

**Roundtable on Sustainable Palm Oil Certification
R S P O****[✓] Surveillance**

Name of Management : Pulu Raja Palm Oil Mill subsidiary of PT Perkebunan Nusantara IV
Organisation
Plantation Name : PT Perkebunan Nusantara IV - Pulu Raja Estate
Location : Village of Orika, Sub-District of Pulau Rakyat, District of Asahan, Province of Sumatera Utara, Indonesia
Certificate Code : **MUTU-RSPO/070**
Date of Certificate Issue : 25 August 2015 Date of License Issue : 25 August 2018
Date of Certificate Expiry : 24 August 2020 Date of License Expiry : 24 August 2019

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ASA-3	13 to 16 August 2018	Trismadi Nurbayuto (Lead Auditor); Andi Pratama Pasaribu; Satria Adi Putra; Bayu Yogatama	Ardiansyah	Octo HPN Nainggolan

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-3	17 October 2018

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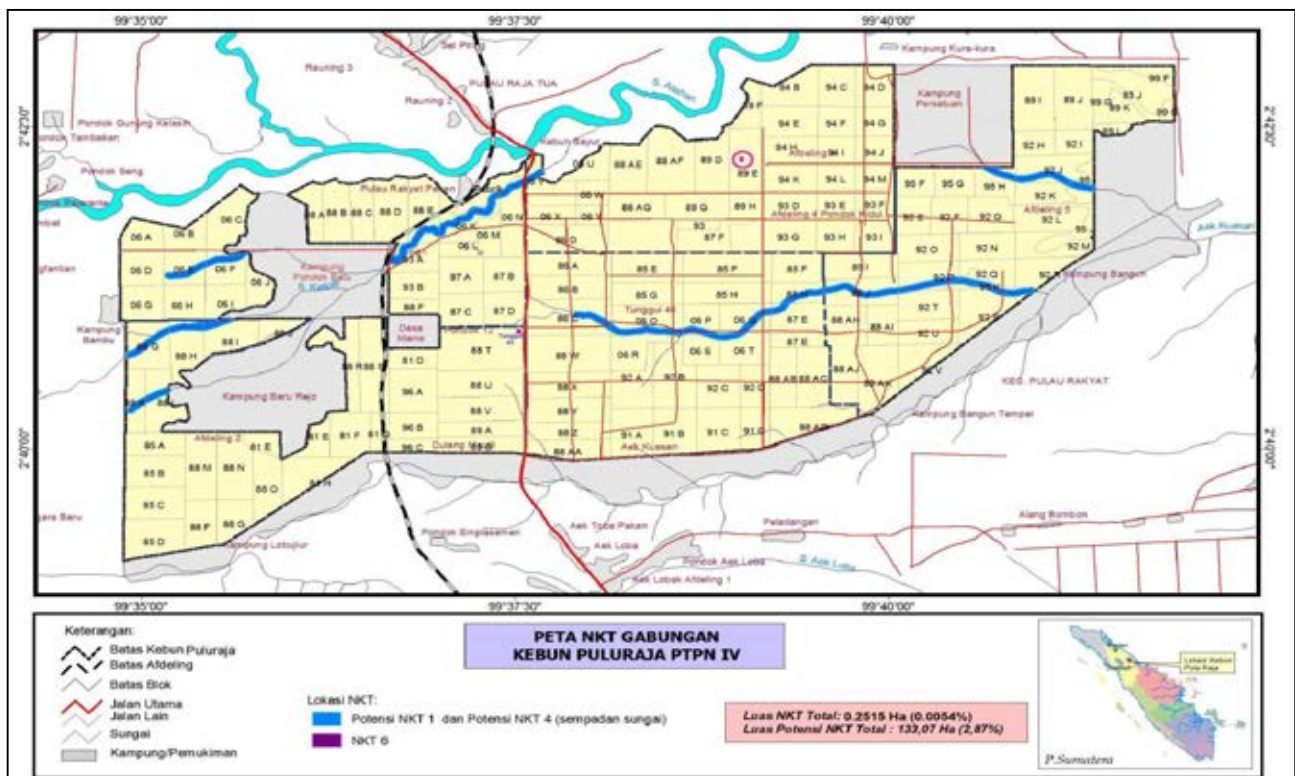
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Figure 1. Location Map of PT Perkebunan Nusantara IV - Pulu Raja Business Unit



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



Abbreviations Used

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

1.0	SCOPE of the CERTIFICATION ASSESSMENT		
1.1	Assessment Standard Used	<ul style="list-style-type: none">Indonesian National Interpretation Principe and Criteria RSPO 2013 for Indonesia July 2016, approved RSPO Governors 30 September 2016RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 revised on 14 June 2017 (Module D / E for CPO Mill)RSPO Certification System for Principles and Criteria, 14 June 2017	
1.2	Organisation Information		
1.2.1	Organisation name listed in the certificate	PT Perkebunan Nusantara IV	
1.2.2	Contact person	Dhanny Hermawan	
1.2.3	Organisation address and site address	Head Office: Jalan Letjen Suprpto No.2, 20151, Medan, Sumatera Utara, Indonesia	
1.2.4	Telephone	(62-61) 415 4666	
1.2.5	Fax	(62-61) 457 3117	
1.2.6	E-mail	perencanaan@ptpn4.co.id	
1.2.7	Web page address	PT Perkebunan Nusantara IV	
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	One (1) unit of Palm Oil Mill supply by one (1) estate <ul style="list-style-type: none">Pulu Raja Mill and Pulu Raja.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
			LatitudeLongitude
	Pulu Raja Mill	Village of Orika, Sub district of Pulau Rakyat, District of Asahan, Province of Sumatera Utara, Indonesia	N 02° 42' 07"E 99° 37' 27"
1.4.2	Location of Certification Scope of Supply Base		
	Name of Supply Base	Location	Coordinate
			LatitudeLongitude
	Pulu Raja Estate	Village of Orika, Sub district of Pulau Rakvat, District of Asahan, Province of	N 02° 41' 56"E 99° 37' 31"

		Sumatera Utara, Indonesia					
1.5	Description of Area Statement						
1.5.1	Tenure						
	• State		4,630.54 Ha				
	• Community		- Ha				
1.5.2	Area Statement						
	• Total area		4,630.54 Ha				
	• Planted Area		4,395.00 Ha				
	• Mature		3,405.00 Ha				
	• Immature		990.00 Ha				
	• Mill		8.03 Ha				
	• Infrastructure (roads, bridgesand)		106.00 Ha				
	• Housing		108.26 Ha				
	• Nursery		5.00 Ha				
	• Composting Mill		0.25 Ha				
	• Unplanted Area		8.00 Ha				
	• HCV (riparian and commentary)		*133.32 Ha				
	* 133.32 has included to planted area						
1.6	Planting Year and Cycles						
1.6.1	Age profile of planting year						
	Planting Year	Hectarage of Afdeling (Ha)					
		I	II	III	IV	V	Total
	1994	4	-	-	262	-	266
	1996	-	58	-	38	72	168
	1998	1	1	2	6	87	97
	2006	303		144	80	2	529
	2009	-	134		-	66	200
	2010	-	131	171	-	-	302
	2011	-	-	148	37	-	185
	2012	104	88	-	134	54	380
	2013	-	433	193	-	-	626
	2014	165	58	87	177	165	652
	Mature Area	577	903	745.	734	446	3,405
	2016	-	-	137	-	-	137
	2017	-	-	131	-	483	614
	2018	40	-	-	149	50	239
	Imature Area	40	0	268	149	533	990
	TOTAL	617	903	1,013	883	979	4,395
	1.6.2	New Planting area after January 2010		-			Ha
	1.6.3	Planting Cycle		3 rd Cycle			
1.7	Description of Mill and Supply Base						
1.7.1	Description of Mill						

	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel	
				Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)
	Pulu Raja	30	127,552.40	28,062.99	22.00	4,736.31	3.71
	<i>*Production data source from August 2017 to July 2018</i>						
1.7.2	Description of Certification Scope of Supply Base						
	Name of Estate	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/ year)	Supplied to Mill	
						FFB (tonnes/year)	%
	Pulu Raja	4,630.54	4,395.00	75,267.53	22.11	75,267.53	100
	TOTAL	4,630.54	4,395.00	75,267.53	22.11	75,267.53	100
	<i>*Production data source from August 2017 to July 2018</i>						
1.7.3	FFB description from other source						
	Name of sources/Organisation (RSPO certified / non-certified)	Type of Organisation	number of smallholders	Production Area (Ha)	Supplied to Mill		
					FFB (tonnes/year)		
	Kebun Meranti Paham	(PTPN IV - Non RSPO Certified)	-	4,651	11,052.11		
	Kebun Air Batu	(PTPN IV - Non RSPO Certified)	-	7,029	99.01		
	Kebun Berangir	(PTPN IV - Non RSPO Certified)	-	4,222	220.15		
	Kebun Ajamu	(PTPN IV - Non RSPO Certified)	-	3,920	623.56		
	Kebun Panai Jaya	(PTPN IV - Non RSPO Certified)	-	3,342	495.11		
	Kebun Bandar Selamat	(PTPN III - Non RSPO Certified)	-	3,570.99	37,949.17		
	Independent Outgrowers	-	-	-	1845.76		
	TOTAL					52,284.87	
	<i>*Source Production Data from August 2017 to July 2018</i>						
1.7.4	Product categories			FFB, CPO, PK			
1.8	Tonnage of Product						
1.8.1	Past Annual Claim Certified Product			Last Year Projected Certified Volume (MT)		Last Year Actual Certified Volume (August 2017 to July 2018) (MT)	
	FFB Processed			79,452.80		75,267.53	
	CPO Production			18,695.40		17,232.33	
	Palm Kernel (PK) Production			3,471.60		2,951.83	
	<i>On 26 July 2018, management unit of PTPN IV – Pulu Raja request to CB for Extension Volume CSPO and CSPK, because there is over production.</i>						
1.8.2	Product selling						
	Type of selling product			Actual selling product period August 2017 to July 2018 (MT)			
	CSPO sold as RSPO certified product			3,500			
	CSPK sold as RSPO certified product			-			
	CSPO sold under other scheme			-			

	CSPK sold under other scheme						-	
	CSPO sold as conventional						13,433	
	CSPK sold as conventional						2,733.03	
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)		
	Pulu Raja Estate		4,630.54	4,395.00	78,278	22.98		
	TOTAL		4,630.54	4,395.00	78,278	22.98		
	<i>*Projected FFB production for 25 August 2018 to 24 August 2019</i>							
1.8.4	Estimate of Certified Palm Product Claim							
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel		Supply Chain Module
				Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)	
	Pulu Raja Mill	30	78,278	18,004	23.00	3,131	4.00	MB
	<i>*Projected CSPO and CSPK production for 25 August 2018 to 24 August 2019</i>							
1.9	Other Certifications							
	ISO 9001:2008			-				
	ISO 14001: 2004			-				
	OHSAS 18001:2007			-				
	ISCC			-				
	Others			ISPO : TNI-ISPO-D1702, valid until 4 April 2017 to 3 April 2022				
1.10	Time Bound Plan							
1.10.1	Time Bound Plan for Other Management Units							
	Management Unit		Estate (Supply Base)	Time Bound Plan	Location	Status		
	MILL	Time Bound Plan						
	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	Certified April 2018		
	Bah Jambi	2018	Bah Jambi	2018	Simalungun, Sumatera Utara	Certified March 2018		
			Marihat	2018	Simalungun, Sumatera Utara	Certified March 2018		

		Bah Birung Ulu	2021	Simalungun, Sumatera Utara	Stage-1 Audit
		Tonduhan	2018	Simalungun, Sumatera Utara	Stage-1 Audit
		Marjandi	2021	Simalungun, Sumatera Utara	Stage-2 Audit
Dolok Sinumbah	2018	Dolok Sinumbah	2018	Simalungun, Sumatera Utara	Certified April 2018
		Balimbingan	2021	Simalungun, Sumatera Utara	Certified August 2018
Mayang	2019	Mayang	2019	Simalungun, Sumatera Utara	Preparation
		Bukit Lima	2020	Simalungun, Sumatera Utara	Preparation
Gunung Bayu	2019	Gunung Bayu	2019	Simalungun, Sumatera Utara	Preparation
		Tanah Itam Ulu	2019	Simalungun, Sumatera Utara	Preparation
Tinjowan	2019	Tinjowan	2019	Simalungun, Sumatera Utara	Preparation
		Aek Nauli	2019	Simalungun, Sumatera Utara	Preparation
		Padang Matinggi	2019	Simalungun, Sumatera Utara	Preparation
Air Batu	2021	Air Batu	2021	Asahan, Sumatera Utara	Stage-2 Audit
Berangir	2019	Berangir	2019	Labuhan Batu Utara, Sumatera Utara	Certified August 2018
Sawit Langkat	2018	Sawit Langkat	2018	Langkat, Sumatera Utara	Certified August 2018
Pasir Mandoge	2021	Pasir Mandoge	2021	Asahan, Sumatera Utara	Stage-1 Audit
		Sei Kopas	2021	Asahan, Sumatera Utara	Stage-1 Audit
Timur	2021	Timur	2021	Mandailing Natal, Sumatera Utara	Preparation
		Balap	2021	Mandailing Natal, Sumatera Utara	Preparation
Ajamu	2021	Ajamu	2021	Labuhan Batu Utara, Sumatera Utara	Stage-2 Audit
		Meranti Paham	2021	Labuhan Batu Utara, Sumatera Utara	Stage-2 Audit
		Panai Jaya	2021	Labuhan Batu Utara, Sumatera Utara	Preparation
Sosa	2021	Sosa	2021	Padang Lawas, Sumatera Utara	Preparation
PT Agro Sinergi Nusantara	2020	PT Agro Sinergi Nusantara	2020	Aceh Barat, Aceh	Preparation
PT Sinergi Perkebunan Nusantara	2020	PT Sinergi Perkebunan Nusantara	2020	Morowali Utara, Sulawesi	Preparation
1.10.2	Progress of Associated Smallholders and Outgrowers for Certifiable Standard				
	There are no available scheme smallholders on this audit scope there are only independent FFB suppliers during the audit conducted, however there are other supply bases from the same group member (PTPN IV) that have not been certified. The preparation for being certified according to the time bound plan.				

2.0	ASSESSMENT PROCESS
2.1	Assessment Team
ASA-3	<ol style="list-style-type: none"> Trismadi Nurbayuto (Lead Auditor). Indonesian Citizen. Diploma of Forest Management from Forestry Faculty; Associate Degree of Economic from Economic and Management. He has experienced as field assistant on oil palm plantation year of 2008. Therefore he has experienced as HCV and SEIA Assessor on 2010-2013. He has been followed HCV identification and management training; ISO training (9001;14001; 22000); SA 8000, ISPO Lead Auditor's training; Safety Expert; RSPO Lead Auditor's, OHS Auditors by Government Regulation No 50 year of 2012; SCCS, and RSPO Next. He has been conducted audit on ISPO and RSPO scheme since year of 2013 as an Auditor on several aspect as environment, OHS, Legality, Best Management Practices, Social, Worker Welfare, Conflict Resolutions, Long term Business Plan and Supply Chain on Palm Oil Mill. During this audit, he verify aspect Legal, Environment, HCV, GHG emission, SCCS and Partial Certification. Andi Pratama Pasaribu (Auditor). Indonesian citizen. Bachelor degree, majoring social economy. He has several of work experiences (more than 5 years) as the operational staff since 2008. He has been followed the Training of Lead Auditor Indonesian Sustainable Palm Oil (ISPO) which was held by ISPO Commission in 2013 and Training of Lead Auditor Roundtable on Sustainable Palm Oil (RSPO) by Proforest and Daemeter in 2016. He has been attended several kinds of training, such as High Conservation Value (HCV) Training, SA 8000, SCSS Training, Lead Auditor ISO 9001:2008, Lead Auditor ISO 14001:2005, auditor OHSAS etc. He has some experiences of ISPO audit in Indonesian palm oil in best management practices, land legality, environmental, social and worker welfare aspect. During this audit, he verify worker welfare, social and OHS. Satria Adi Putra (Auditor). Indonesian citizen, Diploma III majoring in Palm Oil Plantation. Have experience of work more than six years since 2009 as the operational staff of private oil palm plantations in Indonesia. Training have been followed including Occupational Health and Safety Expert, Orang Utan and Wildlife Management, ISPO Auditor Training, RSPO Awareness, IHT Potential Mapping and Conflict Resolution in Production Forests, OHSAS 18001, SA 8000, RSPO Lead Training, Lead Auditor Training for ISO 9001, ISO 14001, ISO 17021, ISO 17065, ISO 19011, ISO 22000,. During this audit, he support to verify Best Management Practices and Transparencies. Bayu Yogatama (Observer). Bachelor of Forestry, Department of Forest Resources Conservation and Ecotourism, Bogor Agricultural University. Has attended the ISO 9001: 2015 Quality Auditor / Lead Auditor Course Quality Management System (QMS) course and ISO 19011: 2011 Guidelines for Auditing Management System, ISPO Lead Training, SA 8000, RSPO Lead Training, IHT RSPO NPP, IHT RSPO RaCP, IHT ISO 17021, and IHT ISO 17065. Having experience working in plywood field as Inspector in foreign private company. Currently working for an independent certification body.
2.2	Assessment Methodology, Assessment Process and Locations of Assessment
2.2.1	Figure of person days to implement assessment
ASA-3	<p>Number of auditors : 3 auditor and 1 Observer</p> <p>Number of days for ASA-3 at site : 4 days</p> <p>Number of working days for ASA-3 at site : 12 Working days</p>
2.2.2	Assessment Process
ASA-3	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PTPN IV Pulu Raja to the requirements of Indonesian National Interpretation of RSPO Principles and Criteria 2013, endorsed September 2016 and Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014, Revised June 2017 (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> <p>Some opportunities for improvement of the results (ASA-3) delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (ASA-4).</p>

Improvement of findings from surveillance assessment findings were observed by auditors at this ASA-2 assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of ASA-2.

2.2.3 Locations of Assessment

ASA-3 Number of units in this certification activity is Pulu Raja Estate which supply the raw material (FFB) to Pulu Raja palm oil mill. In conducting the assessment, the team of auditors used the $0.8\sqrt{y}$ 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 (Pulu Raja POM) and one estates (Pulu Raja Estate).

Pulu Raja POM

- **Grading Area.** Observation and interview of personnel in charge related to FFB received mechanism and of FFBs grading and documented system.
- **Sterilizer Station.** Observation of OHS implementation and interview regarding to employment aspect and wages.
- **Clarification Station.** Observation of application and interview with sterilizer operators related to SOP, occupational safety and health and employment.
- **Crane Station.** Observation of application and interview with crane operators related to SOP, occupational safety and health and employment.
- **Engine Room.** Observations and interviews with engine room operators on employment, occupational safety and health and defined work procedures.
- **Security Post.** To interview and observe security officer knowledge (2 person) towards manpower, emergency, OHS and supply chain aspects.
- **Weigh Bridge Station.** To interview and observe weigh bridge officer knowledge (1 person) towards manpower and supply chain aspects.
- **Admin Room.** To interview and observe officer knowledge (1 person) towards supply chain implementation.
- **Loading Ramp.** Observation related to employment aspects, OHS implementation (medical check up, PPE), and workers' knowledge about work procedure.
- **Storage Tank.** There are three storage tank with capacity 500 MT, 500 MT and 450 MT (stand by)
- **Central Warehouse** Observation and interview related facilities & infrastructure, domestic waste, and others.
- **Chemical Warehouse** Observation and interview on environmental aspect, OHS implementation, management of chemical and understanding of working procedure.
- **Hazardouse Waste Warehouse** Observation and interview related management of hazardous waste.
- **WTP** Observation and interview related management of WTP.
- **WWTP** Observation and interview related management of managemenet of POME
- **Workshop** Auditor team was interview a mandore related to job descriptions and his responsible. There are also observed fire extinguisher and First Aid Kit at Workshop office.
- **Land Aplication Block 2016 F Afdeling IV** Observation for liquid waste management
- **Fuel Tank** Observation and interview to operator about filling procedure and location procedure (second containment)
- **Fire Fighting Storage** Observation of compleltteness of fire emergency response equipment
- **Empty Bunch Area** Observation for solid waste management

Pulu Raja Estate

- **Spraying in Block C, Afdeling 3.** Observations and interviews related to chemical weed control, and also first aid, worker welfare, HCV, and human right.

	<ul style="list-style-type: none"> • EFB Mulching in Block C, Afdeling 3. Observation EFB mulching area with dosage 40 MT/Ha in Mature area. • Harvesting in Afdeling 2. Observations and interviews related to oil palm harvesting, OHS, worker welfare and human right. • Replanting in Block 93G, Afdeling 4. Observation related to prosedur and ensure that company not make a fire to replanting activity. • Global Telling, Afdeling 4. Observations and interviews related of metode of cencus, rat and nettle caterpillar. • Road Maintenance, Afdeling 4. Observation related road maintenance. • Manuring in Afdeling 3. Observations and interviews related to manuring procedure and also first aid, worker welfare, HCV, and human right. • Riparian Zone (Kalijati River) in Block 2012F, Division II. Based on field observation result, sighted that there are signboard, chemical applications limit (50 meter). • Boundary Stone No 12, Block 2013N, Division 2. Good conditions, boundary with Baru Village. • Boundary Stone No 25, Block 1998B, Division 2. Good conditions, boundary with Baru Village. • Boundary Stone No 10, Block 2014 U, Division 4. Good conditions, boundary with Padang Mahondang Village. • Boundary Stone No 9, Block 2014 U, Division 4. Good conditions, boundary with Padang Mahondang Village. • Boundary Stone No 8, Block 2014 U, Division 4. Good conditions, boundary with Padang Mahondang Village. • Land Fill, Block 1994 L. There are segregations of organic waste and anorganic waste. • Housing Afdeling 5 Observation and interview related facilities & infrastructure, domestic waste, and others. • Warehouse Afdeling 5 Observation and interview related facilities & infrastructure, domestic waste, and others. • Land Fill, Block 93 I Afdeling 4 There are segregations of organic waste and anorganic waste. • Rinse house and Place for Storage PPE for Pesticide apliator in Afdeling V Observation about PPE, water waste management. • Clinic Observation about Hazardous waste and Facility
2.3	Stakeholder Consultation and Stakeholders Contacted
2.3.1	Summary of stakeholder consultation process.
ASA-3	<p>Summary of stakeholder consultation process</p> <p>Consultation of stakeholders for PT Perkebunan Nusantara IV- Pulu Raja was held by:</p> <p>Public Notification www.mutucertification.com on 30 July 2018.</p> <p>Public consultation meeting with internal stakeholders by interviews and local stakeholders conducted by visits to villages and interviews with local peoples.</p> <ol style="list-style-type: none"> 1. Public consultation by interview with government agencies in Asahan District on 14 August 2018. 2. Public consultation by interview with locals of the nearby village on 14 August 2018. 3. Consultation meeting and interview with Internal Stakeholder (labour union, worker cooperative, and gender commiitee) on 15 August 2018. 4. Communication by email with NGO (Wahana Lingkungan Hidup Indonesia (WALHI), World Wild Fund (WWF), aliansi masyarakat adat nusantara (AMAN) and Sawit Watch on August 6, 2018. <p>Numbers of input from stakeholders were clarified by PT Perkebunan Nusantara IV- Pulu Raja</p>
2.3.2	Stakeholder contacted
	Please find appendix 1
2.4	Determining Next Assessment
ASA-3	The next visit ASA-4 will be determined 8-12 month after date of certificate.

3.0 ASSESSMENT FINDINGS

3.1 Summary of Assessment Report of the RSPO Certification

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

During the assessment, there were four (4) Nonconformity were assigned against Major Compliance Indicator, two (2) nonconformity were assigned again minor compliance and one (1) opportunity for improvement were identified.

Further explanation of the non-conformities raised and corrective action 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.

MUTUAGUNG LESTARI found that PT Perkebunan Nusantara IV – Unit Usaha Pulu Raja 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, 30 September 2016. RSPO Supply Chain Certification Standard and System For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014, Revised on June 2017 (Module E for CPO Mill)

Therefore MUTUAGUNG LESTARI Recommends RSPO Certification of compliance is continued.

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>The auditor team have verified the list of stakeholders have been maintained by the certified unit and the frequency to update the list is once a year, last update was 1 August 2018. There stakeholders consist of internal stakeholders, government institution, local communities, media, NGO, suppliers & contractors with addres and phone number. The list provided by the general resources assistant. Information (periodic reports) submitted to the relevant agencies on district that related to environment such as mill effluent report, hazardous waste reports, emission and ambient reports, surface water quality reports. The Company has a list of information that can be accessed by stakeholder, describe in No 60 dated 1 August 2012 describe that information can be accessed by stakeholder such as Environment report, man power list, HCV document, SEIA and the others</p> <p>The Company providing information is mandatory for government agencies, such as from the Environment Agency, Agriculture Agency, Labor and Transmigration Agency, and National Land Agency</p> <p>According to the result of interview with the three village heads, Labor Union and the associated agency, the stakeholders have aware of the procedure to get the information</p>
1.1.2	<p>The Company has procedures of Response and Information publicly available, with No. SOP No. 60 dated 1 August 2012. The scope of the all activities related to the provision of information to stakeholders in the oil palm plantations along with the unit of management. The purpose of the SOP is to provide correct and transparent information to stakeholders in accordance with the rules and regulations as well as the established provisions relating to the principles and criteria of sustainable palm oil.</p>

The company has had a "incoming and outgoing letter registration " that record every incoming information and responses. Logbook containing the letter number, the date of the letter, the applicant's name, address, subject, recipient, date taken, actions, status and PIC. Verification on documents during 2017-2018 there is some requests of information, for example request for information from the Organizing Committee for the Implementation of a Table tennis match in Pulau Rakyat sub-district, dated August 5, 2018, which the company responded on August 11, 2018 with an answer can be assisted by management. all incoming mail recorded is related with requests for contribution and have been addressed.

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

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

Status: Comply

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

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

Based on interviews with the estate office staffs, other data related to the environment, FFB price information, etc. can also be accessed by relevant stakeholders when there are requests for information to the Management Unit. Based interview with external stakeholder such as environmental agency, agriculture agency, man power agency and communities known that the company always respond to any information request.

Status: Comply

1.3

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

1.3.1

Written policy containing a commitment to integrity and ethical behavior code are contained in the Code of Conduct written in 2013. Chapter V describes the Prohibition For Business People. This chapter contains the code of conduct with respect to conflict of interest, KKN (Corruption, Collusion and Nepotism) and bribery, political activities, drugs and gambling, and misconduct which are prohibited for the business people. Every businessperson is prohibited to conduct KKN (corruption, collusion, nepotism) and bribery (Gratuities). For example CH has conducted COC socialization to Mill and Estate workers as many as 60 people on July 27, 2018

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

The policy has been socialized to the employees . Based on interviews with internal, external stakeholders and contractor is know they have understood the policy, because the company has been socializing the ethical practice.

Status: Comply

PRINCIPLE #2 COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS

2.1

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

2.1.1

The company has shows the list of regulation and classified it into several aspects, such as land title, legal status, best management practices for estate and mill, conservation, environment, manpower, etc. The list has documented in "Evaluation Report of RSPO Compliance Implementation Towards Indonesian Laws and Regulation". The document was issued by Human Resources and General Assisstant, Estates Head Department, Mills Head Department and Unit Manager of Pulu Raja on April 8th 2015. The master document is saved and placed in Pulu Raja Business Unit. Furthermore, Pulu Raja Business Unit has also shows "Evaluation Compliance Report Towards Environment Regulations" which presented in document No. FPL-MR-07-01, dated march 4th 2015 and the most updated document on "The Revision of Laws, Regulations and Requireements".

The certificate holder has shown evidence of compliance with national or local regulation. One of them is related to the compliance of minimum payments in accordance with local regulations related to minimum wages (North Sumatera Governor Decree dated on 24 November 2017).

- CH Has document on environmental evaluation according to Government Regulation No. 27 of 2012 concerning Environmental Permit
- CH Having Schedule Waste permission in accordance with Government Regulation No. 101 of 2014 concerning Hazardous Waste Management
- CH Having a permit to use waste water in accordance with the Decree of the Minister of Environment No. 29 of 2003 concerning Assessment of Waste Water Utilization
- CH Conduct monthly and reported quarterly wastewater testing in accordance with the Decree of the Minister of Environment No. 29 of 2003 concerning Permit for the Use of Wastewater
- One of regulation that has been reviewed and implemented by the company is North Sumatera Governor Decree's 188.44/635/KPTS/2017 dated 24 November 2017 regarding to minimum wages year 2018 in North Sumatera Province. Based on pay slip document that randomly checking by auditor, it implementation of the regulation has been satisfied. See criteria 6.5.

2.1.2; 2.1.3 and 2.1.4

According to the compliance procedure, monitoring, socialization and distribution of laws/regulation to business unit were carried out by RSPO, ISPO, OHS and ISO Secretariat in PTPN 4 Headquarter in Medan. And then, human resources and general affair assistant shall evaluated and documented of them in unit. Updating or tracking any changes of law proceeded annually. Based on document verification, certificate holder has evaluated 109 legal law consisting land law, worker, environment, OHS etc.

However, the company shall evaluated the effectiveness of monitoring system of legal requirement related to plantation business. **OFI**

The mechanism of updating list of laws/regulation and frequency of update for tracking changes was arranged through documentation system of RSPO principles and criteria which issued in August 1st 2012. The mechanism shall be conducted by RSPO, ISPO, OHS and ISO Secretariat in PTPN 4 Headquarter in Medan. The CH has able to shows monitoring and evaluation of laws/regulation pursuance in 2018. The CH has able to shows additional regulation, for example minimum wages (North Sumatera Governors Decree dated on 24 November 2017).

OFI 2.1.2

Status: Comply

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 TH CH has able to shows several Legal ownership evidence, as follows:

Land Title (HGU)

HGU No. 2, located in the Village of Orika, Sub-District of Pulau Rakyat, District of Asahan, Province of Sumatera Utara. The HGU was issued in October 13th 2006 and valid until December 31st 2030. Letter of Measurement No. 01/Orika/2006 dated October 12th 2006 mentioned that total area of HGU was about 4,630.54 ha for oil palm plantation.

Land Status Change

PT Perkebunan Nusantara 4 (PTPN) Pulu Raja Business Unit operational areas were ex concession from Dutch (Netherland Indie) Government Company, as mentioned and described in Government Law (UU) No. 86/1958 dated December 27th 1958, Government Regulation (PP) No. 19/1959 dated May 2nd 1959 and Land Book (on the 1st Land Title Certificate) dated July 1st 1982. Hence, CH operational areas were not derived from indemnity land.

Plantation Busines Lisence (IUP)

IUP of CH was presented in Decree (SK) of Asahan Regent No. 503/IUP/BPPM/1609/XI/2012 dated November 22nd 2012 mentioned that informed that PTPN 4 Pulu Raja Business Unit where located on Orika Village, Pulau Rakyat Sub-District has oil palm cultivation and processing permit which has covers about **4,630 ha** with mill capacity about **30 ton FFB/hours**.

Environment Impact Assessment (EIA)

The CH shows EIA or AMDAL study report, which agreed by Minister of Agriculture through Decree (SK) No. RC 220/275/B/II/1994 dated February 9th 1994. Furthermore, environment management and monitoring plan study (RKL/RPL) has also conducted as mentioned in document No. 001/IX/AS/RKL-RPL/2006, declared by Environment and Tourism Office of Asahan District in September 21st 2006. Scoop of study were 4,630 ha with mill processing capacity of 30 ton FFB/hour.

High Conservation Value (HCV)

The HCV study was conducted by PT Surveyor Indonesia and Foundation of Kelapa Sawit Berkelanjutan Indonesia in July 2010. Moreover, Social Impact Assessment has also conducted earlier by the same organization in 2009.

According to hectare statement data in August 2018, document mentioned above, as well as information from National Land Agency (BPN) and Plantation Agency of Asahan District, it could be concluded that there are no significant contradiction towards actual Pulu Raja Business Unit operational areas.

2.2.2

The management unit of PTPN IV Pulu Raja has had the procedure of Boundary Pole Maintenance (No.SPO 12.0, Revision 2) January 2, 2015. This procedure is a guideline in the maintenance of the pillars stakes periodically. There was also available document monitoring of maintenance of boundary markers. Based on field visit for boundary markers checking by taking a sampling boundary poles in Division IV consisted of boundary poles number 8, 9, 10 (Bordering the village of Padang Mahondang) and also in Division II consisted of boundary poles number 12 and 25 (bordering the village of Baru), the boundary poles was good condition, coordinate appropriate and well-maintained. These boundary poles was adjacent to residential communities.

2.2.3.

Based on interview with BPN and Plantation Agency of Asahan, as well as Village elders, it was stated that, there were no presence of land conflict between CH and surrounding Villages. Legal ownership evidence (e.g. IUP and HGU) is already explained in Indicator 2.2.1.

PT Perkebunan Nusantara 4 (PTPN) Pulu Raja Business Unit operational areas were ex concession from Dutch (Netherland Indie) Government Company, as mentioned and described in Government Law (UU) No. 86/1958 dated December 27th 1958, Government Regulation (PP) No. 19/1959 dated May 2nd 1959 and Land Book (on the 1st Land Title Certificate) dated July 1st 1982. Hence, CH operational areas were not derived from indemnity land.

2.2.4 & 2.2.5

Based on interview with PTPN 4 Pulu Raja POM management unit, BPN and Plantation Agency of Asahan District, it was

stated that there were no significant land conflict which interfere POM and Estate operational activities. However, the CH has procedure of conflict resolution which presented in document No. SPO 04.0, issued in April 1st 2010. Last time socialisation of conflict resolution procedure has been conducted in March 22nd 2015.

2.2.6

The company as code of conduct which mentioned to circumvent instigated violence to maintain peace within company operational activities. Based on information from Pulau Rakyat Pekan, Orika, and Tunggul 45 Village, workers union and Plantation Agency of Asahan District, it was informed that the CH never adopt confrontation and intimidation to maintain peace and order and there is no use of paramilitary and mercenaries in the plantation.

Status: Comply

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.

Procedure of land conflict handling was presented in document No. 040/01 dated April 2010. Procedure mentioned that resolution of land conflict was carried out through stakeholder meeting (*Musyawahat Mufakat*) as priority and legal evidence should be showed by the claimant. The CH has conducting FPIC approach for example as shows in HCV study report and SIA study report which conducted by PT Surveyor Indonesia and Foundation of Indonesian Sustainable Oil Palm (Kelapa Sawit Berkelanjutan Indonesia). The report mentioned that data collection from surrounding communities has carried out through several method such as interview and focus group discussion (FGD). Record of discussion process, absence list and picture during data collection were presented in the reports. Both report informed that there is no other indigenous people in Pulu Raja Business Unit operational areas.

As explained in Indicator 2.2.1, it was mentioned that PTPN 4 Pulu Raja Business Unit operational areas were ex concession from Dutch (Netherland Indie) Government Company, as mentioned and described in Government Law (UU) No. 86/1958 dated December 27th 1958, Government Regulation (PP) No. 19/1959 dated May 2nd 1959 and Land Book (on the 1st Land Title Certificate) dated July 1st 1982. Hence, CH operational areas were not derived from indemnity land. Operational area map was available in a proper scale (1:6,300).

2.3.2

As explained in Indicator 2.2.1, it was mentioned that PTPN 4 Pulu Raja Business Unit operational areas were ex concession from Dutch (Netherland Indie) Government Company, as mentioned and described in Government Law (UU) No. 86/1958 dated December 27th 1958, Government Regulation (PP) No. 19/1959 dated May 2nd 1959 and Land Book (on the 1st Land Title Certificate) dated July 1st 1982. Hence, CH operational areas were not derived from indemnity land.

HCV study report dan SIA study report which conducted by PT Surveyor Indonesia and Foundation of Indonesian Sustainable Oil Palm (Kelapa Sawit Berkelanjutan Indonesia) mentioned that data collection from surrounding communities has carried out through several method such as interview and focus group discussion (FGD). Record of discussion process, absence list and picture during data collection were presented in the reports. Both report informed that there is no other indigenous people area (tribes' area) in Pulu Raja Business Unit operational areas.

2.3.3.

As explained in Indicator 2.2.1, it was mentioned that PTPN 4 Pulu Raja Business Unit operational areas were ex concession from Dutch (Netherland Indie) Government Company, as mentioned and described in Government Law (UU) No. 86/1958 dated December 27th 1958, Government Regulation (PP) No. 19/1959 dated May 2nd 1959 and Land Book (on the 1st Land Title Certificate) dated July 1st 1982. Hence, CH operational areas were not derived from indemnity land. Moreover, HCV study report dan SIA study report which conducted by PT Surveyor Indonesia and Foundation of Indonesian Sustainable Oil Palm (Kelapa Sawit Berkelanjutan Indonesia) informed that there is no other indigenous people area (tribes' area) in Pulu Raja Business Unit operational areas.

A proper location, operational and legal boundary map of PTPN 4 Pulu Raja Business Unit were available in Bahasa and stored in Business Unit Office.

2.3.4.

As explained in Indicator 2.2.1, it was mentioned that PTPN 4 Pulu Raja Business Unit operational areas were ex concession from Dutch (Netherland Indie) Government Company, as mentioned and described in Government Law (UU) No. 86/1958 dated December 27th 1958, Government Regulation (PP) No. 19/1959 dated May 2nd 1959 and Land Book (on the 1st Land Title Certificate) dated July 1st 1982. Hence, CH operational areas were not derived from indemnity land.

Based on interview with PTPN 4 Pulu Raja POM management unit, BPN, Plantation Agency of Asahan District, as well as chief of Pulau Rakyat Pekan, Orika and Tunggul 45 Village, it was stated that there were no significant land conflict which interfere POM and Estate operational activities.

Assistant Staff of General Administration and Human Resources PTPN 4 Pulu Raja Business Unit has appointed to be acted as company representative for any negotiation related with local communities. Based on interview with Pulau Rakyat Pekan, Orika and Tunggul 45 Village representative, it was stated that

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 a 2015 - 2019 Long Term Plan document PT Perkebunan Nusantara IV which was ratified in November 2014 by the Directors and Commissioners of the Company.

The long-term plan for the plantation area includes, among others, the projection of planted and immature plantations, replanting areas, tonnage of FFB production, maintenance, construction and maintenance of roads, conservation areas for the percentage of seeds planted (PPKS, Socfin and Lonsum seeds) and FFB production costs.

3.1.2

The company (operating the Pulu Raja Business Unit) has been established since 1918 (first planting). In addition, the company has also shown replanting documents for 2017-2023.

The company has presented an annual review document related to the replanting program listed in the meeting report in July 2018 which contains, among others, a comparative evaluation of the replanting and realization budget, actual collapsing and actual realization of oil palm planting.

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 demonstrated the Standard Operating Procedure (SPO) of PTP Nusantara IV (Persero) in July 2007 Oil Palm Plant / Plant Field which includes, among others, land development, new crops, nurseries, immature upkeep, mature upkeep and harvesting.

In addition, the company has also demonstrated the Palm Oil Processing Procedure Standard (SPO) of PT Perkebunan Nusantara IV (Persero) which was approved by the Chief Director on April 21, 2010 which explains the understanding / explanation of each station and laboratory analysis and adjustments to installed installations.

Based on the results of a field visit to Block B, Afdeling 3 on spraying activities, it was known that the labor had understood spray-related procedures such as not spraying on the river border area and not spraying against the direction of the wind coming.

4.1.2, 4.1.3

The company has shown a master list of all SOPs stored at PTPN IV Medan Head Office, Planning Section. At the business unit level, SOP arrangements are carried out by document control officers (PPD) who are under the secretariat section. Master documents are in the form of softcopy and hardcopy. Revision of documents and their arrangements refers to ISO 9001. SOPs are available in Indonesian.

The company's control over the implementation of the SOP is carried out through the implementation of the internal audit by the RSPO team which is carried out once a year, the annual OHS Management System internal audit and the external OHS Management System audit every three years. The audit report includes the audit implementation schedule, attendance list, nonconformity findings, monitoring findings and audit follow-up evidence.

The company has shown records related to the results of the annual evaluation listed in the SPI Inspection and Recommendation Result Answer document with No: PUR / 04.02 / 02 / VIII / 2018 dated August 10, 2018 which addresses the potential for pest attacks, recording fruit bunches, inspection results on waste utilization Palm Oil, control market making and so on.

4.1.4

There was four Contractors who has a partnership agreement remains in supplying FFB to mills PTPN IV Pulu Raja namely: CV Deslo Sejahtera, CV Cahaya Indah, CV Sejati Luhur and CV Akbar Pratama. There are also FFB Processing Agreement with PTPN III Bandar Selamat Estate Number 04.05/S.Perj/TO/01/II/2018. There was regulation of Directors Plantation Nusantara IV Number: 04:01 / PER / 13.1 / IV / 2014, April 30, 2014 on Guidelines Purchases of Fresh Fruit Bunches (FFB) of oil palm plantation company PT Perkebunan IV, Directors of PT Perkebunan Nusantara IV. The regulation was describes of Acceptance Procedures FFB, FFB Quality, Formulation Pricing and Payment Procedures.

Status: Comply

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

The company has demonstrated the procedure for soil fertility management contained in SOP No. SPO.05 concerning mature upkeep which includes management of yielding crops, road and bridge maintenance, fertilization, fertilization organization, annual leaf analysis and soil every 3-5 years, calibration of tools, calculation of water deficit, sowing of empty bunches, sowing compost, application of palm oil wastewater, stem rot (Ganoderma), palm pests and diseases. Based on the document review, it is known that the company has carried out monitoring and implementation of SOPs such as planting cover crops, application of POME and EFB applications.

Based on the results of interviews and field visits to Block 2017 C, it was known that the company had implemented EFB with a dose of 250 kg EFB/tree. EFB application activities are carried out by arranging EFB on an oil palm plant circle weeding area of 1 layer EFB and are not allowed to be stacked in a way to avoid EFB being a nest for *Oryctes rhinoceros* pests. This is in accordance with SOP standards owned by the company.

4.2.2

The company has shown Fertilizer Evaluation documents up to July 2018 which contains plans and realization of fertilization in 2018. Based on these data, it is known that the 1-5 afdeling fertilization program for the 2018 program is under 51.52%.

In addition, the company has shown fertilizer usage per ton of FFB for the period 2017. Based on these data it is known that the company already has records related to fertilizer use / tonnes of FFB with a value of 0.007 tons of fertilizer / ton of FFB.

4.2.3

The Company already has mature upkeep procedures that cover crop management, road and bridge maintenance, fertilization, fertilizing organizations, annual leaf analysis every year and soil every 3-5 years, tool calibration, calculation of water deficit, empty sowing, sowing compost, application of palm oil wastewater, stem root rot (Genoderma), pests and oil palm diseases.

The company has presented a recommendation document for the fertilization of the Palm Oil Plantation Unit of Pulu Raja in 2018 which contains the recording documents of the results of leaf analysis. As for the realization of taking sample plants, among others:

- Blok 98B, Planting Year 1998 with results of N (2.18), P (0.172), K (0.94), Ca (0.57) and Mg (0.18)
- Block 13W, 2013 Planting Year with results of N (2.79), P (0.176), K (0.70), Ca (0.73) and Mg (0.22) and B (17)

The company has also presented a report on PTPN IV Palm Oil Soil Crop Analysis Results on August 10, 2018. The activities were carried out to determine the chemical elements in the soil such as N, P, K, Mg and cation exchange capacity.

4.2.4

The company has utilized the waste from palm oil processing as an effort to maintain soil fertility in the form of EFB applications, POME applications, use of shells and fiber. Based on the results of a field visit to Block 17, Afdeling 3 found that the company had implemented EFB at a dose of 250 kg per tree or 34 tons/ha.

	Status: Comply	
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4.3

Practices minimize and control erosion and degradation of soils.

4.3.1, 4.3.2, 4.3.4, 4.3.5

The Company has presented documents on Land Type and Map Detail of Pulu Raja Estate with a scale of 1: 50,000 informing that the type of soil in the company's operational area is 100% mineral land consisting of Typic Hapludult (yellow Podsolik) covering 1,125 ha, Typic Tropaquept (Regosol) covering an area of 650 ha, Typic Dystropept (Chocolate Podsolik) covering an area of 894 ha and Typic Tropaquept (Regosol / Aluvial) covering an area of 1,500 ha. The level of soil acidity (pH) ranges from 4.6-5.9 (medium category) so that it is not a limiting factor in oil palm cultivation activities. Limiting factors in management activities are sandy soil texture and low fertility. In addition, the condition of the slope of the land in general is flat to undulating and there is no soil with slopes > 40%. In addition, it can be concluded that there is no type of peat soil in the Unit of Pulu Raja. General slope conditions do not exceed 15%.

The company has demonstrated the SPO procedure No. 01.4 Land preparation and preservation, the Management Unit has a management strategy for planting in sloping areas. Based on the field visit to Blok 93G it is known that in general the condition of the land is in a flat to wavy condition, there is no area with a slope of more than 40%.

Based on field visits to harvest and spray activities in the Unit of Pulu Raja, it is known that there is no peat area.

4.3.3

The road maintenance program has been carried out well by the PTPN IV Pulu Raja Unit contained in the Company's Budget Work Plan. There are two types of road maintenance activities carried out by the company namely manual road repair and heavy equipment. Based on the results of a field visit to Block 17 C it was known that road conditions were in good condition and generally could be passed by the FFB transport unit.

4.3.6

The Company has shown a Map of Soil Types and a Detail Map Land Review, based on the document there is no critical land. In general, soil texture in the Unit of Pulu Raja is a mineral with a part consisting of sandy clay.

The Company has presented the Official Handover Document (BAPP) with the contractor of CV Anugrah Cahaya (SPK No: 04.14 / SPMK / 011 / III / 2018 dated March 5, 2018). Based on the document it is known that the company has carried out an empty bunch application.

Based on field observations in Block 17C, it is known that it can be concluded that the company has implemented a land management strategy with sandy texture in accordance with the procedures owned by the company, namely application of by-products and fertilizers based on recommendations from Agronomist PPKS.

Status: Comply

4.4

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

4.4.1

The company program towards surface and ground water management was presented in Environment Management and Monitoring (RKL/RPL) and High Conservation value (HCV) report. Among the program are maintenance of waste water treatment plant (WWTP), proper hazardous materials handling, monitoring of land application, monitoring of water source quality, planting of trees, etc. The company is able to shows several laboratory testing for period 2017/2018 which conducted by PT Mutuagung Lestari laboratory (KAN Accredited No. LP-001-IDN) and *Balai Teknik Kesehatan Lingkungan dan Pengendalian Penyakit* (BTKLPP) laboratory Class 1 in Medan (KAN Accredited No. LP-692-IDN). Several testing which already conducted are monthly palm oil mill effluent (POME) quality in the WWTP outlet, water quality of Aek Nagaga River, Asahan River and Monitoring Weels, as well as ground water and water body quality. Reference used for those testing were derived from PermenLH No. 29/2003, KepmenLH No. 05/2014, KepmenLH No. 82/2001 and Permenkes No. 416/1990. According to laboratory analysis testing mentioned in the former, it could be concluded that all parameter tested were below the threshold as required by the respective regulations.

Based on the results of a field visit to Block 2012F afdeling 2 the Kalijati River border was known as a spray boundary with red paint and the sign board of the HCV area was installed and well maintained. In addition, the company has planted woody plants such as the *Switenia Macropila* plant in the river border area.

4.4.2

The company has identified water sources which is presented in HCV report, i.e. Aek Nagaga and Asahan River. There is no presence of wetland and peat within Pulu Raja Estate operational areas. According to RKL/RPL semester report, it could be concluded that several testing on water quality in those Rivers has been conducted. Based on field observation to Kalijati River in Block 2012F Division known sighted that there are signboard, chemical applications limit (50 meter), in addition based on observations to the replanting area in block 93G, it was found that there were no riparian zones in replanting area. Procedure of riparian and buffer zone management was presented in document No. 050 about riparian zone management and Manager Memorandum No. PUR/SE/30/XI/2014 dated November 17th 2014 which mention that agrochemicals application on radius of 50 m from water body is strictly prohibited.

4.4.3

CH mill has managed its effluent of FFB processing as regulated based. Document review shows there is monthly effluent quality against national regulation for waste that is discharge to water body. The company has permit of land application as presented in document of Asahan Regent Decree (SK Bupati) No. 660.1/0973/LH/2014 dated November 24th 2014 with total permit area was 84 ha. The decree has valid until 23rd November 2019. Based on observation field observation to WWTP outlet and land application area, it was found that there were no leaking on piping installation system.

Monitoring on the outlet has been conducted every month and reported to the Environment Agency of Asahan District and Sumatera Utara Province on August 7th 2018. For example, according to testing results in January to June 2018, it could be concluded that all important parameter tested (BOD and pH) were below the threshold required by Decree on Minister of Environment (KepmenLH) No. 29, 2003. The company has not been able to show the actual data of liquid waste discharge that is applied to the land application because based on the results of the field visit to the WWTP, it is known that the flowmeter condition at the WWTP outlet is turned off. Based on document review and interviews with PIC, it was found that the flow meter breakage condition had occurred in January 2018 indicated by the minutes of the report on 6 January 2018 related to damage to the flowmeter WWTP known by the Chief Engineer of Pulu Raja POM. **Nonconformity No. 2018.01 with Minor Catagory**

4.4.4

The company is able to show monthly records of water consumption for oil palm processing from January to July 2018. According to the data, it could be concluded that water consumption during that period were still under 2018 budget, which was about 1.50 m³/ton FFB, ranged from 1.25 to 1.50 m³/ton FFB, with average about 1.309 m³/ton FFB.

Status:
Nonconformity No. 2018.01 with Minor Category
4.5

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

4.5.1

The company has a plan to handle IPM contained in the Company's Budget Work Plan document. The activity plan consists of detection of attacks, monitoring of IPM attacks and early warning system, census and efforts to control the population of biological pests and chemicals.

Based on the results of a study of pest monitoring documents and interviews with Global Telling personnel at Afdeling 4, it was found that the methods used in eradicating pests were carried out in 3 ways such as biology, mechanics and chemistry.

The company has carried out biological control for nettle caterpillar by planting beneficial plants such as *Turnera subulata*, *Casia cobanensis* and *Antigonon leptopus*. Based on field observation during the audit known that no outbreak. However, the company has been planted beneficial plant to avoid bagworm or caterpillar infestation. This biological treatment in accordance with pest management procedure.

Based on the Pulu Raja pesticide use document, it is known that there is a decrease in the use of pesticides. The use of paraquat dichloride was last used in 2017. In addition, based on interviews with spray labor in Block B, Afdeling 3 found that the company had not used pesticides with paraquat dichloride active ingredients since 2017.

The company has shown the Company's Budget Activity Plan document in 2018, it is known that there are adjustments between the current conditions (replanting). The adjustments include detection of *Oryctes* pests.

Based on the document *Oryctes* Control Area on FFB Afdeling V, it was found that there was an *Oryctes* rhinoceros pest attack. Control is carried out chemically using Scud 100 EW and Pheromones. In general, the attack and use of chemicals from the previous year has decreased among others in 2017 the use of 100 EW Scud as much as 3,592.85 Liter while in 2018 the use was 1,390.90 liters or there was a decrease of 61,28% from the previous year.

4.5.2

The company has shown document No. ASKA / MU / 27 / VII / 2018 dated 30 July 2018 regarding internal training (Pest Officer Training). Realization related to Pest Control Training was carried out on August 7, 2018 and was attended by 9 pest officers.

Based on the results of interviews with global telling officials at Afdeling 4, it is known that labor can explain the level of nettle caterpillar attack, *oryctes* attack rate, rat attack rate.

Status: Comply
4.6

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

4.6.1

The company already has procedure No. SPO.05 Section 5.10-12 explains that pest control is chemically only carried out if the level of attack exceeds the critical point or economic threshold. The justification for the use of chemicals must be

made based on the results of the census carried out periodically every month.

Based on interviews with pesticides applicator in Block B Afdeling 3 known that safety working procedure, specific target of every kind of pesticides, appropriate dosage, limits around water bodies. They also participated in pesticide training and has been known regarding to company policy that pregnancy and breastfeeding workers prohibited to working with chemical. All kind of pesticides usage has been registered in agriculture ministry and has been verified on www.pestisida.id.

4.6.2

The company has presented a list of Pulu Raja Pesticides document. The document includes the name of the pesticide, the content of active ingredients, registration number / pesticide, the validity period of the pesticide, the number of uses, LD50 and WHO Class. However, based on document review and field visit to the Pesticide Warehouse, it was known that not all pesticides had been identified, including the active ingredients used, LD50, the amount of active ingredients given and the number of applications. This is a non-conformity. 2018. 02.

4.6.3

The company has a plan to handle IPM contained in the Company's Budget Work Plan document. The activity plan consists of detection of attacks, monitoring of IPM attacks and early warning system, census and efforts to control the population of biological pests and chemists. The integrated pest control plan includes the planting plan of *Turnera subulata* & *Cassia cobanensis* for the 2018 period.

The company has shown monitoring of pesticide use at the Unit of Pulu Raja. Based on these data it is known that the company has minimized the use of pesticides from the previous year including the use of pesticides (Scud, Manthene and Percis) which decreased from the previous year with a reduction of 60.41%. There is no prophylactic usage of pesticide that found during the audit.

4.6.4

The company has indicated the Letter of Production Director No. 04.03 / X / 054 / VII / 2010 dated July 29, 2010 concerning registered agrochemical use and the company's commitment not to use pesticides made from Paraquat.

The company has shown records related to the use of pesticides in 2018, from the document it is known that the company has not used paraquat active ingredients for weed control.

Based on the Pulu Raja pesticide use document, it is known that there is a decrease in the use of pesticides. The use of paraquat dichloride was last used in 2017. In addition, based on interviews with spray labor in Block B, Afdeling 3 found that the company had not used pesticides with paraquat dichloride active ingredients since 2017.

Beside that, based on the results of a visit to the Central Warehouse of the Pulu Raja Business Unit, it was known that the recording of the stock / stock of pesticides in accordance with the physical amount was not identified by the IA and IB pesticides in stock.

4.6.5

The company has demonstrated the pesticide handling procedures described in Chemis Work Instructions No. FM.4.3.13-05 dated March 3, 2012. In IK it was explained that chemical workers must use glasses, shoes, helmets, masks, rubber gloves, work clothes when working; after working, trim the tools / materials to be taken to the office warehouse.

The company has shown footage of pesticide training conducted on August 1, 2018 which was attended by foremen and spray operators. The training was attended by 56 people.

Based on field visits in Block B, Afdeling 3 on spraying application, it is known that the workforce has been equipped with PPE equipment and has been in accordance with MSDS recommendations such as helmets, glasses, rubber gloves, spray clothes, aprons, masks and shoes. In addition, it is also known that if the PPE is damaged it will be replaced by the company.

4.6.6

The company has an SPO Document No. 020, 01 April 2010 concerning hazardous waste disposal, Agrochemical Chemical Containers and Washing Water Equipment. SPO, among others, explained about the management of agrochemical waste including packaging of pesticides.

The company has shown documentation of the recording of used pesticide packaging. The document contains the type of packaging for ex pesticides, the date of receipt, the number and date of delivery to the collectors.

Based on observations to the Pesticide Warehouse, it was found that the storage of pesticides had been carried out properly, separated by non-chemical materials, available MSDS, recorded in the waste recording documents and there was sufficient air circulation.

4.6.7

Pesticide handling has been described in Chemis Work Instructions No. FM.4.3.13-05 dated March 3, 2012. In IK it was explained that chemical workers must use glasses, shoes, helmets, masks, rubber gloves, work clothes when working; after working, trim the tools / materials to be brought to the office warehouse.

The Company has shown the document of the Minutes of Pesticide Guidance Training Implementation No. 01 / BA / RSPO / ISPO / VIII / 2018 conducted on August 1, 2018. The training contains control techniques / application of pesticides, type determination and weed control, calibration methods, planning and recording of work, methods of supervision, planning and preparation tools and materials. In addition, work instructions are also conveyed related to the risks and impacts of application of pesticides. The training was carried out on 56 chemist operator.

Based on interview with pesticide operator during the audit known that they are bring some food to the field every day. To avoid chemical contaminations during their lunch, the company provided clean water and hand soap. Their supervisor ensuring all worker has been washing their hand using hand soap before lunch. All operator kept their spraying equipment, PPE and spraying uniform in the rinse house after working.

4.6.8

The company does not spray from the air, but with a knapsack sprayer.

4.6.9

Based on interview with pesticide applicator and the supervisor in Afdeling II and chemical storage, obtained information that chemical applicators including pesticides already get socialization about the risks and handling of pesticide hazards. There is no smallholders in the site.

4.6.10

The company has have SOP of Hazardous Material Handling include pesticides SPO No. 02 dated January 2nd 2015. Training for workers and staff regarding hazardous & toxic material handling have been conducted on 1 August with 56 Participants and 7 August 2018 with 9 participants. Based on the field observation in pesticide warehouse and Hazardous warehouse, it is know that the company has been storing pesticides and pesticide containers in accordance with applicable regulations follow the Hazardous waste storage permit and applicable SOP.

- PPD Officers have socialized through memos (No. 03 / PROPER / V / 2017) signed by Factory Manager throughout the Afdeling and the Assistant to the Head of Administration that each type of Hazardous waste generated from Afdeling / parts must be submitted to the hazardous waste warehouse in Pulu raja Mill who already have permission.
- Delivery Order Letter dated July 29, 2017 used chemical packaging with a total of 61 pcs to Hazardous waste warehouse officers at Pulu raja Mill.
- Logbook Hazardous waste in Afdeling II, dated July 29, 2018
- Logbook Hazardous waste in afdeling 5 dated 29 July 2018

Based on the root cause analysis, corrections and corrective actions of the company as well as evidence of improvements shown to the auditor Nonconformity No.2017.05 have been fulfilled.

Based on interview with sprayer team found that workers recognized how to properly disposed waste materials and workers have been trained by company about waste and hazardous materials handling. Field visit during audit on toxic & hazardous waste storage on Pulu raja Mill found company showed proper ways for ex agrochemical disposal.

4.6.11

Based on interview with pesticide applicator, the company has conducted annual medical examination for high-risk worker including pesticide handler. According to the interview, there was no indication of irritation caused by pesticide handling so far.

Certificate holder has conducted annual medical examination which is the last examination on 26 July 2018. But, the result of the examination cannot showed during the audit. **So, it raised as Non Compliance Record No. 2018.03 in Major Category.**

4.6.12

Based on interview with female worker and gender committee known that the company has a reproductive policy. Pregnant and breastfeeding women are strictly prohibited to working with chemical such as fertilizer, pesticide etc. During the audit, there was no female worker that indicated to pregnancy or breastfeeding founded.

<p>4.6.2 4.6.11</p>	<p>Status: Nonconformity No. 2018.02 with Major Catagory Nonconformity No. 2018.03 with Major Catagory</p>	
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4.7

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

4.7.1

Certificate holder has had OHS Policy that signed by unit manager on 2 January 2018. Those policy has been socialized to the workers through the sign board in some area and direct socialization in every safety briefing in the morning before start to work. According to the national regulation, the company had an OHS Committee that registered in labor agency of Sumatera Utara since 29 June 2018. There is Mr. Rudi Susanto as registered in labor ministry as OHS expert (No. Reg/PK3/AJ/12/2017/P1 valid until 4 April 2020).

The OHS Committee has set the annual program to maintain the OHS implementation as follows:

1. OHS Meeting: monthly.
2. OHS socialization: monthly.
3. Review of HIRAC: annually.
4. Inspection (management tour, workplace inspection, signboard, hydrant and fire extinguisher): quarterly.
5. Emergency response training (fire, medical, earth quake, chaos and spillage): annually.
6. Employee's competency training: according to the schedule of OHS training provider.
7. Medical examination: annually.
8. Internal audit: annually.
9. Management review: annually.

Some evidence of implementation of OHS Plan has been showed such as annual meeting of OHS Committee on Thursday 7 June 2018 at meeting room afdeling V, attended by 40 participants regarding to PPE used. They also conducted emergency response training on 24 April 2018 which is attended by 70 participants.

4.7.2

Certificate holder has had a documented HIRAC for estates and mill. Those document always reviewed and evaluated through the OHS Committee meeting. The last revised of HIRAC has contained FFB transported using motorcycle. Based on interview with personnel in charge of OHS, HIRAC will be reviewed and updated if needed. Every newest HIRAC will be followed with the training.

4.7.3

Certificate holder has a certified operator in accordance with applicable regulations such as heavy equipment operator, welder, boiler man, electric technician, turbine operator etc. They also conducted OHS training for all level of employee to maintain their competency. For example emergency response training on 24 April 2018 which is attended by 70 participants.

Based on field visit during the audit known that pesticide applicator or another high-risk worker such as processing operator in mill (sterilizer operator, boilerman, electrical officer, mechanics, welder etc) has been equipped with appropriate PPE's in accordance with hazard identification and risk analysis. Each area in mill has been provided with signboard of PPE's needed.

According to the interview with related stakeholders (workers, labor union and contractors) known that the company committed to the OHS implementation in estates and mill. Safe working procedure always brief before start working and all company's workers equipped with appropriate PPE's. Auditor has been verify the record of PPE's granted to all workers. For example, safety boot receipt for mill workers on 13 June 2018.

4.7.4

According to the local regulation, each company shall had OHS committee and the personnel in charge of OHS implementation are OHS expert that registered in Labor Ministry of Indonesia. Based on document verification, certificate holder had registered OHS Committee to the labor agency of Asahan District. They also conducted monthly OHS meeting which is documented. For example, last OHS Meeting on Thursday 7 June 2018 at meeting room afdeling V, attended by 40 participants regarding to PPE used.

4.7.5

The Certification Unit able to show emergency and work accident procedures in the Indonesian language. The results of interviews with some workers, for example: boiler man, engine room operators, and chemical storage workers, have known the emergency and work accident procedures. In cases of emergency in mill or estate office, it has been provided evacuation route and assembly point.

According to the field visit result in estate and mill, found that the certificate holder has provide appropriate first aid kit in each working unit. For example, first aid kit in spraying team afdeling II, processing office in mill etc. Based on interview with some first aider, they can describe and well demonstrate regarding to first aid kit usage such as wounding, chemical poisoning etc.

4.7.6

ASA-2 finding:

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

1. Can not be shown evidence of payment BPJS Employment document period February to June 2017 for Permanent Employees.

2. Can not be shown evidence of work accident insurance document (BPJS Employment) for contractor workers and its payments on a regular basis.

Verification on 15 August 2018

Certificate holder has showed the payment receipt of BPJS period January – Agustus 2017 as written in nonconformance record. And also showed payment receipt of BPJS for local contractor. Based on that evidence, this nonconformance has been closed.

According to the company's policy and collective labor agreement, certificate holder has registered all workers in labor social insurance. For example, payment receipt of 524 estates and mill worker period of July 2018 are in place. According to the safety performance report, there was no working accidents claimed during the last 12 months.

4.7.7

According to the safety performance report, there was no working accidents claimed during the last 12 months. Certificate holder cannot shows the Lost Time Accident (LTA) in details. Based on that, it raised as nonconformance record No. 2018.04 category minor.

4.7.7	Status: Nonconformity No. 2018.04 with Minor Catagory	
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4.8

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

4.8.1

Certified holder cannot shows the records of training program related to the aspects of RSPO Principles and Criteria for all level of workers including contractor workers. **Based on that, it raised as nonconformance record No. 2018.05**

4.8.2

Certificate holder has a certified operator in accordance with applicable regulations such as heavy equipment operator, welder, boiler man, electric technician, turbine operator etc. They also conducted OHS training for all level of employee to maintain their competency. For example emergency response training on 24 April 2018 which is attended by 70 participants.

Based on interview with high-risk worker in estate and mill known that they were provided routine briefing related to the safety working procedure and PPE's usage. Pesticide applicator able to described and demonstrated safety working procedure for pesticide application.

4.8.1	Status: Nonconformity No. 2018.05 with Major Catagory	
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PRINCIPLE #5 Environmental responsibility and conservation of natural resources and biodiversity

5.1

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

5.1.1

The CH has conducting environmental impact assessment for oil palm plantation and processing which endorsed by the Minister of Agriculture as presented in Minister Decree No. RC 220/275/B/II/1994 dated February 9th 1994. The CH has also conducting Environment Management and Monitoring Plan study (RKL/RPL) in 2006 which carried out by consultant namely PT Emesi Konsultan which endorsed by Environment and Tourism Agency of Asahan District on September 21st 2006, as presented in letter No. 001/IX/AS/RKL-RPL/2006. Scope of area were plantation for 4,636 ha and palm oil mill

with capacity of 30 ton FFB/hours. Environment assessment study has recommend several management and monitoring plan which obliged to be conducted by the company, i.e. erosion management and monitoring; surface water management and monitoring; ground water (wells) quality management and monitoring; air quality and odor management and monitoring; water biota management and monitoring; opportunity of employment for locals; community income; public facility and social; community fidgetiness; community perception and attitude; health community monitoring; disturbance of land use for oil palm planting and social fidgetiness.

5.1.2, 5.1.3

As part of the implementation, the company develops environmental management and monitoring plan that is reported to the relevant agency regularly every semester. Therefore, there is an evaluation of monitoring result taken place every semester as required in government regulation on RKL-RPL reporting. The plan is available in matrix completed with the timetable of each activity. There is also the recommended for some of monitoring parameter in place. PTPN IV Pulu Raja appoints ISPO-RSPO Tam as PIC for monitoring the implementation.

Document review shows that RKL-RPL report for semester 1 year 2018 has been sent to the relevant local government agency in 9 August 2018. The company has conducted monitoring such as hazardous waste materials, water pollution, air pollution, soil pollution, land application and river water quality; social, economy and culture of surrounding communities; public and social facilities.; social fidgetiness; attitude alteration and negative perception of surrounding communities towards PTPN IV; public health parameter; and impact monitoring on geo-physics and chemicals environment monitoring, social economic and culture, as well as social fidgetiness. Based on evaluation of RKL/RPL, all parameter has been accordance with regulation.

Status: Comply

5.2

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

5.2.1

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

5.2.2

The company shows HCV area management in 2018. Among the program is presented as follows:

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

The company has an RTE Species management and monitoring plan for 2018 which is conducted one year 2 times in February and August 2018. The result of monitoring RTE in February 2018 were known to the nape birds, Kacer bird eagle birds, ripple birds, woodpeckers, starling birds and other birds. Record of Monitoring in August 2018 informed that totaling 8 singboard has been installed in Block, A and H. Trees planted by the company and noted as satisfactory are Mahony, Bamboo, Ketapang, Sengon and Trembesi.

5.2.3

The company has commits to protect HCV and RTE species identified during HCV assessment. Program of HCV areas is presented in Indicator 5.2.2. Socialization of HCV areas and RTE species has given to the employees and surrounding communities through installation of signboard which informed species protected, prohibition of hunting, keeping RTE species and destructive action which may causes environment damage. Furthermore, socialization has also conducted annually. Based on interview with inhabitant of employees housing complex in Afdeling V, it could be concluded that inhabitants were understood that hunting and keep at home the protected species are strongly prohibited. For example the socialization has carried out in July 2017 with 60 Participants. Sanction for workers which found to capture, harm, collect or kill RTE species is given through warning letter to deposition, depending on the scale of case. However, information towards government sanction which referring to Law No. 50/1990 has also delivered during socialization.

5.2.4

The company has a program and monitor HCV and RTE species which affected by estate and mill operational, as mentioned in Indicator 5.2.3. Monitoring record has also can be seen on RKL/RPL Semester report. As for RKL/RPL and Flora Fauna Report, the report has been sent to Environment Agency of Asahan District and BKSDA Asahan regency. Record of Monitoring in July 2018 informed that singboard and riparian condition were noted as satisfactory. This is confirmed during field observation to Afdeling V riparian areas. Other than that the monitoring found 8 Birds such as Bondol birds, Elang ular Bido Bird., riplel bird, nape bird, kacer bird and the other.

5.2.5

Results of the verification documents, field visits and interviews with villagers obtained information that there are no areas of HCV-related and affect the local community.

Status: Comply

5.3

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

5.3.1

Certificate holder has the identification of waste products produced and the management of the waste products produced. The identified waste source such as hazardous waste source including agrochemical waste, domestic waste and medical waste.

5.3.2

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

The company has records waste balance and reported to Environment Agency. This is conformed during interview with Environemnt Agency of Asahan District. The company shows hazardous waste transportation contract carried out by

licensed Hazardous waste collectors (PT Jaguar Prima Nusantara). There is a Minutes of Hazardous waste transport carried out on August 9, 2018 with details:

- jerry cans Ex Chemical 648 pcs
- Ex Chemical 5 Bottles
- Ex Fertilizer 71,000 pcs
- 4 pcs Used Oil Drum

With the manifest number WY 0002933

5.3.3

Management of waste program is presented as follows:

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

Domestic waste: sent to landfill and digged up.

Status: Comply

5.4

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

5.4.1

Company already have commitment to reducing fossil fuel by renewable energy usage. Shell and fiber usage have been monitored per month and realization of fossil fuel usage.

During January - June 2018, fiber and shell usage for boiler resulting average energy efficiency for diesel. The use of shell per MT FFB processed is 1.32 kWh/MT FFB. Other company effort to reduce the use of fossil fuel is by budgeting fossil fuel for vehicle and machinery operation. The fossil fuel budget will control the fossil fuel use. Further, there is also routine engine maintenance to increase engine efficiency intended to reduce the use of fossil fuel.

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 has demonstrated procedures with document number 02.0 dated August 1, 2007 concerning new plants stating that the replanting method carried out by the company is land clearing method, zero burning method and under planting method.

Based on the results of a field visit to block 93G, it was known that the company had carried out replanting activities. The replanting mechanism based on the Order to Start Work (No. 04.14 / SPMK / 008 / VII / 2018 dated July 6, 2018) PT Ambya Mozza Indo covers activities 1, chipping, demolition, testing II, harrow activities and making hole diggers .

In addition, the company has also demonstrated Procedure for SOP 02. New Plant, Sub Title Replanting which states that the current landclearing and windrowing / partial burning methods have been abandoned because they have a negative impact on the environment and are not in accordance with government regulations.

Status: Comply

5.6

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

5.6.1 and 5.6.2

To reduce pollution and emission, the company has identified the pollution sources and emissions and the management steps which are described in SOP of Waste Management. In addition, company also identified GHG sources included management plan for reducing it.

All waste including emissions and pollutions sources from Mill and estate are identified and recorded on waste and pollution identification risk 2018 document. Fossil fuel reducing have been implemented by fiber and shell usage. Realization of renewable energy have been monitored on monthly report for fiber and shell usage. Waste water has been monitored every months and monitoring periods January- June 2018 sighted that all of waste water testing parameters is compliant to the standards quality.

CH already has a sound inspection mechanism that regulates audiometric tests for employees with high noise exposure, audiometric examination is conducted once a year. To prevent hearing loss of mill workers with high noise exposure CH checks the worker's PPE every day before the activity begins. And place a warning sign in each area with a noisy sound. Based on verification from GHG calculator known that the plan for reduce of GHG is effective, in 2016 the GHG emission is 5.04 tCO₂e/t product and than in 2017 is 2.76 tCO₂e/t product.

5.6.3

Monitoring for emission and pollutants (air emission, ambient, odor, noise, vibration) from estate and mill was done periodically every 6 month, covered on RKL/RPL implementation report and reported to environmental agency periodically. Company also conducted GHG calculation for 2017 period based on RSPO GHG palm V 3.0.1 with application option is *Apply full version* and this The calculation of GHG emissions resulting as below:

Summary of Emissions

Description	tCO ₂ e/tProduct
CPO	2.76
PK	2.76
PKO	-
PKE	-

Extraction	%
OER	23.58
KER	4.88

Land Use	Ha
OP Planted Area	4228.68
OP Planted on peat	0
Conservation (forested)	133.32
Conservation (non-forested)	-
Total	

Production	t/yr
FFB Processed	55509.69
CPO Produced	13090.86

Summary of Plantation/field emissions and sink

Description	Own			Total
	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e/tFFB	

Land conversion	0	0	0	0
CO2 emission from fertiliser	57732.98	13.65	1.04	1.04
N2O emission	1844.84	0.44	0.03	0.03
Fuel consumption	950.06	0.22	0.02	0.02
Peat Oxidation	0	0	0	0
Crop sequestration	-35087.8	-8.3	-0.63	-0.63
Sequestration in conservation area	0	0	0	0
Total	25440.1	6.02	0.46	0.46

Summary of Mill emission and credits

Description	tCO2	tCO2e/tFFB
POME	17975.7	0.32
Fuel Consumption	260.64	0
Grid Electricity Utilisation	0	0
Exports of Excess Electricity to Housing & Grid	0	0
Sale of PKS	0	0
Sale of EFB	0	0
Total	18236.4	0.33

Palm Oil Mill Effluent (POME) Treatment

Diverted to compost	0 %
Diverted to anaerobic digestion	100 %

POME Diverted to Anaerobic Digestion

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

CH give the Soft copy of Pulu Raja POM GHG calculation using PALM GHG Version 3.0.1 with Options Apply full version in 2016 for correction NCR No 2017.11, Based on the analysis of the root problems, improvements and prevention plans of the company, Nonconformance has been closed

Status: Comply

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 document of Social Impact Analysis Report compiled in collaboration with PT Surveyor Indonesia, Foundation for Sustainable Palm Oil Indonesia in 2010. In this document is described positive and negative effects as a result of a credible form of plantations in both operational and social impact management recommendations by the company. Recommended management of the social impact of social impact assessment report consists of :

- Creating a community development program in a planned and targeted according to the needs of local communities
- Create open and transparent mechanism
- Improving infrastructure such as roads and bridges and other facilities

- Stakeholders mapping PTPN IV
- Create a special division tasked to build a harmonious relationship

The PTPN IV Pulu Raja was carry out replanting in 2011. Prior to the implementation of replanting, the company has conducted socialization to the village heads who were in the fields, invited directly to the location of replanting, there are some things presented by Integration to the village head, among others : Socialize that will be replanted, farm animals from entering the site and to keep each other replanting the area. PTPN IV Unit Pulu Raja also invited the heads of the village during the implementation of planting the prime. Based on interview with several head of villages: Pulau Rakyat Pekan Village, Orika Village and Tunggul 45 Village, sighted that all of social impact has been identified.

6.1.2

There was a record of community involvement in the implementation of the Social Impact Study of identification, recording in the form of implementation of Social Impact Assessment Questionnaire. It has been shown also consultation with stakeholders of 14 villages and other communities that are affected. Assessment methods Social Impact Analysis (Social Impact Assessment): (1) Interview directional (guideline interviews) and informal interviews; (2) Focus Group Discussion (FGD) target villagers who were around Pulu Raja Plantation. There was also showed photographs of implementation of the Focus Group Discussion (FGD) conducted by the *Yayasan Kelapa Sawit Berkelanjutan Indonesia* (YASBI).

6.1.3.

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

The social management plan recorded in the *RKL / RPL* implementation report for the first semester of 2018, among others: to provide employment and striving to increase the income of the surrounding community, providing educational, health, religious, sports, road improvement, and so on. Base on document verification and interview with several head of villages: Pulau Rakyat Pekan Village, Orika Village and Tunggul 45 Village sighted that the CH has been implemented all social management plan in accordance to RKL/RPL matrix.

6.1.4

Social impact management is monitored every 6 months by Staff of the General Assistant and Human Resources. The results monitoring are recorded in the *RKL / RPL* report of first semester of 2018. The results of monitoring are among others: the company has provided job opportunities and efforts to the surrounding villagers, providing educational, health, religious, sports, road improvement, etc.

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

Review management is conducted every 6 months, and then evaluated by involving the participation of the affected community 14 participants. There are several evaluation result from stakeholders, such as: the communication with stakeholders has been conducted, however it doesn't continuous and scheduled, local workers can improve the economic development, there are no conflict with cow breeder, mill operational impact to community health.

6.1.5

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

Status: Comply

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

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

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

Based on interview with stakeholder from Orika and Pulu Raja Pekan villages known that they already knew how to communicate with the company.

6.2.2

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

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

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

6.2.3

The Company providing information is mandatory for government agencies, such as from the Environment Agency, Plantation Agency, Labor and Transmigration Agency, and National Land Agency. According to the result of interview with the two village heads, Labor Union and the associated agency, the stakeholders have aware of the procedure to get the information.

ASA-2 finding:

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

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

it raised a minor non-conformance 2017.12

Verification on 15 August 2018

Certificate holder has showed manager letter that officially replied the letter from Head of Bangun Village on 17 November 2017. Those letter has been received by the head of village on 19 November 2017.

Based on evidence that showed, this nonconformance has been **closed**.

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 and 6.3.2

Procedure of grievance and complaint was presented in document No. 07.02 dated August 1st 2012. Up to ASA-3, there is no revision of procedure. The mechanism has also presented in working agreement (PKB) period 2016/2017 in Chapter XI, article 64. General Assistant and Human Resources were responsible to handle and follow up any grievances. In code of conduct book Chapter VII, it was stated that anonymity of reporter was protected. Based on interview with workers in Afdeling II and mill, village representatives and Asahan District Agencies, it was informed that there were no grievances from workers and surrounding villages reported since 2017 until the audit date.

Based on public consultation with village representatives from Pulau Rakyat Pekan, Orika and Tunggul 45 known that the villager through the head of village deliver their comments or complaint orally direct to the communication and consultation officer or manager and by letter if needed.

Status: Comply

6.4

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

6.4.1; 6.4.2 and 6.4.3

Procedure of land conflict handling was presented in document No. O40/01 dated April 2010. Procedure mentioned that resolution of land conflict was carried out through stakeholder meeting (Musyawarah Mufakat) as priority and legal evidence should be showed by the claimant. PTPN IV Pulu Raja Business Unit operational areas were not derived from indemnity land, but ex concession from Dutch (Netherland Indie) Government Company, as mentioned and described in Government Law (UU) No. 86/1958 dated December 27th 1958, Government Regulation (PP) No. 19/1959 dated May 2nd 1959 and Land Book (on the 1st Land Title Certificate) dated July 1st 1982.

Based on interview with PTPN 4 Pulu Raja POM management unit, BPN, Plantation Agency of Asahan District, as well as chief of Pulau Rakyat Pekan, Orika and Tunggul 45 Village, it was stated that there were no significant land conflict which interfere POM and Estate operational activities. In addition that, there are no new land acquisition since the last assessment until now.

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

Certificate holder determines minimum wages based on the government regulation every year. The minimum wages of Asahan District on 2018 as regulated in North Sumatera Governor Decree dated on 24 November 2017 is **IDR 2,401,172.49/month**.

Those minimum wages salary has been follow up by official letter of Labor Agency of Asahan District on January 2018 to all company in Asahan District. According to the interview with labor representatives, PTPN IV Pulu Raja has been paid their worker in line with the minimum wages that set by the local government.

6.5.2

Certificate holder has had collective labor agreement that has been registered in labor agency of North Sumatera Province on 9 February 2018. This collective labor agreement valid since 1 January 2018 until 31 December 2019. Based on interview with labor representatives or with labor union member during field visit known that each board of labor union section Pulu Raja had a copy of collective labor agreement. It content also been socialized to the respective member during the regular meeting of labor union. Some worker that interviewed during the audit has understood regarding the contents of those CLA.

6.5.3 and 6.5.4

The results of interviews with the Head of Labor Unions, obtained information that the Certificate Holder has provided adequate housing facilities, electricity, clean water, medical services, educational facilities, worship places, sports facilities and *BPJS* to workers. But there are little problem with the condition of some houses that are considered less feasible section of the walls, roofs and doors. There was no house that occupied by more than one family.

According to field visits and interview with workers and their family in each housing complex concluded that they have no difficulty to access their basic needs. It all can be accessed in surrounding village near the housing complex. Moreover, all staple are easy to access due to very close to the capital city of Labuhan Batu Utara District.

Status: Comply

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 Certification Unit able to show evidence of policies that give freedom to workers for organize. The policy is contained in *Collective Labor Agreement* period 2016-2017, section 5. The results of interviews with some employees in the Mill and Estate, it is known that all employees are given the freedom to join labor union with no intervention from management. Currently all employees are registered as Labor Union (SP-BUN) members.

The Certification Unit able to show evidence of Re-registration of SP-Bun PTPN IV Pulu Raja to Manpower Agency of Asahan District dated June 17 / 2016. Register SP-Bun current is No. 01 / III-DTK / VI / 2016 for period 2016 - 2019. They also had a Bipartite Committee which is board of member from labor was nominee by labor union itself without intervention from management.

6.6.2

The Certification Unit able to show evidence of the *SP-BUN* meeting on July 27, 2018 at the mill office. The meeting was held to discuss socialization of *SP-BUN* working program and cooperation of all members to maximize production.

Status: Comply

6.7

Children are not employed or exploited.

6.7.1

The company's policy on worker age is set in the SOP of employee recruitment since 1 August 2012 and in agreement letter with new employee. It policy also socialized during meeting with SP-Bun, muster morning and in signboard in

common place.

Based on document verification list of employee on June 2018, there is no employee under age. During the audit, auditor also interviewed random workers in Estate and Mill, SP-Bun representatives and contractor concluded that there was no workers who are under 18 years old. One of the basic recruitment is the worker's age has been over 18 years.

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; 6.8.2 and 6.8.3

Certificate holder has had the policy regarding to equal employment opportunity on SOP No. 04.02. During field visit, document verification and interview with several worker and labor representatives known that company's worker comes from different races, religion, origin, gender etc. There was no discrimination in workplace during the recruitment process until promotion.

The results of interviews with SP-Bun, women's committee and Labor Agency was not indication of workers discrimination. The Certification Unit also provides employment opportunities for careers in factories and estate including women. Based on interview with human resources assistant, there was no new recruitment on 2018 until the audit date.

Status: Comply

6.9

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

6.9.1; 6.9.2 and 6.9.3

Certificate holder has had policy of sexual harassment & violence prevention. The policy have been communicated through Circular Letter No. PUR / SE / 11 / II / 2016 dated February 10 / 2016 to each Division and Mill Units. The Certification Unit able to show the policy of handling of complaints. Policy recorded in the *Collective Labor Agreement* for the period 2016-2017, Chapter IX related to industrial relations disputes settlement.

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

Certificate holder able to show a policy of reproductive rights protection. The policy on reproductive rights protection has been socialized through the morning master / safety briefing in the estate unit. *Collective Labor Agreement* has also been distributed to employees, SP-Bun and Gender Committee.

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

Certificate holder able to show the mechanisms related to complaint handling. The mechanisms recorded in communication and consultation procedure. The Certification Unit also able to show the mechanisms related to protection for whistleblower. The mechanisms recorded in the Whistle Blowing System article 10. If there is complaints, may be submitted to the representative supervisor such as: Foreman, Assistant, Manager or HR and General Assistant), SP-Bun or gender committee.

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

Status: Comply
6.10
Growers and mills deal fairly and transparently with smallholders and other local businesses.
6.10.1 & 6.10.2.

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

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

Management Unit has a document, namely Regulations of Directors of PT. PTPN IV (Persero) No. 04.01/PER/13.1/IV/2014 tanggal 30 April 2014. The mill informed the FFB prices in form of communication directly to the dealers and also put the FFB prices in the information board at the front of the mill weighbridge.

From the FFB purchasing contract sighted by the auditor team Guidelines of Purchases of oil palm fresh fruit bunches (FFB) of PT. PTPN IV (Persero). The regulations (Chapter V. The formulation of Prices and Payment Procedures), Part One Article 15 Formulation of Prices, describes the calculation of FFB purchase price, CPO and Palm Kernel prices according to the price submitted by Marketing Department (exclusive 10% VAT). The results of field observations during the assessment surveillance-03 show that the FFB purchase price has been informed at the weighing location of the Pulu Raja POM.

6.10.3

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

6.10.4.

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

Status: Comply
6.11
Growers and millers contribute to local sustainable development wherever appropriate.
6.11.1

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

- Provide employment opportunities to surrounding communities. Sighted: results of interviews with village community leaders, labor agency, and employee list July 2018, it is known that most of the company's employees come from local village such as: Pulu Rakyat Pekan Village, Persatuan Village, Orika Village, Desa Tunggu 45, Aek Loba Village.
- Providing business opportunities to surrounding communities. Signed: Work Agreement Letter with local contractor, for example Work Agreement Letter transport of FFB.
- Providing educational, religious, sports, and village road improvements. Sighted: Evidence of receipt and photo documentation.

6.11.2

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

	Status: Comply	
6.12		
No forms of forced or trafficked labour are used.		
6.12.1;6.12.2;6.12.3		
The results of interviews with labor union representatives, field visit and employee list review period June 2018, it is known that there was no foreign workers for mill and estate operations.		
	Status: Comply	
6.13		
Growers and millers respect human rights		
6.13.1		
Certificate holder able to show the human rights policy No. PUR / SE / 10 / III / 2015 dated March 2 / 2015 which refers to the relevant regulations. The policy has been socialized to workers especially during the meeting between management with SP-Bun. Based on interviews with random workers in mill and estate, SP-Bun representatives and gender committee, until now there was not issue 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.		
PTPN IV Pulu Raja Business Unit has been operated since 1920, and to date estate operations have carried out 3 rd cycle replanting and there is no new development.		
	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.		
7.2.1, 7.2.2		
PTPN IV Pulu Raja Business Unit has been operating since 1920 and to date the operation of the plantation has been replanting the 4th generation and there is no new development.		
	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.		
PTPN IV Pulu Raja Business Unit has been operated since 1920, and to date estate operations have carried out replanting of the 4th generation and there is no new development. The liability disclosure also have been sent to RSPO secretariat that informed there is no new development after 2005. PTPN IV has sent their liability disclosure and LUCA to the RSPO Compensation Panel (rspocompensation@rspo.org) in 2016.		
	Status: Comply	
7.4		
Extensive planting on steep terrain, and/or on marginal and fragile soils, is avoided.		
7.4.1, 7.4.2		
Since the beginning of PTPN IV's operations in the unit of Pulu Raja in 1918, four replanting activities have been carried out and have not carried out the development of new land. The plantation management unit stated that PTPN IV Pulu Raja's business unit had no plans to carry out new land development activities. Then, as a result of an interview with the Forestry and Plantation Office of Asahan Regency, it was stated that the company had never applied for a new land development permit.		

	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.		
7.5.1.		
PTPN IV Pulu Raja Business Unit has been operated since 1920, and to date estate operations have carried out 3 rd cycle replanting and there is no new development.		
	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.		
7.6.1; 7.6.2; 7.6.3; 7.6.4; 7.6.5; & 7.6.6.		
PTPN IV Pulu Raja Business Unit has been operated since 1920, and to date estate operations have carried out 3 rd cycle replanting and there is no new development.		
	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.		
7.7.1, 7.7.2		
Since the beginning of PTPN IV's operations in the unit of Pulu Raja in 1918, four replanting activities have been carried out and have not carried out the development of new land. The plantation management unit stated that PTPN IV Pulu Raja's business unit had no plans to carry out new land development activities. Then, as a result of an interview with the Forestry and Plantation Office of Asahan Regency, it was stated that the company had never applied for a new land development permit.		
	Status: Comply	
7.8		
New plantation developments are designed to minimise net greenhouse gas emissions.		
7.8.1 & 7.8.2.		
PTPN IV Pulu Raja Business Unit has been operated since 1920, and to date estate operations have carried out 3 rd cycle replanting and there is no new development.		
	Status: Comply	
PRINCIPLE #8 Commitment to continuous improvement in key areas of activity		
8.1		
Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.		
8.1.1.		
The management unit of PTPN IV Pulu Raja has conducted a lot of improvement follow-ups in various fields such as:		
<ul style="list-style-type: none"> ➤ Sustainable Business Improvements on Pesticides Reduction Aspects such as the plan of <i>Paraquat</i> use in 2016 is 513 liters, there is a reduction of 30 liters compared to the use in 2015. In controlling "<i>Oryctes</i>" beetle attacks, with minimizing chemical use, which is by using <i>Feromone</i> and fish nets wrapped around the stem of plants so that the beetles are caught and picked by workers ➤ Sustainable Business Improvements on Waste Reduction Aspects such as reducing waste generated by the mill operations, the management unit utilizes wastewater for manuring and empty fruit bunch through composting activities. ➤ Sustainable Business Improvements on GHG emissions aspects such as the management unit conducts 		

dissemination to villagers around the plantation and workers for not doing any burning activities on of domestic waste/garbage generated. It is also supported by the "sign boards" that are placed on the area of estates and employees housing.

- Sustainable Business Improvements on **Social Aspects** such as road improvements of the village around the company (Persatuan village), School building renovation, Providing Scholarships of Community Development program at schools around the plantation.

- Best Management Practices

The company has minimized the use of pesticides from the previous year, among others, the use of pesticides to control the pest of palm leaf eaters (Scud, Manthene and Percis) which decreased from the previous year with a reduction percentage of 60.41%.

Certificate holder has conducted join internal audit of ISPO/RSPO on 11 – 13 October 2017 that held by E&C Department. Based on the report, there was 11 noncompliance found in RSPO scheme. All corrective action has been submitted and some are in progress.

	Status: Comply	
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3.2 Summary of Assessment Report of Supply Chain Requirement

3.2.1. General chain of custody requirements for the supply chain

Clause	Requirement
5.1	Applicability of the general chain of custody requirements for the supply chain
5.1.1	<p>The General Chain of Custody requirements of the RSPO Supply Chain Standard shall apply to any organization throughout the supply chain that takes legal ownership and physically handles RSPO Certified Sustainable oil palm products at a location under the control of the organization including outsourced contractors. After the end product manufacturer, there is no further requirement for certification.</p> <p>Pulu Raja POM is subsidiary of PTPN IV is RSPO member 1-0082-09-000-00-29 June 2009. The main RSPO certified products are CPO and PK.</p>
	Status: Comply
5.1.2	<p>Traders and distributors require a license obtained from RSPO Secretariat to sell RSPO certified product but do not themselves require certification. When selling RSPO certified products, a licensed trader and/or distributor shall pass on the certification number of the product manufacturer and the applicable supply chain model.</p> <p>The certificate holders only received certified FFB from own estates: Pulu Raja Estate. There are no certified product buying from traders.</p>
	Status: Comply
5.1.3	<p>Either the operator at site level or its parent company seeking certification shall be a member of the RSPO and shall register on the RSPO IT platform.</p> <p>The certificate holder has registered on RSPO IT platform with number RSPO_PO1000002335.</p>
	Status: Comply
5.1.4	<p>Processing aids do not need to be included within an organization's scope of certification.</p> <p>There are no processing aids on this audit scope.</p>
	Status: Comply
5.2	Supply chain model
5.2.1	<p>The site can only use the same supply chain model as its supplier or go to a less strict system. Declassification/downgrading can only be done in the following order: Identity Preserved -> Segregated -> Mass Balance.</p> <p>The certificate holders only use single module (Mass Balance-Module E).</p>
	Status: Comply
5.2.2	<p>The site can use one (1) or a combination of supply chain models as audited and certified by the CB.</p> <p>The certificate holder only used single supply chain models as Mass Balance Module (E).</p>
	Status: Comply
5.3	Documented procedures

5.3.1	<p>The site shall have written procedures and/or work instructions or equivalent to ensure the implementation of all elements of the applicable supply chain model specified.</p>
	<p>Procedure of SCCS implementation of PTPN 4 Pulu Raja Business Unit was presented in document No. SPO 07 A (Certified FFB's Handling) and No. 07 B (Certified CPO & PK Handling), issued by Business Unit Manager on January 2nd 2018. Procedure describes definition, procedure (FFB receipt, processing, delivery, documentation and delivery of CPO & PK).</p>
	<p>Status: Comply</p>
5.3.2	<p>The site shall have a written procedure to conduct annual internal audit</p>
	<p>The company has written procedure to conducted annual internal audit, the internal audit will be conducted every year before external audit visited. The internal audit was conducted dated 24 – 26 July 2018 including RSPO SCCS and RSPO Market Communications Claims.</p>
	<p>Status: Comply</p>
5.4	<p>Purchasing and goods in</p>
5.4.1	<p>The receiving site shall ensure that purchases of RSPO certified oil palm products are in compliance and the following minimum information for RSPO certified products is made available by the supplier</p>
	<p>There are no purchasing of RSPO Certified oil pam products on this scope certification.</p>
	<p>Status: Comply</p>
5.4.2	<p>The site shall have a mechanism in place for handling non-conforming oil palm products and/or documents</p>
	<p>The site has grading procedure to handling nonconforming oil palm products.</p>
	<p>Status: Comply</p>
5.5	<p>Outsourcing activities</p>
5.5.1	<p>In cases where an operation seeking or holding certification outsources activities to independent third parties (e.g. subcontractors for storage, transport or other outsourced activities), the operation seeking or holding certification shall ensure that the independent third party complies with the requirements of the RSPO Supply Chain Certification Standard. A CPO mill and independent mill cannot outsource processing activities like refining or crushing.</p>
	<p>There are several outsourcing activities, such as:</p> <ol style="list-style-type: none"> 1. Storage Tank with PT Sarana Agro Nusantara in Belawan in accordance to Agreement No. SAN.DIR/PTPN IV/SP CPO-CPKO/04/I/2018 dated 2 January 2018 about CPO Storage Tank with Capacity 25,000 MT and CPKO storage Tank with Capacity 1,800 MT. 2. CPO transport with PT Wahana Adijaya Pertiwi No. 04.09/S.Perj/07/II/2018 dated 5 February 2018 and PT Kereta Api Indonesia No 04.09/S.Perj/03/I/2018 dated 29 January 2018. 3. PK transport with CV Dini Artha Lestari No. 04.05/S.Perk/02/II/2018 dated 8 February 2018
	<p>Status: Comply</p>
5.5.2	<p>Sites which include outsourcing within the scope of their RSPO Supply Chain certificate shall ensure the following:</p>
	<ol style="list-style-type: none"> a. The site has legal ownership of all input material to be included in outsourced processes; b. The site has an agreement or contract covering the outsourced process with each contractor through a signed and enforceable agreement with the contractor. The onus is on the site to ensure that certification bodies (CBs) have

access to the outsourcing contractor or operation if an audit is deemed necessary.

- c. The site has a documented control system with explicit procedures for the outsourced process which is communicated to the relevant contractor.
- d. The site seeking or holding certification shall furthermore ensure (e.g. through contractual arrangements) that independent third parties engaged provide relevant access for duly accredited CBs to their respective operations, systems, and any and all information, when this is announced in advance

There are several outsourcing activities, such as:

1. Storage Tank with PT Sarana Agro Nusantara in Belawan in accordance to Agreement No. SAN.DIR/PTPN IV/SP CPO-CPKO/04/II/2018 dated 2 January 2018 about CPO Storage Tank with Capacity 25,000 MT and CPKO storage Tank with Capacity 1,800 MT.
2. CPO transport with PT Wahana Adijaya Pertiwi No. 04.09/S.Perj/07/II/2018 dated 5 February 2018 and PT Kereta Api Indonesia No 04.09/S.Perj/03/I/2018 dated 29 January 2018.
3. PK transport with CV Dini Artha Lestari No. 04.05/S.Perj/02/II/2018 dated 8 February 2018.

Each of legal ownership of outsourcing activities has been verified by auditor team.

Based on interview with contractor sighted that the CH has socialized about the certification bodies can access the contractor operation necessary. There also information that this clause will be added on the next renew contract. According to field observation to the weight bridge station at the Pulu Raja Mill, sighted that the CSPO transporter has complied with RSPO SCCS requirement. For example: there are information RSPO product sign on the vehicle.

Status: Comply

5.5.3

The site shall record the names and contact details of all contractors used for the processing or physical handling of RSPO certified oil palm products.

Based on document verification and interview with processing assistant, sighted that there are four outsourcing activity in accordance to clause 5.5.1.

Status: Comply

5.5.4

The site shall at its next audit inform its CB of the names and contact details of any new contractor used for the processing or physical handling of RSPO certified oil palm products

Based on document verification and interview with processing assistant, sighted that there are four outsourcing activities such as:

1. Storage Tank with PT Sarana Agro Nusantara (Belawan)
2. CPO transport with PT Wahana Adijaya Pertiwi (Medan) & PT Kereta Api Indonesia (Jl Perintis Kemerdekaan No I Bandung)
3. PK transport with CV Dini Artha Lestari (Medan)

Status: Comply

5.6

Sales and goods out

5.6.1

The supplying site shall ensure that the following minimum information for RSPO certified products is made available in document form: The name and address of the buyer

Based on document verification sighted that there are CSPO Claim selling for last period, look on below tables:

CPO sales from 25 August 2017 – 10 August 2018

Month	Volume (MT)	Buyer
25 to 31 Aug-17	50.46	PT Multimas Nabati Asahan in Kuala Tanjung
Sep-17	449.54	PT Multimas Nabati Asahan in Kuala Tanjung
Oct-17	-	-
Nov-17	-	-
Dec-17	-	-
Jan-18	170.86	PT Musim Mas in Belawan
Feb-18	1,246.28	PT Musim Mas in Belawan
Mar-18	582.86	PT Musim Mas in Belawan
Apr-18	500.00	PT Musim Mas in Belawan
May-18	473.46	PT Musim Mas in Belawan
Jun-18	26.54	PT Musim Mas in Belawan
Jul-18	-	-
1 to 10 Aug-18	-	-
TOTAL	3,500	PT Musim Mas in Belawan

Based on mass balance record, sighted that there are no CSPK sales as claim RSPO products during last certificate periods from 25 August 2017 to 10 August 2018. All of CSPK was sent to the Pabatu KCP.

Status: Comply

5.7 Registration of transactions

5.7.1

Supply chain actors who:

- are mills, traders, crushers and refineries; and
- take legal ownership and/or physically handle RSPO Certified Sustainable oil palm products that are available in the yield scheme of the RSPO IT Platform (Figure 2 and 3, refer Annex 1) shall register their transaction in the RSPO IT platform and confirm upon receipt where applicable

The certificate holder has registered on RSPO IT platform with number RSPO_PO1000002335.

Status: Comply

5.7.2

The involved supply chain actors mentioned in 5.7.1 shall do the following actions in the RSPO IT Platform:

- Shipping Announcement / Announcement: When RSPO certified volume is sold as certified, the volumes of products that are in the yield scheme (Figure 2 and 3, refer Annex 1) shall be registered as a Shipping Announcement / Announcement in the RSPO IT Platform. The declaration time to do Shipping announcement / Announcement is based on members' own standard operating procedures.
- Trace: When RSPO certified volumes are sold as RSPO certified to actors in the supply chain beyond the refinery, the volume shall be traced at least annually. Tracing triggers the generation of a trace document with a unique traceability number. Tracing can be done in a consolidated way at least annually.
- Remove: RSPO certified volumes sold under other scheme or as conventional, or in case of underproduction, loss or damage shall be removed.
- Confirm: Acknowledge the purchase of RSPO certified volume by confirming Shipping Announcements / Announcements.

The certificate holders has monitored Mass Balance sheet and CPO/PK selling, see on below table:

Month	Volume (MT)	Buyer
25 – 31 August 2018	50.46	PT Mutimas Nabati Asahan
September 2018	449.54	PT Mutimas Nabati Asahan
January 2018	170.86	PT Musim Mas
February 2018	1,246.28	PT Musim Mas
March 2018	582.86	PT Musim Mas
April 2018	500.00	PT Musim Mas
May 2018	473.46	PT Musim Mas
June 2018	26.54	PT Musim Mas
Total	3,500	PT Musim Mas

The shipping announcement has been recorded by marketing division, such as:

Transaction ID	Seller Ref.	Buyer	Volume*	Transaction Type	Status	Shipping/BL Date
TR-a4fa3fef-cfd5	217/KPBN/CPO-MB/PUR/VII/2018	PT. Musim Mas - Belawan	500	Shipping	Confirmed	4/6/2018
TR-80f76584-af34	159/KPBN/CPO-MB/PUR/V/2018	PT. Musim Mas - Belawan	500	Shipping	Confirmed	28/03/2018
TR-38a5be03-784f	135/KPBN/CPO-MB/PUR/IV/2018	PT. Musim Mas - Belawan	500	Shipping	Confirmed	1/3/2018
TR-13334f5c-dd67	082/KPBN/CPO-MB/PUR/III/2018	PT. Musim Mas - Belawan	500	Shipping	Confirmed	20/02/2018
TR-224b5352-1ba6	079/KPBN/CPO-MB/PUR/III/2018	PT. Musim Mas - Belawan	500	Shipping	Confirmed	9/2/2018
TR-848a2047-5821	016/KPBN/CPO-MB/PUR/II/2018	PT. Musim Mas - Belawan	500	Shipping	Confirmed	28/12/2017
TR-ba8761f5-bc69	621/KPBN/CPO-MB/PUR/XII/2017	PT Multimas Nabati Asahan	500	Shipping	Confirmed	14/11/2017

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However not all transaction was updated on the palm trace, for example (CSPO&CSPK) selling as conventional were not monitored and it has not been reducing of remaining volume on the RSPO Palm trace. **It was raised as nonconformity No. 2018.06.**

5.7.2. Status: Non Conformity No. 2018.06 with Major Category

5.8	Training		
5.8.1			
The organization shall have a training plan on RSPO Supply Chain Standards requirements, which is subject to on-going review and is supported by records of the training provided to staff			
The certification unit has annual RSPO Supply Chain Standards training, the latest training has been conducted dated 9 to 10 January 2018.			
	Status: Comply		
5.8.2			
Appropriate training shall be provided by the organization for personnel carrying out the tasks critical to the effective implementation of the supply chain certification standard requirements. Training shall be specific and relevant to the task(s) performed			
The certification unit has delivered effective RSPO training about SCCS implementations. There are pretest and posttest during training conducted. Based on field observation and interview with security and weighbridge operator, they can explain about RSPO SCCS.			
	Status: Comply		
5.9	Record keeping		
5.9.1			
The organization shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these RSPO Supply Chain Certification Standard requirements			
The management unit has monitor accurate of record keeping as:			
Month	FFB (Kg)		
	RSPO Certified	Non Certified	Total
25 to 31 Aug-17	1,358,460	1,091,700	2,450,160
Sep-17	5,973,030	4,878,760	10,851,790
Oct-17	5,941,900	5,171,680	11,113,580
Nov-17	6,023,790	5,958,370	11,982,160
Dec-17	6,172,940	2,978,690	9,151,630
Jan-18	5,558,980	2,834,490	8,393,470
Feb-18	5,512,120	403,960	5,916,080
Mar-18	6,190,420	4,651,430	10,841,850
Apr-18	6,467,710	4,959,480	11,427,190
May-18	7,128,210	6,671,450	13,799,660
Jun-18	6,616,970	4,540,800	11,157,770
Jul-18	6,591,030	4,177,180	10,768,210
1 to 10 Aug-18	2,541,730	2,489,450	5,031,180
Total	72,077,290	50,807,440	122,884,730
Month	CPO (Kg)		
	RSPO Certified	Non Certified	Total

25 to 31 Aug-17	473,883	125,822	599,705
Sep-17	1,358,338	916,158	2,274,496
Oct-17	1,288,917	1,081,946	2,370,863
Nov-17	1,495,832	1,121,099	2,616,931
Dec-17	1,500,191	663,242	2,163,433
Jan-18	1,251,219	568,033	1,819,252
Feb-18	1,331,926	88,356	1,420,282
Mar-18	1,534,804	967,156	2,501,960
Apr-18	1,405,489	1,210,663	2,616,152
May-18	1,919,367	1,475,241	3,394,608
Jun-18	1,412,069	1,091,993	2,504,062
Jul-18	1,607,406	921,037	2,528,443
1 to 10 Aug-18	652,886	570,853	1,223,739
Total	17,232,327	10,801,599	28,033,926

Month	PK (Kg)		
	RSPO Certified	Non Certified	Total
25 to 31 Aug-17	96,931	12,701	109,632
Sep-17	244,905	150,649	395,554
Oct-17	222,243	179,818	402,061
Nov-17	247,249	171,481	418,730
Dec-17	256,623	103,246	359,869
Jan-18	212,879	96,608	309,487
Feb-18	218,443	14,138	232,581
Mar-18	252,435	151,943	404,378
Apr-18	230,529	191,412	421,941
May-18	318,959	232,575	551,534
Jun-18	252,620	181,813	434,433
Jul-18	289,283	160,431	449,714
1 to 10 Aug-18	108,732	100,684	209,416
Total	2,951,831	1,747,499	4,699,330

Status: Comply
5.9.2

Retention times for all records and reports shall be a minimum of two (2) years and shall comply with legal and regulatory requirements and be able to confirm the certified status of raw materials or products held in stock

The certificate holder has CPO and PK Certified handling procedure, the retention time for document of traceability document is 2 year. The auditor team has been verified FFB consignment month of September 2016 on the administration room.

Status: Comply

5.9.3

The organization shall be able to provide the estimate volume of palm oil / palm kernel oil content (separate categories) in the RSPO certified oil palm product and keep an up to date record of the volume purchased (input) and claimed (output) over a period of twelve (12) months.

Estimates of CPO and PK produced by Pulu Raja POM obtained from the data of 12 months projections.

The previously volume of certified products in the Certificate Mutu-RSPO/070 (25 August 2017 to 24 August 2018)		The projection volume of certified products (25 August 2018 to 24 August 2019)	
FFB	82,035	FFB	78,278
CPO	18,704	CPO	17,847
CSPK	3,471	CSPK	3,131

Status: Comply

5.10

Conversion factors

5.10.1

Where applicable a conversion rate shall be applied to provide a reliable estimate for the amount of certified output available from the associated inputs. Organizations may determine and set their own conversion rates which shall be based upon past experience, documented and applied consistently. Guidance on conversion rates is published on the RSPO website (www.rspo.org); RSPO Rules for Physical Transition of Oleochemicals and its Derivatives. This is relevant for derivatives of Palm Oil and Palm Kernel Oil, as used in the oleochemical and personal care industries

There are no conversion factor using on this audit scope (CPO Mill).

Status: Comply

5.10.2

Conversion rates shall be periodically updated to ensure accuracy against actual performance or industry average if appropriate.

There are no conversion factor using on this audit scope (CPO Mill).

Status: Comply

5.11

Claims

5.11.1

The site shall only make claims regarding the use of or support of RSPO certified oil palm products that are in compliance with the RSPO Rules on Market Communications and Claims.

There is no RSPO trademark using on this audit scope.

Status: Comply

5.12

Complaints

5.12.1

The organization shall have in place and maintain documented procedures for collecting and resolving stakeholder complaints.

The certificate holder has procedure about customer feedback/complaint and survey Number PUR-PM-MR-01 (First Revision)

	<p>dated 6 August 2010.</p> <ul style="list-style-type: none"> - Customer complaint is complaint from customer which submit to the company (Pulu Raja POM), if any product non comply with standard. - The complaint can be submit by letter or telephone. - The Manager will issued correction and corrective action to the officer concerned.
	<p>Status: Comply</p>
<p>5.13</p>	<p>Management review</p>
<p>5.13.1</p>	<p>The organization is required to hold management reviews annually at planned intervals, appropriate to the scale and nature of the activities undertaken</p>
	<p>The management review has been conducted on 31 July 2018 in accordance to internal audit on 24 to 26 July 2018.</p>
	<p>Status: Comply</p>
<p>5.13.2</p>	<p>The input to management review shall include information on:</p> <ul style="list-style-type: none"> • Results of internal audits covering RSPO Supply Chain Certification Standard. • Customer feedback. • Status of preventive and corrective actions. • Follow-up actions from management reviews. • Changes that could affect the management system. • Recommendations for improvement.
	<p>The Management review was include information of result of internal audit, status of corrective action and recommendation for improvement.</p> <p>For example:</p> <ul style="list-style-type: none"> - There is no outsourcing activities contract list. - There is no claim procedure - There is no PIC who responsible for SCCS implementation.
	<p>Status: Comply</p>
<p>5.13.3</p>	<p>The output from the management review shall include any decisions and actions related to:</p> <ul style="list-style-type: none"> • Improvement of the effectiveness of the management system and its processes. • Resource needs.
	<p>The Management review was include information of improvement of the effectiveness of the management system.</p>
	<p>Status: Comply</p>

3.2.2. Module E – CPO Mills: Mass Balance Requirements

Clause	(Module E) CPO Mills - Mass Balance Requirements																			
E.1	Definition																			
E.1.1																				
Certification for CPO mills is necessary to verify the volumes of certified and uncertified FFB entering the mill and volume sales of RSPO certified producers. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. In that scenario, the mill can claim only the volume of oil palm products produced from processing of the certified FFB as MB.																				
Pulu Raja Palm Oil Mill (POM) has implementing mass balance supply chain model, due to fact that FFB processed were came from the certified sources (Pulu Raja Estate) and non-certified sources (Berangir Estate, Air Batu Estate, Meranti Paham Estate, Panai Jaya Estate, Ajamu Estate (PTPN IV), Bandar Selamat Estate (PTPN III) and Independent Supplier). Only CPO and PK products from the former sources has only claimed as RSPO certified products. Certificate code of Pulu Raja POM and its supply base is MUTU-RSPO/070, issued in August 25 th 2015.																				
Based on observation and interview to the weigh-bridge station, it was explained by the operator that only FFB delivery letter (SPB) form Pulu Raja Estate (Afdeling 1-5) has marked by “CSPO Certified”, while from other Estates under PTPN 3 and independent supplier are not claim as Certified product. Moreover, CPO and PK delivery form has marked by “RSPO Certified Mass Balance Stamp”.																				
	Status: Comply																			
E.2	Explanation																			
E.2.1																				
The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the CB in the public summary of the P&C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced should then be recorded in each subsequent annual surveillance report.																				
Estimates of CPO and PK produced by Pulu Raja POM obtained from the data of 12 months projections.																				
<table><tr><th colspan="2">The previously volume of certified products in the Certificate Mutu-RSPO/070 (25 August 2017 to 24 August 2018)</th><th colspan="2">The projection volume of certified products (25 August 2018 to 24 August 2019)</th></tr><tr><td>FFB</td><td>82,035</td><td>FFB</td><td>78,278</td></tr><tr><td>CPO</td><td>18,704</td><td>CPO</td><td>18,004</td></tr><tr><td>CSPK</td><td>3,471</td><td>CSPK</td><td>3,131</td></tr></table>					The previously volume of certified products in the Certificate Mutu-RSPO/070 (25 August 2017 to 24 August 2018)		The projection volume of certified products (25 August 2018 to 24 August 2019)		FFB	82,035	FFB	78,278	CPO	18,704	CPO	18,004	CSPK	3,471	CSPK	3,131
The previously volume of certified products in the Certificate Mutu-RSPO/070 (25 August 2017 to 24 August 2018)		The projection volume of certified products (25 August 2018 to 24 August 2019)																		
FFB	82,035	FFB	78,278																	
CPO	18,704	CPO	18,004																	
CSPK	3,471	CSPK	3,131																	
	Status: Comply																			
E.2.2																				
The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).																				
<ul style="list-style-type: none">RSPO IT Platform member registration number: RSPO_ PO1000002335Certified CPO sold to each buyer period of August 25th 2017 to August 10th 2018																				
According to palm trace data dated August 10 th 2018, it was informed that there was product reduction for about 3,000 mt of CSPO. The company has able to shows transaction data within those period. Based on the Table above which derived from																				

Palm Trace website, the volume of CSPO selling was balance.

Transaction ID	Seller Ref.	Buyer	Volume*	Transaction Type	Status	Shipping/BL Date
TR-a4fa3fef-cfd5	217/KPBN/CPO-MB/PUR/VII/2018	PT. Musim Mas - Belawan	500	Shipping	Confirmed	4/6/2018
TR-80f76584-af34	159/KPBN/CPO-MB/PUR/V/2018	PT. Musim Mas - Belawan	500	Shipping	Confirmed	28/03/2018
TR-38a5be03-784f	135/KPBN/CPO-MB/PUR/IV/2018	PT. Musim Mas - Belawan	500	Shipping	Confirmed	1/3/2018
TR-13334f5c-dd67	082/KPBN/CPO-MB/PUR/III/2018	PT. Musim Mas - Belawan	500	Shipping	Confirmed	20/02/2018
TR-224b5352-1ba6	079/KPBN/CPO-MB/PUR/III/2018	PT. Musim Mas - Belawan	500	Shipping	Confirmed	9/2/2018
TR-848a2047-5821	016/KPBN/CPO-MB/PUR/II/2018	PT. Musim Mas - Belawan	500	Shipping	Confirmed	28/12/2017
TR-ba8761f5-bc69	621/KPBN/CPO-MB/PUR/XII/2017	PT Multimas Nabati Asahan	500	Shipping	Confirmed	14/11/2017

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• **Certified Palm Kernel sold to each buyer period of August 25th 2017 to August 10th 2018**

Date	Buyer	Volume
-	-	-
-	-	-
-	-	-
Total		-

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

	Status: Comply
E.3	Documented Procedure

E.3.1

The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:

- a. Complete and up to date procedures covering the implementation of all the elements in these requirements;
- a. The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate

awareness of the site procedures for the implementation of this standard. fasilitas untuk penerapan standar ini.

Procedure of SCCS implementation of PTPN 4 Pulu Raja Business Unit was presented in document No. SPO 07 A (Certified FFB's Handling) and No. 07 B (Certified CPO & PK Handling), issued by Business Unit Manager on January 2nd 2018. Procedure describes definition, procedure (FFB receipt, processing, delivery, documentation and delivery of CPO & PK).

Pulu Raja POM has provide training of SCCS on 9 to 10 January 2018, attended by 35 participant.

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

Status: Comply

E.3.2
The site shall have documented procedures for receiving and processing certified and non-certified FFBs.

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

Based on observation and interview to the weigh-bridge station operator, it was explained that FFB delivery letter (SPB) form from Pulu Raja Estate (Afdeling 1-5) and other Estates under PTPN 3 and PTPN 4 (non certified RSPO). Moreover, CPO and PK delivery form has marked by "RSPO Certified Mass Balance Stamp".

Status: Comply

E.4
Purchasing and goods in
E.4.1
The site shall verify and document the volumes of certified and non-certified FFBs received.

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

- Certified and non-certified FFB received period of August 25th 2017 to August 10th 2018**

Month	FFB (Kg)		
	RSPO Certified	Non Certified	Total
August 25 th – 31 st 2017	1,358,460	1,091,700	2,450,160
September 2017	5,973,030	4,878,760	10,851,790
October 2017	5,941,900	5,171,680	11,113,580
November 2017	6,023,790	5,958,370	11,982,160
December 2017	6,172,940	2,978,690	9,151,630
January 2018	5,558,980	2,834,490	8,393,470
February 2018	5,512,120	403,960	5,916,080
March 2018	6,190,420	4,651,430	10,841,850
April 2018	6,467,710	4,959,480	11,427,190
May 2018	7,128,210	6,671,450	13,799,660
June 2018	6,616,970	4,540,800	11,157,770
July 2018	6,591,030	4,177,180	10,768,210
1 – 10 August 2018	2,541,730	2,489,450	5,031,180
Total	72,077,290	50,807,440	122,884,730

Status: Comply

E.4.2

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

The certification unit has inform to the CB to extend CPO and PK volume extend, the actual production is:

The previously volume of certified products in the Certificate Mutu-RSPO/070 (25 August 2017 to 24 August 2018)		The Actual volume of certified products (25 August 2017 to 10 August 2018)	
FFB	82,035	FFB	72,077.29
CPO	18,704	CPO	17,232.33
CSPK	3,471	CSPK	2,951.83

Status: Comply

E.5 Record keeping
E.5.1

- The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis.
- All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO.
- The site can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three months. However, a site is allowed to sell short.(ie product can be sold before it is in stock.)

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

Period	CPO Production (Kg)			CPO Dispatch (Kg)		
	Cert	Non-Cert	Total	Cert	Non-Certified	Total
August 25 th – 31 st 2017	473,883	125,822	599,705	450,300	219,540	669,840
September 2017	1,358,338	916,158	2,274,496	1,360,125	973,955	2,334,080
October 2017	1,288,917	1,081,946	2,370,863	1,207,590	1,043,680	2,251,270
November 2017	1,495,832	1,121,099	2,616,931	1,415,145	1,202,475	2,617,620
December 2017	1,500,191	663,242	2,163,433	1,653,490	659,308	2,312,798
January 2018	1,251,219	568,033	1,819,252	1,405,382	590,198	1,995,580
February 2018	1,331,926	88,356	1,420,282	1,327,546	87,274	1,414,820
March 2018	1,534,804	967,156	2,501,960	1,589,590	928,250	2,517,840
April 2018	1,405,489	1,210,663	2,616,152	1,464,548	1,235,982	2,700,530
May 2018	1,919,367	1,475,241	3,394,608	1,609,864	1,385,866	2,995,730
June 2018	1,412,069	1,091,993	2,504,062	1,462,070	1,131,970	2,594,040
July 2018	1,607,406	921,037	2,528,443	1,680,861	747,019	2,427,880
1 – 10 August 2018			1,223,739			

	652,886	570,853		706,890	639,690	1,346,580
Total	17,232,327	10,801,599	28,033,926	17,333,401	10,845,207	28,178,608

Period	PK Production (Kg)			PK Dispatch (Kg)		
	Cert	Non-Cert	Total	Cert	Non-Certified	Total
August 25 th – 31 st 2017	96,931	12,701	109,632	152,020	0	152,020
September 2017	244,905	150,649	395,554	681,849	133,551	815,400
October 2017	222,243	179,818	402,061	153,370	199,830	353,200
November 2017	247,249	171,481	418,730	212,027	137,763	349,790
December 2017	256,623	103,246	359,869	191,576	175,219	366,795
January 2018	212,879	96,608	309,487	121,106	100,364	221,470
February 2018	218,443	14,138	232,581	241,389	5,351	246,740
March 2018	252,435	151,943	404,378	264,598	102,752	367,350
April 2018	230,529	191,412	421,941	422,323	241,177	663,500
May 2018	318,959	232,575	551,534	262,769	175,951	438,720
June 2018	252,620	181,813	434,433	324,958	201,162	526,120
July 2018	289,283	160,431	449,714	108,940	163,870	272,810
1 – 10 August 2018	108,732	100,684	209,416	128,332	110,578	238,910
Total	2,951,831	1,747,499	4,699,330	3,265,257	1,747,568	5,012,825

Status: Comply

3.3 Conformity Checklist of Certificate and Trademark Use

1.	Evidence of permission or approval certificate and trademark from Certification Body which submitted by Client	X or√
ASA-3	PTPN IV Pulu Raja has had permits of certificate usage with number MUTU-RSPO/070	√
	Status: Comply	
2.	Implementation of certificate and logo used by Client comply with size and type (shape) against Guideline of Logo Use	X or√
ASA-3	PTPN IV Pulu Raja does not use the logo both in the on-product and off-product.	√
	Status: Comply	
3.	Implementation of Certificate and Logo is not used on product	X or√
ASA-3	PTPN IV Pulu Raja does not use the logo both in the on-product and off-product.	√
	Status: Comply	
4.	Controlling of Certificate and Logo, including withdrawing inappropriate logo.	X or√
ASA-3	PTPN IV Pulu Raja does not use the logo both in the on-product and off-product.	√
	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 January 2018.

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

MUTU Auditor has verified company partial certification and concludes that:

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

2.1 Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
2.1.1	Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	<p>Yes and positive assurance is produced for these units.</p> <p>Auditor verification There are external audit that has been conducted for management units of Adolina, Bah Jambi, Dolok Sinumbah, Air Batu, Berangir, Sawit Langkat, Pasir Mandoge and Timur</p> <p>And internal audit conducted for management units of Sosa, Ajamu, Timur, Mayang, Gunung Bayu 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. 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 Auditor has verified the supporting evidence of above the company statement. The above statement in accordance with the supporting evidence provided.</p>
2.1.3	Any new plantings since January 1 st 2010 must comply with the RSPO New Plantings Procedure.	No new planting/land clearing after 1 st January 2010. All planting in PTPN IV management units are old plantation that was planted before November

		<p>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>
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 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>Yes, there is no legal non-compliance is being processed.</p> <p>Auditor verification 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 and Human</p>

		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 Department and has distributed to each division office in hardcopy and softcopy.
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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 ASA-2

NCR No.	: 2017.01	Issued by	: M. Amarullah; Sofyan Hadi Lubis
Date Issued	: 21 July 2017	Time Limit	: 20 September 2017
NC Grade	: Major	Date of Closing	: 18 October 2017
Standard Ref. & Requirement	2.1.1 Evidence of compliance with relevant legal requirements shall be available.		
Non-Conformance Description & Evidence observed (filled by auditor): Pursuance towards relevant laws and regulaitons were not fully carried out by Certification Unit, as observed through several objective evidence, as follows: <ol style="list-style-type: none">1. Based on observation to hazardous waste warehouse (TPS-LB3) in Pulu Raja POM, eyewash and shower were not available as required by KepBapedal No. 01/1995 and Decree of Asahan Regent (SK) No. 660.1/0972/LH/2014 about TPS-LB3 permit in PTPN IV Pulu Raja.2. Based on observation to landfill for Afdeling V employees housing complex, it was known that landfill has located just within housing areas. This is not in accordance with Government Regulation (PP) No. 81/2012 article 23 (clause 3.e) which required that landfill location shall be more and not less than 1 km from housing areas.3. Based on observation, interview and document verification with Boiler Operator named Miswadi (Lisence No. 11.P.0161-OPK3-PUBT-B.IV/2011), it could be concluded that the lisencc was expired since May 18th 2016. This in not comply with Minister of Manpower and Transmigration Regulation (Permenakertrans) No. 01/1998 about Steam Instrument Operator. Regarding this matter, Manager Unit has manage to extend the lisencc for Miswadi through letter No. PUR/04.14/65/VIII/2016 dated August 20th 2016 which deliver to Head Office in Medan. Nevertheless, up to ASA-2, response and follow up evidence from Head Office was not available.4. Based on observation to Pulu Raja POM, it was found that compression level of fire extinguisher (APAR) was below the minimum level, for example APAR No. 12. Evidence of monitoring record has also not available. This is not in accordance with Permenaker No. 04/1980 about fire extinguisher.			
Root Cause Analysis (filled by organization audited): <ol style="list-style-type: none">1. Unit management has not examine (make a study) and socialize completeness of hazardous waste warehouse as required by those regulations (KepBapedal No. 01/1995 and SK No. 660.1/0972/LH/2014).2. Unit management has not make a study towards minimum distance of landfill from housing areas as required by PP No. 81/2012 article 23.3. Management unit has not identify training program for employees and make coordination with Human Resources Department to be followed up, as mentioned in procedure and work instruction No. 04.15 dated June 14th 2013.4. Management unit has not appointing a PIC for fire extinguisher regular monitoring.			
Correction (filled by organization audited) <ol style="list-style-type: none">1. Unit magement through Mill Assistant has deliver socialization towards hazardous waste warehouse on July 25th 2017, attended by 3 warehouse keeper and 4 document controller. Installation of eyewash and shower has been carried out as shows in the following figures:			



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

Corrective Action (filled by organization audited):

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

Assessor Evaluation and Conclusion (filled by auditor):

05 September 2017

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

04 October 2017

1. The company shows Manager Decree of hazardous waste clerk appointment and evidence of socialization towards hazardous waste warehouse completeness which conducted in July 27th 2017. Appointed person has responsibility to check and monitor completeness of its workplace facility. Works on eyewash and shower installation picture were available. Evidence of those correction implementation will be conducted through major verification visit.
2. The company shows new Afdeling V landfill picture, as required by regulation. However, PIC understanding towards regulation and filed checking will be conducted by auditor through major verification visit.

18 October 2017 (Major verification)

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

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

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

Verified by : **Mohamad Amarullah**

NCR No.	:	2017.02	Issued by	:	M. Amarullah
Date Issued	:	21 July 2017	Time Limit	:	ASA-3
NC Grade	:	Minor	Date of Closing	:	15 August 2018
Standard Ref. & Requirement	:	2.1.3 A mechanism for ensuring compliance shall be implemented.			

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

Internal audit report towards laws/regulation pursuance in 2016 was presented in evaluation of laws/regulation pursuance towards RSPO implementation in 2016 report, issued by PTPN 4 RSPO Secretariat in January 6th 2017. Internal audit mentioned that the CH has fulfilled laws and regulation requirements. However, number of regulation being monitored during internal audit were not synchronous with the list of laws/regulations. There is only 71 items of laws being audited from totaling 108 items of laws/regulation listed.

Root Cause Analysis (filled by organization audited):

Monitoring and updating the legal requirements was on progress during ASA-2 audit but the document not in place.

Correction (filled by organization audited):

The company has evaluated and documented all the law.

Corrective Action (filled by organization audited):

Re-evaluated the legal list for the 2018.

Assessor Evaluation and (filled by auditor):
Verification on 15 August 2018

Based on document verification, certificate holder has evaluated 109 legal law consisting land law, worker, environment, OHS etc.

Auditor conclusion on 15 August 2018

Based on corrective evidence that shown, this non conformance has been closed.

Diverifikasi oleh : **Andi Pratama Pasaribu**

NCR No.	:	2017.03	Issued by	:	Sofyan Hadi Lubis
Date Issued	:	21 July 2017	Time Limit	:	20 September 2017
NC Grade	:	Major	Date of Closing	:	19 September 2017
Standard Ref. & Requirement	:	4.6.5 Evidence of pesticide application by trained person and in accordance with application guidelines in product label and storage guidelines shall be available. Appropriate safety equipment shall be provided and utilized. All precautions attached to the products shall be properly observed, applied, and understood by workers (see Criterion 4.7)			
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> The results of pesticides records checking and based on field observation at the central chemical storage, found the use of pesticides including Paraquat pesticides in 2016/2017. However: <ol style="list-style-type: none">1. The Certification Unit has not been able to show evidence of <i>Paraquat</i> application activity implemented by operators who have valid <i>Paraquat</i> pesticide training certificates.2. There is no evidence that the pesticide applicators for contractor workers are employed by trained workers who already understand pesticide handling practices.3. Field observations found that some pesticides was not equipped with MSDS, such as:<ol style="list-style-type: none">a. Chemical Storage of Division V, there was no MSDS for branded products of Elang and Ally.					

- b. Central of Chemical Storage in POM, there was no MSDS for branded products of Reactive 490 sl, Starkuat 135 sl and Becano 500 sc.

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

- Pesticide (Paraquat) applicator training was conducted and followed by 45 chemist officers, but at the time of the ASA-2 audit the certificate could not be shown.
- The Certification Unit has been conducted pesticide handling training every time the operator will apply pesticide application to the field, but the activity has not been well documented.
- The Certification Unit has not conducted any inspections related to the Setting-up of MSDS pesticides throughout the chemical storage.

Correction *(filled by organization audited):*

- Demonstrated evidence of pesticide (Paraquat) applicator training certificate and a list of certified operators.
- Create training documentation or socialization of pesticide handling practices to all pesticide operators.
- Setting-up MSDS for branded products of Elang and Ally in Chemical Storage of Division.
- Setting-up MSDS for branded products of Reactive, Starkuat and Becano in Chemical Storage of Factory.

Corrective Action *(filled by organization audited):*

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

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

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

Verification on October 04, 2017

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

Verification on October 18, 2017

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

Verified by : **Sofyan Hadi Lubis**

NCR No.	2017.04	Issued by	M. Amarullah
Date Issued	21 July 2017	Time Limit	20 September 2017
NC Grade	Major	Date of Closing	18 October 2017
Standard Ref. & Requirement	4.6.6 Storage of pesticides shall be according to recognised best practices. All pesticides containers shall be properly managed according to the existing		

	regulations and or instructions enclosed on the containers (see criterion 5.3).
Non-Conformance Description & Evidence observed (filled by auditor): <ol style="list-style-type: none"> 1. The company do not have procedure of ex pesticide containers handling in the temporary storage (warehouse), before deliver to the permitted hazardous waste warehouse in Pulu Raja POM. 2. Based on field observation to chemicals warehouse in Afdeling II and V, it was known that records of pesticide containers being produced and/or delivered to the permitted hazardous waste warehouse in Pulu Raja POM were not available. 3. Based on observation to housing complex in Afdeling II, it was found ex pesticide containers within housing areas. The housing inhabitant mentioned that ex pesticide containers were reused for flower pot. 4. Based on observation to Agrochemicals warehouse in Afdeling II, it was known that symbols of hazardous risk were not available. 5. Auditor team had found that ex pesticide container (brand: Ally) has thrown to the garbage can on located in hazardous materials warehouse in Afdeling II. Similar finding on ex pesticide containers handling has also noted on the stage-2 assessment in 2015. 	
Root Cause Analysis (filled by organization audited): <ol style="list-style-type: none"> 1. The company has no mechanism of used pesticide containers management in temporary storage before deliver to permitted hazardous waste warehouse. 2. Assistant and warehouse keeper has not understood to conduct its job description, as well as its responsibility towards monitoring, management and recording of used pesticide containers produced by Afdeling units. 3. The company has not conducting socialization towards hazardous waste management (includes used pesticide container) to all workers, especially housing occupants. Hence employees understanding on prohibition towards reuse of used pesticide containers for domestic/household purposes was not satisfactory. 4. Assistant and Afdeling Warehouse Keeper were not implementing their function on checking the completeness and hazardous accordance symbols in Agrochemicals Warehouse. 5. Assistant and Afdeling Warehouse Keeper were not understood and implementing used pesticide containers management as mentioned in company procedure 	
Correction (filled by organization audited) <ol style="list-style-type: none"> 1. To shows procedure No. 02 dated January 2nd 2015 about hazardous waste management. 2. Afdeling warehouse keeper to conduct recording on used pesticide and agrochemicals container being produced, in form of balance and shows evidence on its delivery document from Afdeling II and Afdeling V to the permitted hazardous waste warehouse in Pulu Raja Factory, for example delivery form in July 2017. Balance and Delivery forms are signed by respective parties. 3. To conduct socialization to all employees and housing occupants towards used pesticide and agrochemicals container management and make a circulation letter from Estate and Mill Manager No. PUR/SE/02/VII/2017 dated July 6th 2017 about prohibition of used pesticide containers reuse for domestically purposes. 4. To replace and/or complete hazardous symbols, in accordance with agrochemicals stored. 5. To collect used pesticide containers (Ally) found on garbage container located on hazardous warehouse, then to be recorded and deliver to hazardous waste warehouse in Pulu Raja Factory in July 27th 2017. Balance and Delivery forms are signed by respective parties. 	
Corrective Action (filled by organization audited): <ol style="list-style-type: none"> 1. To conduct socialization towards used pesticide containers and hazardous waste management regularly. Furthermore, Assistant and Warehouse keeper will conduct this matter, as well as its monitoring of implementation on the field and housing areas. 	

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

Assessor Evaluation and Conclusion (filled by auditor):

05 September 2017

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

04 October 2017

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

18 October 2017 (Major verification)

1. The company shows Asahan Regent Decree No. 660.1/0972/LH/2014 dated November 24th 2014 about permit of hazardous waste storage in PT PN IV Pulu Raja Unit, which valid for five years. This permit mentioned that time of storage was maximum for 90 days. Furthermore, the company shows Letter from Environment Agency of Asahan Regency No. 660.1/0659/LH/2017 dated April 12th 2017 about extension of time of storage. This letter mentioned that time of storage for hazardous waste was extended into 180 days. These documents has positively response by company through commitment and implementation on the field. Based on hazardous balance review

in hazardous waste warehouse, it was known that all hazardous waste were stored less than 180 days (latest hazardous waste acceptance from units and its delivery to permitted collector were noted in April 27th 2017 and October 16th 2017, respectively).

Furthermore, the company shows Memorandum of Estate/Mill Manager No. 03/PROPER/V/2017 dated May 24th 2017 to Assistants about hazardous waste monitoring which mentioned that all kinds of hazardous waste materials should be delivered to the permitted hazardous waste warehouse and equipped with delivery letter.

Based on explanation above, non-conformity is considered closed, and consistency of implementation (especially Memo Manager) will be observed on the next surveillance audit.

2. Based on observation to hazardous waste warehouse in Pulu Raja Factory, it was found that record of hazardous material acceptance from Afdeling units has similar/comply with hazardous waste balance in warehouse. **Non-conformity in this point is remain closed.**
3. Based on interview with occupants on Afdeling V housing complex, agrochemical warehouse keeper in Pulu Raja Factory and Afdeling V, it was stated that used pesticide containers could not be reused for other purposes. **Non-conformity in this point is remain closed.**
4. Based on observation and interview with agrochemical warehouse keeper in Pulu Raja Factory and Afdeling V, it could be concluded that all hazardous were installed properly, in accordance with regulation PermenLH No, 03/2008 and warehouse keeper were able to explain the meaning of symbols. **Non-conformity in this point is remain closed.**
5. Based on observation to housing complex in Afdeling V, agrochemical warehouse in Afdeling V and agrochemical warehouse in Pulu Raja District, it was found that all hazardous waste being produced by those places were directly delivered to the permitted hazardous waste warehouse in Pulu Raja Factory. **Non-conformity in this point is remain closed.**

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

Verified by : **Mohamad Amarullah**

NCR No.	:	2017.05	Issued by	:	M. Amarullah
Date Issued	:	20 July 2017	Time Limit	:	ASA-3
NC Grade	:	Minor	Date of Closing	:	15 August 2018
Standard Ref. & Requirement	:	4.6.10 Proof that pesticide waste has been handled as per legal regulations and understood by worker and manager, shall be demonstrated			
<i>Non-Conformance Description & Evidence observed (filled by auditor):</i> The company has not carried out socialization of hazardous and hazardous waste materials handling (management), especially on ex pesticide containers. Furthermore, based on interview with agrochemical warehouse worker in Afdeling II, it was stated that ex pesticide containers were digged up on the ground, around warehouse sites.					
<i>Root Cause Analysis (filled by organization audited):</i> - Ex-Afdeling chemical containers are not returned to Hazardous waste warehouse - Lack of understanding of officers					
<i>Correction (filled by organization audited):</i> Returning the packaging of used chemicals from the afdeling warehouse to the licensed hazardous warhouse in Pulu Raja Mill					

Corrective Action (filled by organization audited):

PPD Officers have socialized through memos (No. 03 / PROPER / V / 2017) signed by Factory Manager throughout the Afdeling and the Assistant to the Head of Administration that each type of Hazardous waste generated from Afdeling / parts must be submitted to the hazardous waste warehouse in Pulu raja Mill who already have permission.

Assessor Evaluation and Conclusion (filled by auditor):
Auditor Verification August 13 2018

- PPD Officers have socialized through memos (No. 03 / PROPER / V / 2017) signed by Factory Manager throughout the Afdeling and the Assistant to the Head of Administration that each type of Hazardous waste generated from Afdeling / parts must be submitted to the hazardous waste warehouse in Pulu raja Mill who already have permission.
- Delivery Order Letter dated July 29, 2017 used chemical packaging with a total of 61 pcs to Hazardous waste warehouse officers at Pulu raja Mill.
- Logbook Hazardous waste in Afdeling II, dated July 29, 2018
- Logbook Hazardous waste in afdeling 5 dated 29 July 2018

Auditor's Conclusion August 13 2018

Based on the root cause analysis, corrections and corrective actions of the company as well as evidence of improvements shown to the auditor Nonconformity have been fulfilled.

Verified by : **Trismadi Nurbayuto**

NCR No.	:	2017.06	Issued by	:	Sofyan Hadi Lubis
Date Issued	:	21 July 2017	Time Limit	:	20 September 2017
NC Grade	:	Major	Date of Closing	:	18 October 2017
Standard Ref. & Requirement	:	4.7.2 A documented risk assessment shall be available and its implementation shall be recorded.			
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> There are several activities observed during field observation, a risky and unsafety in accordance with the identification of risks. Objective evidence observed, that is: <ol style="list-style-type: none">At the time of activity by the heavy equipment at the site of replanting found personnel standing next to the entrance of heavy equipment and not using PPE.The auditor team sees the welding activities performed by the replanting contractor in housing location of division V conducted in unsafety without using PPE appropriate, and the welding activity was conducted near the fuel storage.Management of hazardous material (for example: pesticides and chemicals) has not yet identified the risks.Field observations in Division V and II, were found activity of slimming FFB to TPH harvesters using a modified motorcycle with the use baskets. This activity has not been identified risk. Interviews with harvester, the use of motorcycle in the slimming because the harvester is not given the appropriate work tools such as stroller.					
Root Cause Analysis <i>(filled by organization audited):</i> For points 1 and 2: Worker disagreements and lack of socialization related hazards to the activities. For point 3:					

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

For point 4:

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

Correction (filled by organization audited):

For points 1 and 2:

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

For points 3:

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

For points 4:

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

Corrective Action (filled by organization audited):

For points 1 and 2:

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

For points 3:

Documenting Risk Management is carried out by P2K3 secretary

For points 4:

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

Assessor Evaluation and Conclusion (filled by auditor):

Verifikasi, 18 Oktober 2017

For points 1 and 2:

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

For points 3:

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

For poin 4:

- The Certification Unit has demonstrated the Budget Plan of 2018 which explains the purchases of handcart (*gerobak sorong / angkong*) 141 units.
- The Certification Unit has demonstrated the *prohibition memo* using motorbike for transport FFB to fruit collecting point from the Unit Manager (letters number. 02 / M / V / 2017 dated May 05, 2017).

- The Certification Unit has demonstrated evidence of socialization that the transport FFB to fruit collecting point should be using handcart (*gerobak sorong / angkong*). The socialization conducted in every division for example on division of 1-5 conducted on October 02, 2017. Based on field visit to Block of 98K / Division 5 and interview with supervisor and harvesters, it is known that there was no harvesters using motorbike for transport FFB to fruit collecting point, and already implemented socialization.

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

Verified by : **Sofyan Hadi Lubis**

NCR No.	: 2017.07	Issued by	: Sofyan Hadi Lubis
Date Issued	: 21 July 2017	Time Limit	: 20 September 2017
NC Grade	: Major	Date of Closing	: 19 September 2017
Standard Ref. & Requirement	: 4.7.3	Records of Occupational Health and Safety (OHS) program (see 4.8) and Personal Protective Equipment (PPE) training in accordance with the result of hazard identification and risk analysis shall be available to all workers.	
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> Auditor find workers who do not use PPE when working, for example: <ul style="list-style-type: none">- 3 (three) operators in Boiler station (Steam Boiler) Shift I does not use PPE Glasses, Masks and Gloves.- The results of field observation and interviews with several employees at the factory (eg sorting workers, boiler workers and harvest workers in Division V), it is kown that if the PPE used is damaged then the worker will provide their own up to the next PPE allocation period. Related to the Certification Unit has not been able to show the mechanism governing the procedure of replacing the PPE if it is damaged by the work activity.			
Root Cause Analysis <i>(filled by organization audited):</i> <ul style="list-style-type: none">- PPE Glasses, masks and gloves of boiler operator are broken.- There is no stock of PPE at the time.- PPE Budget from the company only once a year.			
Correction <i>(filled by organization audited):</i> <ul style="list-style-type: none">- Distribution of PPE to Boiler Station operators on July 24, 2017.			
Corrective Action <i>(filled by organization audited):</i> <ul style="list-style-type: none">- Produce PPE request for stock in case of damage before the next request.- Produce mechanism of procedure for taking and replacing PPE which has been approved by Human Resources Assttand. In the mechanism described that the replacement of damaged PPE can be given if the stock PPE available in the office by proving the damaged PPE.			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> September 19, 2017 The Certification Unit has demonstrated evidence: <ul style="list-style-type: none">- Revised root cause analysis, correction and corrective action.- Documentation in the form of handover of PPE to operators at Boiler Station (Steam Boiler) on July 24, 2017.			

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

October 18, 2017

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

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

Verified by : **Sofyan Hadi Lubis**

NCR No.	: 2017.08	Issued by	: Sofyan Hadi Lubis
Date Issued	: 21 July 2017	Time Limit	: 20 September 2017
NC Grade	: Major	Date of Closing	: 18 October 2017
Standard Ref. & Requirement	: 4.7.4	The responsible person(s) for occupational health and safety shall be identified and there shall be records of periodical meetings on health and safety issues	
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> There is a change of secretary of Safety Committee (P2K3) and Chairman in PTPN IV Unit Pulu Raja, but has not been shown evidence of endorsement of the new organization structure of P2K3 by relevant agency.			
Root Cause Analysis <i>(filled by organization audited):</i> The new organization structure of P2K3 have organized in province level and coordination with head office PTPN IV in medan.			
Correction <i>(filled by organization audited):</i> Showed evidence progress of the new endorsement to the Sumatera Utara Province Labour Agency			
Corrective Action <i>(filled by organization audited):</i> The certification unit will made a coordination with the head office regarding new organization structure of P2K3 endorsement.			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> Observation 18 October 2017. The certification unit of PTPN IV have showed documented evidence of Letter No. 04.11/SPS/10/X/2017 dated 17 October 2017. The Certification Unit showed the mechanism of endorsement organization structure of P2K3 that participation of the certification unit PTPN IV Pulu Raj and Head Office in the section 04.13 and all the documentation completeness to process the organization structure of P2K3. Based on the explanation above and consider of the new organization structure P2K3 process, the non-conformance 2017.08 is closed with observation and will verified during the next surveillance assessment.			
Verified by	: Sofyan Hadi Lubis		

NCR No.	: 2017.09	Issued by	: Sofyan Hadi Lubis
Date Issued	: 21 July 2017	Time Limit	: ASA-3
NC Grade	: Minor	Date of Closing	: 18 October 2017
Standard Ref. & Requirement	4.7.5 A procedure for emergency and work accident shall be available in Indonesian Language; and the workers, who have attended First Aids training, are available in the working areas.		
Non-Conformance Description & Evidence observed (filled by auditor): Based on field observation, it was found that the contents of the first aid box were incomplete according to Permenakertrans No. 15 / 2008 related to First Aid at workplace in some location, such as: <ol style="list-style-type: none"> 1. Mill of Machine Room Station 2. Mill of Hazardous waste storage 3. Division V of Kindergarten 4. Division II of Kindergarten 			
Root Cause Analysis (filled by organization audited): <ul style="list-style-type: none"> • The certification unit have not aware the regulation regarding first aid kit requirement • Lack of understanding regarding to evaluate the inspection result 			
Correction (filled by organization audited): <ul style="list-style-type: none"> • Conduct socialization to the inspection team of first aid kit regarding the inspection report, correction action and review. • Update regulation regarding the first aid kit requirement • Provide evidence of purchasing document and distributions of first aid kit in each division. 			
Corrective Action (filled by organization audited): Conducted monitoring and evaluation from the inspection officers appointed by the head of company safety committee.			
Assessor Evaluation and Conclusion (filled by auditor): Observation 18 October 2017. Certification unit have provided: <ul style="list-style-type: none"> • Socialization to the first aid kit inspection team related to the inspection report, corrective action and review on 17 October 2017 to twelve inspectors and workers. • Update regulation related to first aid kit requirement on 16 October 2017 • Provide evidence of purchasing document on 12 October 2017 to complete all the first aid kit and distribution of the first aid kit on 17 October 2017, for example in the kindergarten m first aid kit bag to ten (10) supervisors in each division on 16 October 2017. • Based on the field observation to division 5, kindergarten and harvesting supervisors, the auditor team also found all the first aid kit have been complete with twenty one (21) items according to the regulation. <p>Based on the evidences observed the non-conformance 2017.09 closed and the consistency will be verified further in the next surveillance.</p>			
Verified by	: Muhamad Rinaldi		

NCR No.	:	2017.10	Issued by	:	Sofyan Hadi Lubis
Date Issued	:	20 July 2017	Time Limit	:	ASA-3
NC Grade	:	Minor	Date of Closing	:	15 August 2018
Standard Ref. & Requirement	:	4.7.6 All workers shall be provided with medical care, and covered by accident insurance (see criterion 6.5.3).			
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> Interview with HR and General Assistant, it is known that the Certification Unit has registered all its employees in BPJS Health and Employment program including paying to BPJS. However: 3. Can not be shown evidence of payment BPJS Employment document period February to June 2017 for Permanent Employees. 4. Can not be shown evidence of work accident insurance document (BPJS Employment) for contractor workers and its payments on a regular basis.					
Root Cause Analysis <i>(filled by organization audited):</i> BPJS payment is responsibility of financial department of head quarter in coordination with human resources department.					
Correction <i>(filled by organization audited):</i> Showed the payment receipt of BPJS to the certification unit.					
Corrective Action <i>(filled by organization audited):</i> <ul style="list-style-type: none">Ensuring the copy of payment receipt sent to certification unit via e-arsip or email every month. Human resources assistant documented of monthly payment receipt of BPJS.					
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> Verification on 15 August 2018 Certificate holder has showed the payment receipt of BPJS period January – August 2017 as written in nonconformance record. And also showed payment receipt of BPJS for local contractor. Auditor conclusion on 15 August 2018 Based on that evidence, this nonconformance has been closed .					
Verified by	:	Andi Pratama Pasaribu			

NCR No.	:	2017.11	Issued by	:	M. Amarullah
Date Issued	:	21 July 2017	Time Limit	:	ASA-3
NC Grade	:	Minor	Date of Closing	:	13 August 2018
Standard Ref. & Requirement	:	5.6.3 A monitoring plan and results of regular reporting on emission and pollutants from estate and mill operations using appropriate methods, shall be available.			

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

The company has not be able to shows measurement of GHG emission through palmGHG Calculator Version 3.0.1.

Root Cause Analysis (filled by organization audited):

Greenhouse Gas Emission (GHG) filling data has been created, but has not been calculated using the Palm GHG version 3.0.1 calculator

Correction (filled by organization audited):

- Data requirements for filling Greenhouse Gas Emissions (GHG) recordings have been made
- Calculate GHG emissions using Palm GHG 3.0.1
- Submit results of calculations to the auditor team

Corrective Action (filled by organization audited):

- Preparing and calculating GHG using Palm GHG 3.0.1 before auditing activities are carried out.

Assessor Evaluation and Conclusion (filled by auditor):
Auditor Verification August 13 2018

- Soft copy of Pulu Raja POM GHG calculation using 3.0.1 GHG Palam in 2016

Auditor's Conclusion August 13 2018

- Based on the analysis of the root problems, improvements and prevention plans of the company, Nonconformance has been closed

Verified by : **Trismadi Nurbayuto**

NCR No.	: 2017.12	Issued by	: Octo H.P.N. Nainggolan
Date Issued	: 21 July 2017	Time Limit	: Surveillance-03
NC Grade	: Minor	Date of Closing	: 15 August 2018
Standard Ref. & Requirement	6.2.3. The company shall have a list of stakeholders, records of communications, including confirmation of receipt and that efforts are made to ensure understanding by affected parties, and records of actions taken in response to input from stakeholders.		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> The Company providing information is mandatory for government agencies, such as from the Environment Agency, Plantation Agency, Labor and Transmigration Agency, and National Land Agency According to the result of interview with the two village heads, Labor Union and the associated agency, the stakeholders have aware of the procedure to get the information. Certification unit has a policy to handle customer complaint No.07.0 dated 1 Agustus 2012 (signed by company Director) explain all the customer complaint may be made written and accepted by the unit and if the complaint cannot be handle by the unit it would be bring out to the higher level with complete documentation. In conclusion the unit manager of the related department cooperate with the complainant for improvement and corrective action. All the customer complaint handling have to be resolve precisely, fast and evaluated for not happens again in the future. From the interview result with the Bangun village head gathered information the they village head have send a letter to the certification unit on 4 November 2013 (accepted by the certification unit on 11 November 2013) followed by the next letter on 24 November 2013 to remind the previous letter regarding the environmental complaint asking to the			

certification unit help the village for *drain flushing* (if the rainy season the agriculture crop farm of the villagers will drowning from the PTPN IV operational area), however until the second surveillance conducted still no respond from the certification unit to the village. From the evidence found by the auditor team, this situation not accordance with the company policy regarding the customer complaint handling.

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

There was no PIC who take responsibility to monitoring all incoming letters from stakeholder.

Correction *(filled by organization audited):*

Unit manager has response the letter from head of Bangun Village on 17 November 2017.

Corrective Action *(filled by organization audited):*

Ensuring human resources assistant monitoring all issues from stakeholder, included incoming letter.

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

Verification on 15 August 2018

Certificate holder has showed manager letter that officially replied the letter form Head of Bangun Village on 17 November 2017. Those letter has been received by the head of village on 19 November 2017.

Based on evidence that showed, this nonconformance has been **closed**.

Verified by : **Andi Pratama Pasaribu**

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

clause 10 of Work Implementation Monitoring (*Pengawasan Pelaksanaan Pekerjaan*).

Corrective Action (*filled by organization audited*):

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

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

Verification on 20 October 2017.

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

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

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

Verified by : **Muhammad Rinaldi**

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

Corrective Action (filled by organization audited):

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

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

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

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

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

Verified by : **Muhammad Rinaldi**

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

Verification 18 October 2017.

Certificate Holder of PTPN IV Pulu Raja showed socialization of Understanding and Commitment regarding to RSPO and Supply Chain Principle and Criteria on 16 October 2017 to 20 top management and operations employee. Certification unit also showed evidences of all the non-conformances repeated have been fulfill.

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

Verified by : **Muhammad Rinaldi**

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

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

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

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

Verified by	:	Mohamad Amarullah
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3.5.3. Identification of Findings, Corrective Actions and Observations at ASA-3

NCR No.	: 2018.01	Issued by	: Trismadi Nurbayuto
Date Issued	: 16 August 2018	Time Limit	: ASA-4
NC Grade	: Minor	Date of Closing	: 14 September 2018
Standard Ref. & Requirement	4.4.3 Records for monitoring of effluent especially BOD (<i>Biochemical Oxygen Demand</i>) and efforts to comply with legal requirements, shall be available (see criteria 2.1 and 5.6)		
Non-Conformance Description and evidence observed (filled by auditor): The company has not been able to show the actual data of liquid waste discharge that is applied to the land application because based on the results of the field visit to the WWTP, it is known that the flowmeter condition at the WWTP outlet is turned off. Based on document review and interviews with PIC, it was found that the flow meter breakage condition had occurred in January 2018 indicated by the minutes of the report on 6 January 2018 related to damage to the flowmeter WWTP known by the Chief Engineer of Pulu Raja POM.			
Root Cause Analysis (filled by organization audited): There is no monitoring of the condition of the facilities and infrastructure of WWTP which are reported regularly to the leadership of the company			
Correction (filled by organization audited): Flowmeter repairs have been carried out repeatedly but still damaged because the pumped wastewater mixed with mud so that for alternative actions carried out is to calibrate the capacity of the WWTP pump routinely monthly, after obtaining the capacity of the new pump multiplied by the pump operating hours so that the actual waste discharge is obtained sent to WWTP			
Corrective Action (filled by organization audited): <ul style="list-style-type: none">• Determine the PIC that is responsible for the condition of facilities and infrastructure available in the WWTP• Make monitoring of the condition of facilities and infrastructure of WWTP and report it to Maskep regularly every month			
Assessor Evaluation and Conclusion (filled by auditor): Auditor Verification September 14 2018 <ul style="list-style-type: none">• Decree of the estate manager of PT Perkebunan Nusantara IV Pulu Raja Business Unit Number: PUR / Kpts / 80 / VIII / 2018 dated August 18, 2018, regarding the RSPO Development Team at the Pulu Raja Business Unit. Contains Decision of PTPN IV Unit Manager Pulu Raja Business Unit about Monitoring Officers of WWTP Facilities and Infrastructure.• Minutes of Liquid Waste Discharge Calibration in February - August 2018 (Calibration is done once a month by repeating 3 trials in each sampling in one month) using a stopwatch and a 25 liter bucket. So it can be seen the average waste discharge per / hour. Minutes are known by Processing Assistants, Waste Pump Operators, and Document Control Officers and Chief Engineers.• Photo of Calibration Activities of Waste water and equipment used during calibration activities.• Monitoring data on facilities and infrastructure of Pulu Raja PKS WWTP from February - August 2018.• Daily data on waste applications to the Land Application containing the active hours and volume of waste flowed. Counted from February to August 2018. Auditor's conclusion September 14 2018 Based on the evidence of improvements that have been shown nonconformance has been closed.			

Verified by	: Trismadi Nurbayuto		
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NCR No.	: 2018.02	Issued by	: Satria Adi Putra
Date Issued	: 16 August 2018	Time Limit	: 15 November 2018
NC Grade	: Major	Date of Closing	: 18 September 2018
Standard Ref. & Requirement	4.6.2 Records of the use of pesticides (including the active ingredients used and the LD50 of the active ingredients, the targeted area, the number of active ingredients applied per ha and the number of applications) must be provided.		
Non-Conformance Description and evidence observed (filled by auditor): The company has presented a Pulu Raja Pesticide Lists. However, based on document of the Pulu Raja Fertilizer and Chemical Stock in July 2018 and observation to the Pesticide Warehouse, it was found that not all pesticides were identified including the active ingredients used, LD50, the amount of active ingredients given and the number of applications			
Root Cause Analysis (filled by organization audited): The lack of understanding of the officers in making a document listing the pesticides used and the stock in the Pulu Raja Plantation.			
Correction (filled by organization audited): Make a complete list of pesticides for all pesticides used and stock in the Pulu Raja Plantation.			
Corrective Action (filled by organization audited): <ul style="list-style-type: none"> • Providing socialization to officers about the procedure for making the right pesticide list. • Determination of PIC which is responsible for updating the list of pesticides used by the Pulu Raja Plantation. An updated list of pesticides every 1 year by Plant Assistants, Warehouse Assistants, Plant Secretaries and Warehouse Secretaries.			
Assessor Evaluation and Conclusion (filled by auditor): Verification September 17, 2018. The company has shown proof of improvement as follows: Letter No. PUR / SE / Intrn / 40 / IX / 2018 dated September 3, 2018 concerning Monitoring of Pesticide Lists and Stocks which states that the use of pesticides must be monitored for the type and stock as well as the determination of Plant Head Assistants, Warehouse Assistants, Plant Secretaries and Warehouse Secretaries to make a list of pesticides with updating time at least once a year. List of Pulu Raja Pesticides with details including names of pesticides, active ingredients given, registration number, validity period of pesticide permits, stock usage, LD50 and WHO class. However, based on the improvement documents provided, the determination of the LD50 value for each pesticide is not in accordance with the MSDS. Related to this, the non-conformity No. 2018.02 was not yet fulfilled.			
Verification September 18, 2018 The company has sent additional proof of improvement in the form of a list of pesticides containing the LD50 coefficient according to its MSDS.			
Related to this, nonconformity no. 2018.02 stated to be fulfilled.			
Verified by	: Andi Pratama Pasaribu		

NCR No.	: 2018.03	Issued by	: Andi Pratama Pasaribu
Date Issued	: 16 August 2018	Time Limit	: 15 November 2018
NC Grade	: Major	Date of Closing	: 13 September 2018
Standard Ref. & Requirement	4.6.11 Annual medical records of pesticide operators, and follow-up treatment of medical results, shall be available		
Non-Conformance Description and evidence observed (filled by auditor): Certificate holder has conducted annual medical examination which is the last examination on 26 July 2018. But, the result of the examination cannot showed during the audit.			
Root Cause Analysis (filled by organization audited): The report of medical examination not released by the medical laboratorium.			
Correction (filled by organization audited): <ul style="list-style-type: none"> Intensive coordination with human resources department regarding to medical examination report. Shown the report of medical examination that held on 26 July 2018. 			
Corrective Action (filled by organization audited): Set the medical examination plan not too close with the audit date to make sure the report of medical examination has been received by the unit.			
Assessor Evaluation and Conclusion (filled by auditor): Verification on 13 September 2018 Certificate holder has shown the report of medical examination on 30 August 2018. Based on that report known that all medical attendance are fit to work. Auditor conclusion on 13 September 2018 Based on evidence that showed, this nonconformance has been closed .			
Verified by	: Trismadi Nurbayuto		

NCR No.	: 2018.04	Issued by	: Andi Pratama Pasaribu
Date Issued	: 16 August 2018	Time Limit	: ASA-4
NC Grade	: Minor	Date of Closing	: 14 September 2018
Standard Ref. & Requirement	4.7.7 Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics.		
Non-Conformance Description and evidence observed (filled by auditor): Certificate holder cannot shows the Lost Time Accident (LTA) in details.			

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

Lack of knowledge of PIC who take responsibility to calculated and reported the LTA.

Correction *(filled by organization audited):*

Re-calculate the LTA in detail during January 2017 until June 2018 with monthly-bases.

Corrective Action *(filled by organization audited):*

- Appointed PIC who take responsibility to report LTA each month.

Conducted the training to PIC regarding to calculation and reported of LTA.

Assessor Evaluation and Conclusion *(filled by auditor):*
Verification on 14 September 2018

Certificate holder has shown several corrective evidence as follows:

- Manager decree on 18 August 2018 regarding to appointed person regarding to RSPO certification in Pulu Raja.
- OHS Manual regarding to LTA calculation.
- Minutes of meeting socialization of LTA and LD50 calculation on 27 July 2018 that attended by 9 participants.
- Monthly report of LTA period January 2017 – July 2018.

Auditor conclusion on 14 September 2018

Based on evidence that showed, this nonconformance has been **closed**.

Verified by : **Andi Pratama Pasaribu**

NCR No.	: 2018.05	Issued by	: Andi Pratama Pasaribu
Date Issued	: 16 August 2018	Time Limit	: 15 November 2018
NC Grade	: Major	Date of Closing	: 13 September 2018
Standard Ref. & Requirement	4.8.1 Records of training program related to the aspects of RSPO Principles and Criteria shall be available		
Non-Conformance Description and evidence observed (filled by auditor): Certified holder cannot shows the records of training program related to the aspects of RSPO Principles and Criteria for all level of workers including contractor workers.			
Root Cause Analysis (filled by organization audited): <ul style="list-style-type: none">Training related to RSPO not yet arranged in training need analysis. Monitoring related to training related to RSPO that arranged in training need analysis.			
Correction (filled by organization audited): <ul style="list-style-type: none">Set the training need analysis that contain training related to RSPO. Set the monitoring system regarding to RSPO related training.			
Corrective Action (filled by organization audited): Set the PIC who take responsibility on training need analysis.			

Assessor Evaluation and Conclusion *(filled by auditor):*
Verification on 14 September 2018

Certificate holder has shown several corrective evidence as follows:

- Training needs on 2018.
- Evidence of training related to RSPO such as code of conduct socialization, human right, riparian zone management, reproduction right, PPE usage etc. Those training or socialization has conducted during 22 – 27 arech 2018 and involving the local contractor.

Auditor conclusion on 14 September 2018

Based on evidence that showed, this nonconformance has been **closed**.

Verified by : Trismadi Nurbayuto

NCR No.	2018.06	Issued by	Trismadi N
Date Issued	16 August 2018	Time Limit	15 November 2018
NC Grade	Major	Date of Closing	13 September 2015
Standard Ref. & Requirement	General Chain of Custody 5.7.2. The involved supply chain actors mentioned in 5.7.1 shall do the following actions in the RSPO IT Platform: <ul style="list-style-type: none"> • Shipping Announcement / Announcement: When RSPO certified volume is sold as certified, the volumes of products that are in the yield scheme (Figure 2 and 3, refer Annex 1) shall be registered as a Shipping Announcement / Announcement in the RSPO IT Platform. The declaration time to do Shipping announcement / Announcement is based on members' own standard operating procedures. • Trace: When RSPO certified volumes are sold as RSPO certified to actors in the supply chain beyond the refinery, the volume shall be traced at least annually. Tracing triggers the generation of a trace document with a unique traceability number. Tracing can be done in a consolidated way at least annually. • Remove: RSPO certified volumes sold under other scheme or as conventional, or in case of underproduction, loss or damage shall be removed. • Confirm: Acknowledge the purchase of RSPO certified volume by confirming Shipping Announcements / Announcements. 		

Non-Conformance Description and evidence observed *(filled by auditor):*

The company already has a mass balance and CPO and PK sales balance monitoring, however, not all transaction processes have been updated in the Palm Trace. For example, sales data (CSPO & CSPK) have not been monitored conventionally so that conventional CSPO / CSPK sales have not been reduced from the "remove" CSPO & CSPK quota.

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

There is no PIC that is responsible for monitoring the updated transaction process in the Palm Trace

Correction *(filled by organization audited):*

Reducing the quota of CSPO and CSPK in the Palm Trace according to the number of CPO and PK products that have been sold

Corrective Action *(filled by organization audited):*

- Establish a PIC that is responsible for monitoring the updated transaction process in the Palm Trace.
- The chief engineer coordinates with the Strategic Planning, Marketing and PT KPN sections to carry out

ANNOUNCEMENT and REMOVE if there is delivery CSPO / CSPK / CSPKO / (PDIK Handling Certified Palm Krapa Palm Oil Products, attached)

Assessor Evaluation and Conclusion (filled by auditor):

Verification September 13, 2018

The certification unit shows some proof of improvement as follows:

1. Basic Guidelines and Work Instructions No. 04.03 / KS / SUS / P / 003 dated August 1, 2018 concerning Handling of Certified Palm Oil Products. At point 7.6. RSPO IT Platform / Palm Trace: 7.6.1 The Chief Engineer coordinates with the strategic planning, marketing and PT Nusantara Joint Marketing Offices (KPBN) departments to implement ANNOUNCEMENT if there is RSPO Certified product delivery after receipt of receipt from the public; 7.6.2. The Chief Engineer coordinates with PT KPBN through the strategic planning section, the next marketing PT KPBN will do REMOVE, if there is a cancellation of delivery because the volume of RSPO Certified Products is sold under a conventional scheme or in the case of a production shortage because it cannot be balanced within 3 (three) months, or loss or damage; 7.6.3. ANNOUNCEMENT on Palm Trace was carried out on the day of delivery of RSPO Certified Products.
2. Shipping announcement for the sale of RSPO claims (MB) of 5,000 MT; the details are as follows:

Date	Volume (MT)	Buyer
6-Apr-18	500	Musim Mas
20-Feb-18	500	Musim Mas
1-Mar-18	500	Musim Mas
28-Mar-18	500	Musim Mas
17-May-17	500	Multimas Nabati Asahan
8-May-17	500	Multimas Nabati Asahan
17-Apr-17	500	Multimas Nabati Asahan
14-Nov-17	500	Multimas Nabati Asahan
28-Dec-17	500	Musim Mas
9-Jun-17	500	Musim Mas
	5000	

3. CSPO Volume Sold: 4,195.4 MT; Credit Allocation: 14,500 MT (no books have been sold yet).
4. RSPO Certified product sales monitoring table, where the January period is d. July 2018 there are 2,500 MT of CSO Claims and conventional CSPO is 3,789.88 MT.

Auditor's conclusion:

Based on evidence of improvements that have been shown, this discrepancy has been fulfilled.

Verified by : Trismadi Nurbayuto

i. Opportunity for Improvement

No	Ref. Std.	Description
1	2.1.2	Effectiveness of monitoring system of legal requirement related to plantation business

ii. Noteworthy Positive Components

No	Description
1	The company's commitment to implement the principles of sustainable palm oil management.
2	PT Perkebunan Nusantara IV Pulu Raja Business Unit has obtained an ISPO Certificate.
3	PT Nusantara IV Pulu Raja Business Unit has received Blue Proper Management from the Ministry of Environment and Forestry

3.6 Summary of Arising Issues from Public and Auditor Verification

Public Issues (Institution/ NGO/Community)	Auditor Verification
Head of Pulau Rakyat Pekan Village <ul style="list-style-type: none"> - Until now, PTPN IV Pulu Raja have been good enough in communicating and often coordinating. - Physical supporting for village development and social supporting to orphans is good enough. - Before conducting replanting activities in Division V, PTPN IV has coordinated and reported first with village stakeholders. - Most of the people on Pulau Rakyat Pekan village working in the operational PTPN IV area. - The response is always responded by PTPN IV if the community village asks for information. - There are no environment pollution issues. 	<ul style="list-style-type: none"> - It is has been verified according to the information contained in the indicator of 6.2.1 - Social responsibility has been given regularly and has been checked in the indicator of 6.11.1 - Replanting activity has conducted mechanically without burning. - Opportunities to work without discrimination have been implemented and it is explained in criterion of 6.8 - Requests for information and responses have been checked by the auditor team on criterion of 1.1 - It has been verified on criteria 5.1, there are no environment pollution issues during field visit and document verification.
Head of Orika Village <ul style="list-style-type: none"> - Until now, PTPN IV Pulu Raja have been good enough in communicating and often coordinating. - Physical supporting for village development and social supporting to orphans is good enough. - Before conducting replanting activities in Division V, PTPN IV has coordinated and reported first with village stakeholders. - Most of the people on Orika village working in the operational PTPN IV area. - The response is always responded by PTPN IV if the community village asks for information. - There are no environment pollution issues. 	<ul style="list-style-type: none"> - It is has been verified according to the information contained in the indicator of 6.2.1 - Social responsibility has been given regularly and has been checked in the indicator of 6.11.1 - Replanting activity has conducted mechanically without burning. - Opportunities to work without discrimination have been implemented and it is explained in criterion of 6.8 - Requests for information and responses have been checked by the auditor team on criterion of 1.1 - It has been verified on criteria 5.1.
Head of Tunggul 45 Village <ul style="list-style-type: none"> - Most of the people on Tunggul 45 village working in the operational PTPN IV area. - Until now, PTPN IV Pulu Raja and Tunggul 45 village have been good enough in communicating and often coordinating. - There are no environment pollution issues. 	<ul style="list-style-type: none"> - Opportunities to work without discrimination have been expressed and this is explained in criterion of 6.8 - This has been verified according to the information contained in the indicator of 6.2.1. - It has been verified on criteria 5.1.
Labor Union (chairman of the union) <ul style="list-style-type: none"> • Pulu Raja Workers Union has been registered in the District Manpower Office Asahan. 	<p>The company already has a labor union but needs to be improved again especially regarding socialization of the existence of Labor Union.</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
<ul style="list-style-type: none"> Meeting activities was conducted every 1-2 times every once a month. Facilities provided by the company example vehicles and rooms. There are currently no employment and industrial relations issues. 	
Contractor local FFB Transporter <ul style="list-style-type: none"> The Contractor has obtained a Working Agreement. The Contractor has identified the rights and obligations. Contractor payments is every monthly. APD is given by the company while for payment Insurance (BPJS) paid by the contractor to its members. The remaining hazardous waste is returned by the Contractor. 	<p>The Company has good working relationship with Local Contractor.</p>
Gender Committee <ul style="list-style-type: none"> The company already has a gender committee Social policies have included regarding the handling of sexual harassment and the prevention of the identity of the informant (anonymity). Until now, no one has ever reported any related harassment / harassment. There is equal treatment in employment relationships 	<p>The company already has a gender committee but the company needs to improve again on the existence of the Gender Committee and the activities conducted to workers in the plantation area.</p>
National Land Agency of Asahan District <ul style="list-style-type: none"> The CH do not have a new Location Permit, as well as new Land Title (HGU). PT Perkebunan Nusantara 4 (PTPN) Pulu Raja Business Unit operational areas were ex concession from Dutch (Netherland Indie) Government Company, as mentioned and described in Government Law (UU) No. 86/1958 dated December 27th 1958, Government Regulation (PP) No. 19/1959 dated May 2nd 1959 and Land Book (on the 1st Land Title Certificate) dated July 1st 1982. Land Title of Pulu raja Business Unit is valid until December 31st 2030. The CH do not have new Plantation Business Permit (IUP). Decree of Asahan Regent No. 503/IUP/BPPM/1609/XI/2012 dated November 22nd 2012 mentioned that informed that PTPN 4 Pulu Raja Business Unit where located on Orika Village, Pulau Rakyat Sub-District has oil palm cultivation and processing permit which has covers about 4,630 ha with mill capacity about 30 ton FFB/hours. 	<p>All comments given indicates positive response of company operational activities towards legality aspect such as land rights, business permit, land dispute/grievances, etc., as mentioned in Criteria 2.2; 2.3; 6.3 and 6.4.</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
<ul style="list-style-type: none"> The CH operational areas has also not overlapped with mining business. There are no reports from stakeholders related to land dispute (with the local communities and/or other companies) issues. 	
Agriculture Agency of Asahan District <ul style="list-style-type: none"> The CH has Plantation Class II (according to assessment in 2015), which noted that scoring on social is the lowest aspect that need to be concerned. Certification Unit is consider cooperative and satisfactory fulfill administrative obligation, such as reporting plantation business progress (LPUP) every semester, etc. There is no additional and/or revision on Location Permit, IUP and HGU. The Certification Unit do not have smallholder scheme program. The Certification Unit has involved local communities in annual CSR program meeting. The Agency expect that road on villages shall become priority in the coming CSR program. There has been no conflict related to land dispute with local communities. The price of FFB from Independent Supplier and other Estates under PT PN III and PT PN IV were based on Plantation Agency of Sumatera Utara Province. There is no issues or reports from Local and National NGO related to fire incidence in Pulu Raja Business Unit. CH facility on fire incidence prevention has considered satisfactory. 	<p>All comments given indicates positive response of company operational activities towards local, national and ratified international laws and regulations aspect, as mentioned in Criteria 2..1; 4.6 and 5.5.</p> <p>It has been verified in accordance Criterion 1.1, 2.2, 2.3, 4.1, 5.2, 5.5, 6.2, 6.3, 6.8, 6.10 and 6.11.</p>
Environment Agency of Asahan District <ul style="list-style-type: none"> The company is consider cooperative and satisfactory fulfill administrative obligation report, such as quarter report of liquid waste, semester environment management and monitoring plan report (RKL/RPL), quarter hazardous waste report, semester air emission, noise, odor, vibration test report, etc. The Agency informed that in 2018, those reports is submitted online through Ministry on Environment and Forestry link website. The company is required to register which aims for submit access. Hazardous waste warehouse and land application permit of PTPN are still valid until 2019. Furthermore, there is no 	<p>All comments given indicates positive response of company operational activities towards environment management aspect.</p> <p>Auditor has been verified the management and monitoring of environmental that has been conducted by the certificate holder, the explanation regarding to environmental aspect showed in criterion 1.1, 2.1,5.1, 5.3, 5.4</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
change and/or revision of the permits. • The company has good relationship and satisfactory communicate all environment related issues to the Agency.	
Transmigration and Labor Agencies of Asahan District • The company has a Board Committee of Occupational Safety and Health (P2K3) board authorized by the Manpower Agency. The company has combined the OHS committee of estates and mill. • The company is consider cooperative and satisfactory fulfill administrative obligation report, such as Semester WLTk, Semester P2K3, quarter work accident report, etc. • The Agency has no information whether government insurance (BPJS) for Manpower and Health scheme of workers has been fulfilled by the company. BPJS has only applied for permanent worker. • There is no issues on foreign worker, child labor abuse, employee dispute, discrimination and other negative issues related to manpower aspects. • Wages paid has reported more that Minimum Wage Decree of Sumatera Province and Asahan District Regent for period 2018 is 2.401.172,49 rupiah • The Certification Unit has Plantation Labor Union / SPBun. Changing of committee members has informed to the Manpower Agency. • The Certification Unit has Cooperation Institution of Bipartite (LKS Bipartite) which valid until October 2019. • Contract worker for harvesting activities is prohibited as it was not in accordance with Permenaker No. 19, 2012.	It has been verified in accordance Criterion 1.1; 2.1; 4.6; 4.7; 4.8 6.5; 6.9; 6.12

4.0	CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY
4.1	Formal Sign-off of Assessment Findings
	<p>Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.</p> <p style="text-align: center;">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> Tuesday, 18 September 2018</p> </div> <div style="text-align: center;"> <p>Mutuagung Lestari Lead Auditor</p>  <p><u>Trismadi Nurbayuto</u> Tuesday, 18 September 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 of Asahan District	Asahan District, Nort Sumatra	-	Interview	August 13 th , 2018	✓	
2.	Agriculture Agency of Asahan District	Asahan District, Nort Sumatra	-	Interview	August 13 th , 2018	✓	
3.	Environment Agency of Asahan District	Asahan District, Nort Sumatra	poniranbuntupane66@gmail.com ; 081376910666	Interview	August 13 th , 2018	✓	
4.	Transmigration and Labor Agencies of Asahan District	Asahan District, Nort Sumatra	-	Interview	August 13 th , 2018	✓	
5.	Labor Union / <i>SPBun</i>	Asahan District, Nort Sumatra	-	Interview	August 14 th , 2018	✓	
6.	Gender Committee	Asahan District, Nort Sumatra	-	Interview	August 14 th , 2018	✓	
7.	Local Contractor of FFB Transportasion (CV Cahaya Indah)	Asahan District, Nort Sumatra	-	Interview	August 14 th , 2018	✓	
8.	Internal stakeholder <ul style="list-style-type: none"> - 1 person of grading station - 2 peoples – Sterilizer operator. - 1 people – Clarification station - 2 peoples – Engine room station - 2 peoples – Boiler station - 1 operator WTP - 1 operator WWTP - 2 operator in Workshop - 2 clerk warehouse chemical - 1 operator Hazardous waste warehouse - 1 security - 1 clark weight bridge 	PTPN IV – Pulu Raja Asahan District, Nort Sumatra	-	Interview	August 13 th -16 th 2018	✓	

9.	Sawit Watch Indonesia	-	info@sawitwatch.or.id	Quisioner email	by	August 6 th , 2018		✓
10.	Wahana Lingkungan Hidup Indonesia	-	informasi@walhi.or.id ; info@walhi.or.id	Quisioner email	by	August 6 th , 2018		✓
11.	Aliansi Masyarakat Adat Nusantara	-	rumahaman@cbn.net.id	Quisioner email	by	August 6 th , 2018		✓
12.	World Wild Found Indonesia	-	suhandri@wwf.or.id ; wwf-indonesia@wwf.or.id	Quisioner email	by	August 6 th , 2018		✓

Appendix 2. Assessment Program

Date	13 to 16 August 2018	
PROGRAM	AUDIT PROCESS	AUDITOR
Monday, 13 August 2018		
05.35 – 08.00	JAKARTA - KUALANAMU (GA-180)	TNB/APP/SAP/BYG
08.00 – 13.00	KUALANAMU - PTPN IV (PULU RAJA)	
13.00 – 14.00	BREAK	TNB/APP/SAP/BYG
14.00 – 15.00	<ul style="list-style-type: none"> □ OPENING MEETING Review of Previous Visit Non-conformance (ASA-2); Document Review; Time Bound Plan and Partial Certification 	TNB/APP/SAP/BYG
15.00 – 17.00	<ul style="list-style-type: none"> □ Field Observation to Pulu Raja POM <ul style="list-style-type: none"> - Process Station, Safety Aspect and Worker Welfare (Grading – dispatch) - ETP; WTP; Hazardous Waste Warehouse; Drainage; Collecting place of fiber, Water Discharge, Hazardous Warehouse; Workshop, Chemical Store. - Supply Chain 	APP/SAP BYG TNB
Tuesday, 14 August 2018		
08.00 – 12.00	Stakeholders consultation to Nearest village and community leaders Stakeholders consultation to Government Institution in Asahan Field Observation Afdeling I <ul style="list-style-type: none"> □ Nursery, Replanting, Manuring, Spraying, Harvesting, IPM, Road Maintenance, Water Management, etc. □ Worker facilities (housing, health clinic, clean water, landfill); Hazardous Waste Material; Hazardous Material management, Fire Fighting facilities, Legal operational and Conservation Area 	TNB BYG SAP APP
12.00 – 14.00	BREAK	TNB/APP/SAP/BYG
14.00 – 17.00	<ul style="list-style-type: none"> □ Review of Previous Visit Non-conformance (ASA-2); Document Review; Time Bound Plan and Partial Certification 	TNB/APP/SAP/BYG
Wednesday, 15 August 2018		
08.00 – 12.00	Field Observation Afdeling III <ul style="list-style-type: none"> □ Nursery, Replanting, Manuring, Spraying, Harvesting, IPM, Road Maintenance, Water Management, etc. □ Stakeholders consultation to Labour union (SPSI), Gender Committee, local contractor, CPO & PK Transporter □ Worker facilities (housing, health clinic, clean water, landfill); Hazardous Waste Material; Hazardous Material management, Fire Fighting facilities, □ Legal operational and Conservation Area 	SAP APP BYG TNB

12.00 – 14.00	BREAK	TNB/APP/SAP/BYG
14.00 – 17.00	Review of Previous Visit Non-conformance (ASA-2); Document Review; Time Bound Plan and Partial Certification	TNB/APP/SAP/BYG
Thursday, 16 August 2018		
09.00 – 12.00	CLOSING MEETING	TNB/APP/SAP/BYG
12.00 –	PULU RAJA - KUALA NAMU - JAKARTA (QG 919)	TNB/APP/SAP/BYG