows additional documents for improvements in the form of:

- SOP to perform partial certification issued 2 January 2018.
- News event of internal audit implementation for subsidiaries.

Based on these additional evidence, this nonconformity has been met to close. The effectiveness of corrective and preventive action will be observe in the next audits.

Verified by : **Mahmud Firdaus**

NCR No.	: 2017.36	Issued by	: Muhammad Rinaldi
Date Issued	: 27 Maret 2017	Time Limit	: Before certificate issued
NC Grade	: Major	Date of Closing	: 05 Oktober 2017
Standard Ref. & Requirement	RSPO Certification System 4.2.4 Time Bound Plan		

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

Based on the study of Time Bound Plan documents, it is known that there are 4 factories and 11 Estate that have been passed of timetable of Time Bound Plan such as Laras (2015), Berangir (2015), Marihat (2016) etc. and there are 2 subsidiaries that has not have the timetable for certification RSPO is PT Agro Sinergi Nusantara located in Aceh Barat, Aceh and PT Sinergi Perkebunan Nusantara located in North Morowali, Sulawesi, but RSPO member-PTPN IV has not been able to show any justification and renewal of the time bound plan.

Root Cause Analysis (filled by organization audited):

Unavailability of Time Bound Plan creation and reporting mechanism

Correction (filled by organization audited):

Revision of Time Bound Plan and create mechanism (SPO No.22 About Making and Reporting Time Bound Plan)

Corrective Action (filled by organization audited):

Periodically Evaluate the Time Bound Plan

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

The Company shows the Time Bound Plan update in September 2017 but has not been shown any justification for any units that have been changed at the time of its specification.

Auditor Verification on 03 October 2017

The Company shows the SOP of Time Bound Plan (SOP No. 22 in 02 October 2017) describing the time bound plan made by the SMPN Head of Sub-division and reporting it to the Certification Board and evaluating each year.

The company shows the Time Bound Plan update for all units of PTPN IV, but there are still Estate that have not updated their Time Bound Plan (Mayang, Gunung Bayu, Tinjowan) and the document has not been legalized.

Based on the explanation, this Non-conformity is still OPEN

Auditor Verification 05 October 2017

The company shows an update time bound plan that has been endorsed by the Head of Strategic Planning Section. Based on the document, it is known that all PTPN 4 Estate have been covered in time bound plan and for business units that have been revised and there is a justification for the change of time, for example the Estate of Air Batu (Plantation and Mill) from 2015 to 2021 due to legality-related issues.

Based on the explanation, **then this Nonconformity is Closed.**

Verified by : **Muhammad Rinaldi**

3.5.2 Opportunity for Improvement

No	Ref. Std.	Description
1	2.2.3	The business unit is encouraged to ensure the results back from the land dispute resolution with the community

		of Kampung Tempel
2	4.4.4	The business unit is encouraged to ensure the management of Surface Water Utilization Permit
3	4.6.4	The business unit is encouraged to have a list of pesticides that directly refer to the list of WHO 1A and 1B.
4	5.1.3	The business unit is encouraged to ensure the report of RKL-RPL semester II year 2016
5	6.11.1	The business unit is encouraged to realize the results of consultation with local communities related to local development.
6	SCCS E 3.1	The business unit may evaluate the SOP of supply chain with detailing the person responsible for the activities of the supply chain
7	SCCS E 4.1	The business unit may improve the quality of the SOP by adding a form / tabulation recording.
8	-	The business unit is encouraged to perform internal audit activities related to compliance with RSPO standards

3.5.3 Noteworthy Positive Components

No	Description
1	Has obtained Certificate of ISO 9001 : 2008
2	Has obtained Certificate of ISO 14001 : 2004
3	Has obtained Certificate of Occupational Health and Safety Management System



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

Public Issues (Institution/ NGO/Community)	Auditor Responses
Labor Agency of Simalungun district <ul style="list-style-type: none"> Reporting obligation in worker aspect has submitted and received by the worker body such as “wajib lapor tenaga kerja, P2K3, etc” There are worker union in the company There is no issue against worker welfare, payment under minimum wages, and worker accident. No issue against child labour Insurance of worker has given to all worker Everyone who works should have a working ties. 	<p>Based on document verification, interview and field visit, the company can show evidence of reporting, compliance of payment, no child worker till giving insurance to all worker. This in accordance with criteria 4.7, 6.5, 6.6, 6.7.</p> <p>However based on field visit, there is a person who work but does not have working ties. This becomes noncompliance in indicator 2.1.1</p>
Plantation Agency of Simalungun District <ul style="list-style-type: none"> There is no issue in agriculture against the company Obligation report such as LPUP has submitted and received by the agriculture body All operations are in good handling There is an areal of Dolok sinumbah has taken and manage by Bah Jambi. This is not problem because land are manage by another unit in the same Group. There is no burning activity in the company during land clearing. 	<p>Positive comments and satisfactory outcome of the stakeholder interview. CH has demonstrated compliance with the RSPO criteria 2.1; 4.1; 4.2 and 5.5.</p> <p>For the area that manage by Bah Jambi Estate, the company has shown the map and total area. All of operation area has in accordance with Land Use Tittle and Plantation Business Permit.</p>
National Land Agency of Simalungun District <ul style="list-style-type: none"> Land permit / HGU are 6.332 Ha based on SK Ka BPN no 44/HGU/BPN/2003 dated 8 August 2003 There is no issue in land manage by the company neither with issue in land conflict. There was land conflict in areal of dolok sinumbah, but the court result are win by the company. There is an areal of Dolok sinumbah has taken and manage by Bah Jambi. This is not problem because land are manage by another unit in the same Group. Areal of dolok sinumbah based on spatial maps are for agriculture area. The company's area come from the area of the dutch-owned company 	<p>Positive comments and satisfactory outcome of the stakeholder interview. CH has demonstrated compliance with the RSPO criteria 2.1, 2.2 and 2.3.</p> <p>For land dispute by Kampung Tempel Farmers Group is still in progress and will be verify in the next assessment. OFI in indicator 2.2.3</p> <p>For the area that manage by Bah Jambi Estate, the company has shown the map and total area. All of operation area has in accordance with Land Use Tittle and Plantation Business Permit.</p>
Environment Agency of Simalungun District <p>Obligation report such as RKL/RPL, land application, waste and disposal report was submitted and received by the environment body.</p> <ul style="list-style-type: none"> There is no negative issue against environment management conducted by the company The company had license on hazardous waste 	<p>Positive comments and satisfactory outcome of the stakeholder interview. However based on document verification and field visit, there are still some noncompliance in the criteria 5.1, 5.2, 5.3 and 5.6</p>

<ul style="list-style-type: none"> There are no RTE species of flora and fauna in the plantation areal. 	
<p>Pematang Kerasaan Rejo Village (Interviews with the Officials Village).</p> <p><u>Social</u></p> <ul style="list-style-type: none"> The efforts of communication by company to the villages community are still very weak. Proposal request from the village which sent to the company very few approved. A small number of people village work as harvesters in the company. <p><u>Land Legality</u></p> <ul style="list-style-type: none"> There are land disputes that occurred from 2005 and are currently on process in court. The village community of Kampung Tempel has given a statement to the company that the land disputes that occurred are not from the village community but from outsiders. The plantation come from companies in the Dutch period. There is not any land from community land and indigenous lands. Up to this moment, the company does not undertake new area expansion and just do the replanting. <p><u>Enviroment</u></p> <ul style="list-style-type: none"> There is not any issue of environmental pollution and also there are not any land fires Replanting activities are not done with burn technique 	<p><u>Social</u></p> <p>The company's contribution to local development in the form of proposals from the surrounding villages business units. Some of the proposals submitted as repairing roads, improving irrigation, street paving and repair of village office. Auditor giving notes on this element as an Observation and will be verify in the next assessment. #OFI (Indicator 6.11.1) The business unit has an opportunity to review and realize the results of consultation with local communities related to local development</p> <p><u>Land Legality</u></p> <ul style="list-style-type: none"> The company can show a letter of statement from the village and the land dispute is currently on process in court. This becomes an observation in indicator 2.2.1 The history of land ownership stated in the Law of the Republic of Indonesia Number 86 year 1958 dated December 27, 1958 on Nationalization of Dutch-owned company where the Dolok Sinumbah PTPN IV plantation is part of the area. This is in conformance with indicators 2.2.1 Based on interviews and documents review, there is not identified of any area expansion. <p><u>Enviroment</u></p> <ul style="list-style-type: none"> Based on the field visit, it is not identified of any environmental pollution and fires land <p>In the area of the Immature, it is known that there are still trace of replanting in the form of pieces of palm trunks. This is in conformance with the criteria 5.5</p>
<p>Dolok Sinumbah Village (Interviews with the head and secretary of village).</p> <p><u>Social</u></p> <ul style="list-style-type: none"> The efforts of communication by company to the villages community are still very weak. Proposal request from the village which sent to the company very few approved. A small number of people village work as officer in the company. <p><u>Land Legality</u></p> <ul style="list-style-type: none"> The plantation come from companies in the Dutch period. There is not any land from community land and indigenous lands. Up to this moment, the company does not undertake new 	<p><u>Social</u></p> <p>The company's contribution to local development in the form of proposals from the surrounding villages business units. Some of the proposals submitted as repairing roads, improving irrigation, street paving and repair of village office. Auditor giving notes on this element as an Observation and will be verify in the next assessment. #OFI (Indicator 6.11.1) The business unit has an opportunity to review and realize the results of consultation with local communities related to local development</p> <p><u>Land Legality</u></p> <ul style="list-style-type: none"> The history of land ownership stated in the Law of the Republic of Indonesia Number 86 year 1958 dated December 27, 1958 on Nationalization of Dutch-owned company where the Dolok Sinumbah PTPN IV plantation

<p>area expansion and just do the replanting.</p> <p>Enviroment</p> <ul style="list-style-type: none"> There is not any issue of environmental pollution and also there are not any land fires Replanting activities are not done with burn technique 	<p>is part of the area. This is in conformance with indicators 2.2.1</p> <ul style="list-style-type: none"> Based on interviews and documents review, there is not identified of any area expansion. <p>Enviroment</p> <ul style="list-style-type: none"> Based on the field visit, it is not identified of any environmental pollution and fires land In the area of the Immature, it is known that there are still trace of replanting in the form of pieces of palm trunks. This is in conformance with the criteria 5.5
<p>Labor Union (SP-Bun) Dolok Sinumbah</p> <ul style="list-style-type: none"> There is no negative issues such as discrimination, the use of labor under 18 years or sexual abuse issues. All the company policies has been disseminated to all workers. Providing wages and overtime in compliance with applicable regulations. workers complaints have been submitted and resolved by management. there are families who helped on the harvesting there is a harvest activities undertaken by third parties There were no fatal work accidents in 2016 All employees have been included in the program BPJS employment and health. Business unit has provided PPE for workers such as safety shoes, google glass. 	<ul style="list-style-type: none"> Based on field observation and interview with labour union, there was no violation of labour laws. For example, minimum age, discrimination, minimum wage, overtime etc. It refer to criterion 6.5. It has been nonconformity in criterion 2.1.1 The company has paid labour social insurance and labour health insurance for all workers as written in indicator 4.7.6. Verification results, it become nonconformity in criterion 4.7
<p>Local Contractor (FFB transport)</p> <ul style="list-style-type: none"> Business unit had socialized policies such as corporate codes and the use of labor over 18 years. Contractor's workers has given APD by the contractor. The contractor have known and understand the contents of work agreement and have a copy. The entire execution of the work and payment in accordance with the applicable agreement. Contractors's workers have participated in the program BPJS health. 	<ul style="list-style-type: none"> It has been nonconformity in criterion 1.3.1 Based on document verification, show that the rights and obligation of each party has been set in the contract, including the use of PPE, payment, labour social insurance and labour health insurance.
<p>Woman empowerman of labor Union</p> <ul style="list-style-type: none"> There is no negative issues such as discrimination and sexual abuse or child labor. Woman empowerman of labor Union has the program associated with sexual harassment policies, protection of reproductive rights. Socialization also includes a ban on pregnant and lactating women to spray. Socialization is delivered through meetings like recitation etc. Issues related woman delivered through woman empowerman. 	<ul style="list-style-type: none"> According on document verification and interview with workers, there was n issues related to violation of the rights of woman. From the results of interviews with workers, the company has implemmented of Company Policies such as reproductive rights and prohibition of pregnant woman to spray

	<ul style="list-style-type: none">lit become nonconformity in criterion 6.9
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4.0	CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY
4.1	Formal Sign-off of Assessment Findings
	<p>Hereunder sign by management representative from inspected company and audit team to acknowledge a field assessment and agree for all content explained in this assessment report, included of nonconformities issues.</p> <p>Signed on behalf of:</p> <div style="display: flex; justify-content: space-around; align-items: flex-end;"> <div style="text-align: center;"> <p>PT. Perkebunan Nusantara IV Vice President Strategic Planning</p>  <p><u>Khayamuddin Panjaitan</u> Monday, 19 March 2018</p> </div> <div style="text-align: center;"> <p>Mutuagung Lestari Lead Auditor</p>  <p><u>Muhammad Rinaldi</u> Monday, 19 March 2018</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	District of Simalungun	-	Interview	23 March 2017	√	
2.	Labor Agency	District of Simalungun	-	Interview	23 March 2017	√	
3.	Plantation Agency	District of Simalungun	-	Interview	23 March 2017	√	
4.	Environmental Agency	District of Simalungun	-	Interview	23 March 2017	√	
5.	Dolok Sinumbah Village	Subdistrict of Hutabayu Raja District of Simalungun	-	Interview	23 March 2017	√	
6.	Pematang Kerasaan Rejo Village	Subdistrict of Hutabayu Raja District of Simalungun	-	Interview	23 March 2017	√	
7.	Labor Union (SP-Bun) Dolok Sinumbah	Subdistrict of Hutabayu Raja District of Simalungun	-	Interview	23 March 2017	√	
8.	Local Contractor (FFB transport)	Subdistrict of Hutabayu Raja District of Simalungun	-	Interview	23 March 2017	√	
9.	Woman empowerment of labor Union	Subdistrict of Hutabayu Raja District of Simalungun	-	Interview	23 March 2017	√	
10.	WWF	-	wwf-indonesia@wwf.or.id	Email	16 March 2017		√
11.	Wahana Lingkungan Hidup	-	informasi@walhi.or.id	Email	16 March 2017		√
12.	Sawit Watch	-	info@sawitwatch.or.id	Email	16 March 2017		√

Appendix 2. Assessment Program

DATE		23-27 March 2017	
PLANNED TIME	ACTUAL DURATION	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
Thursday, 23 March 2017			
07.00 - 12.00	07.00 - 12.00	Stakeholder Consultation to Related Agency in Simalungun District	MFS
08.00 – 09.00	08.00 – 09.00	Opening Meeting	Audtor Team
09.00 – 12.00	09.00 – 12.00	<ul style="list-style-type: none"> Stakeholder Consultation with Labour Union, Gender Committee & Local Contractor Stakeholder Consultation with Pematang Kerasan & Dolok Sinumbah Village 	DHT MRD/OHN
12.00 – 14.00	12.00 – 14.00	Break	Audtor Team
14.00 – 17.00	14.00 – 17.00	<ul style="list-style-type: none"> Review of Previous Visit Non-conformance (ST-1) Document Verification <ul style="list-style-type: none"> Basic Information Land Use Legality, Social/Conflict, Social/Worker Right & SCCS Environmental, Conservation Aspect, GHG Emission & Planning Best Management Practices, Health/Safety, & Transparency Information 	MRD MFS DHT
Friday, 24 March 2017			
08.00 – 12.00	08.00 – 12.00	Field Observation to Dolok Sinumbah Estate <ul style="list-style-type: none"> Implementation of Agronomy Aspect (Harvesting & Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application) & Implementation of Occupational Health & Safety Aspect Implementation of Environmental, Conservation and Waste Management Aspect (Domestic Waste Management, Fire Control Facilities and HCV Area). Implementation of Legal Aspect (Land Ownership, Legal Boundaries). Implementation of Social Aspect (Communication and Transparency, Procedure and Mechanism of Complaint and Grievance) Observation of Workers Facilities (Housing, School, Worship Place, Clinic, etc). 	DHT/MFS MRD/ OHN MRD/ OHN DHT/MFS MRD/ OHN
12.00 – 14.00	12.00 – 14.00	Break	Audtor Team
14.00 – 17.00	14.00 – 17.00	• Clarification of Field Visit & Completing of Check List	• All Team
Saturday, 25 March 2017			
08.00 – 12.00	08.00 – 12.00	Field Observation to Dolok Sinumbah POM <ul style="list-style-type: none"> SCCS Verification Production/Processing and Health & Safety Emergency Equipment Check & Emergency Team Interview Hazardous Waste Storage, POME + Land Application Management of Environment (Environment monitoring station & GHG, etc) Facilities (Housing, health clinic, clean water, etc) Worker Rights (Status, Payment Condition, Gender Aspect, etc) 	MRD/ OHN DHT/MFS DHT/MFS MRD/ OHN MRD/ OHN MRD/ OHN

DATE		23-27 March 2017	
PLANNED TIME	ACTUAL DURATION	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
12.00 – 14.00	12.00 – 14.00	Break	
14.00 – 17.00	14.00 – 17.00	• Clarification of Field Visit & Completing of Check List	• All Team
Sunday, 26 March 2017			
Day Off			
Monday, 27 March 2017			
08.00 -10.00	08.00 -10.00	Closing Meeting	All Team
11.00 –	11.00 –	Traveling from Plantation Site to Jakarta	All Team