

Roundtable on Sustainable Palm Oil Certification R S P O

[✓] Initial Assessment

Name of Management Organisation : Pabatu Palm Oil Mill – Subsidiary of PT Perkebunan Nusantara IV

Plantation Name : PT Perkebunan Nusantara IV – Pabatu Estate

Location : Village of Pabatu/Naga, Sub District of Tebing Tinggi, District of Serdang Bedagai, Province of Sumatera Utara, Indonesia.

Certificate Code : **MUTU-RSPO/072**

Date of Certificate Issue : 16 September 2015

Date of License Issue : 16 September 2018

Date of Certificate Expiry : 15 September 2020

Date of License Expiry : 15 September 2019

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ASA-3	23 -25; 27 August 2018	Moh Arif Yusni, Steve Mualim, Mohammad Amarullah	Ardiansyah	Octo HPN Nainggolan

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-3	04 December 2018

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Figure 1. Location Map of PT Perkebunan Nusantara IV Business Unit of Pabatu.

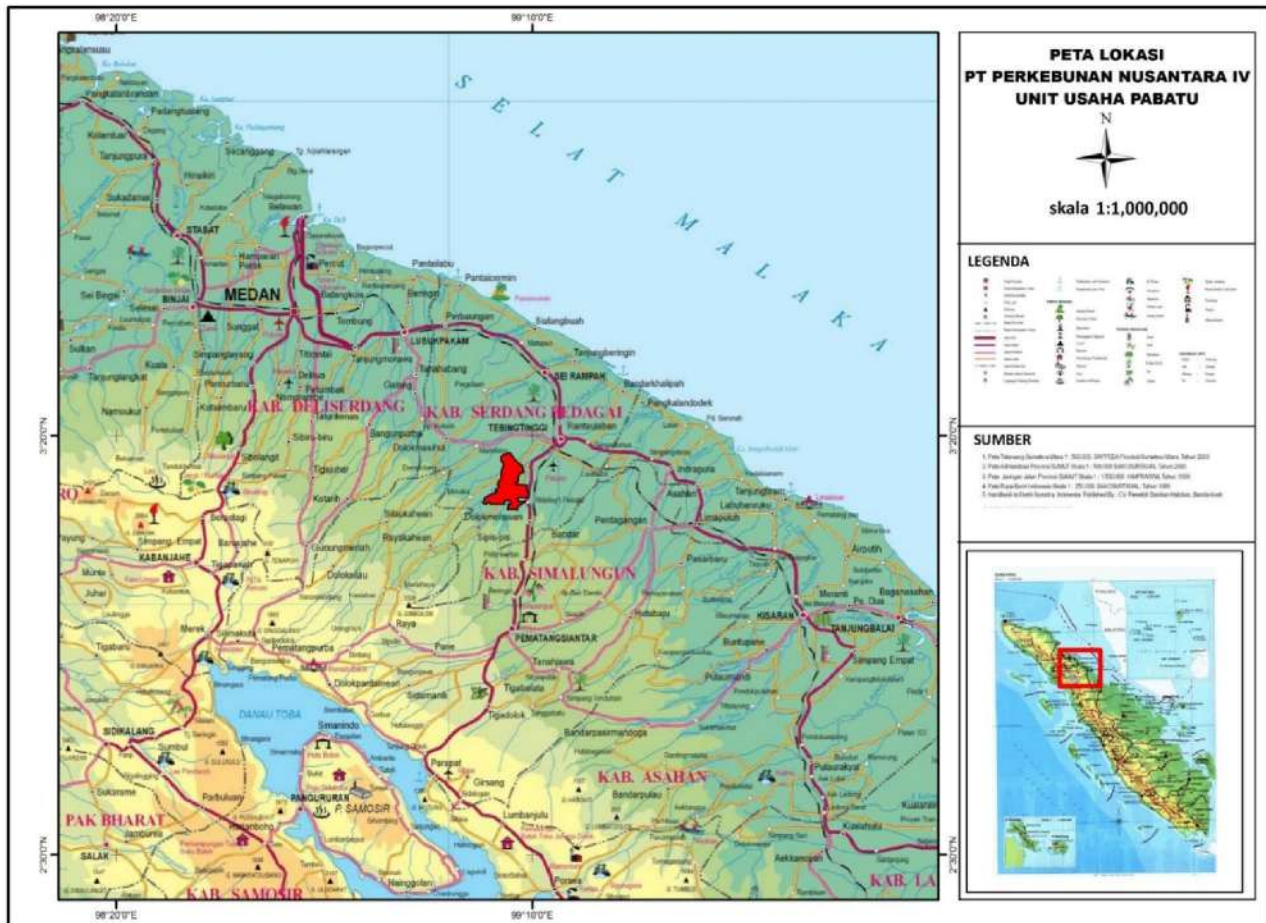
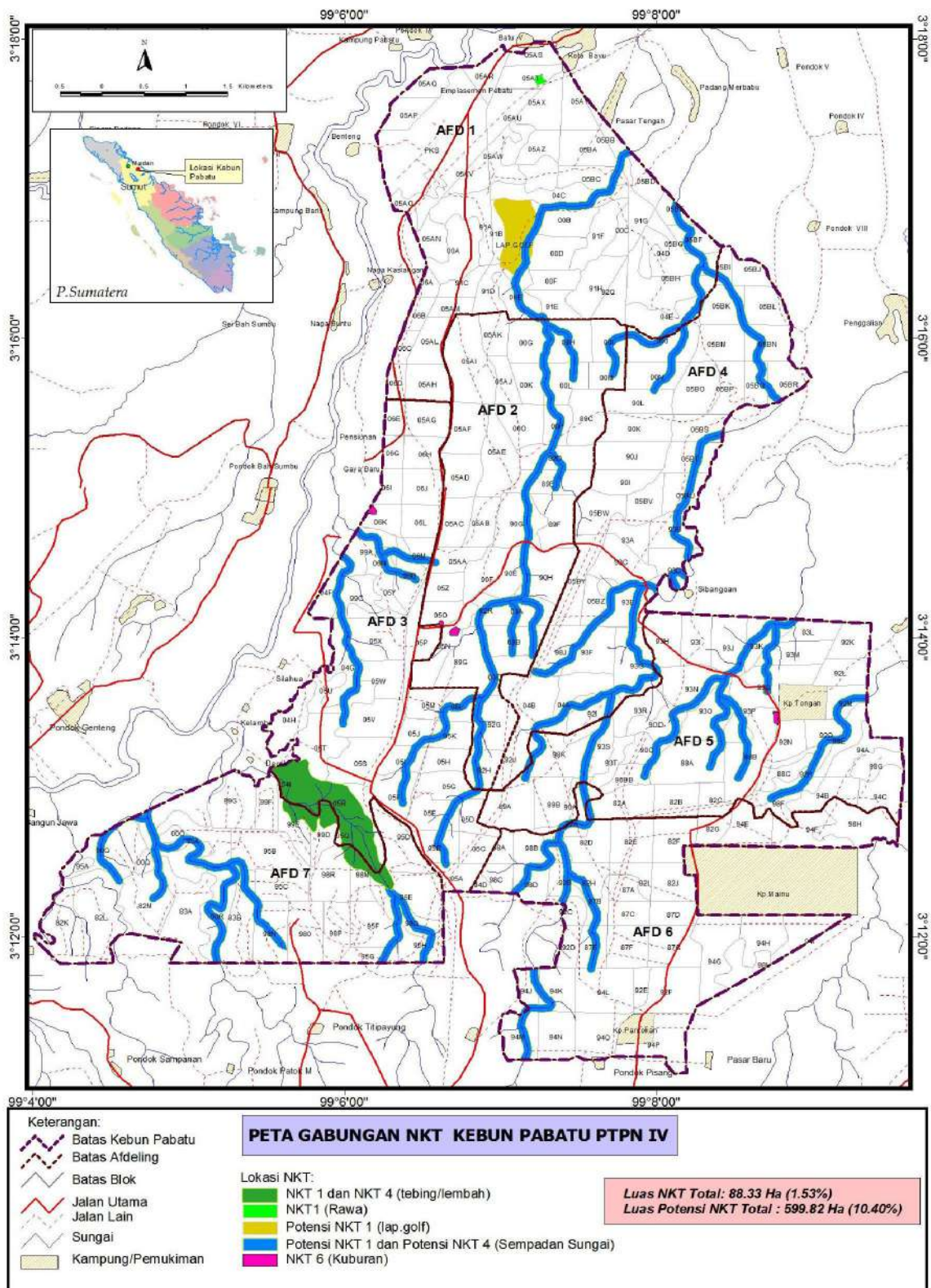


Figure 2. Operational Map of PT Perkebunan Nusantara IV Business Unit of Pabatu



Abbreviations Used

ASA	:	Annual Surveillance Assessment
BPJS	:	<i>Badan Penyelenggara Jaminan Sosial</i> (Social Security Administration Agency)
BOCM	:	Bandar Oil Culture Mascthapij
BPN	:	National Land Agency
CH	:	Certificate holder
COC	:	Code of Conduct
CLA	:	Collective Labor Agreement
CPO	:	Crude Palm Oil
CSR	:	Corporate Social Responsibility
EFB	:	Empty Fruit Bunches
EIA	:	Environment Impact Assessment
FFA	:	Free Fatty Acid
FFB	:	Fresh Fruit Bunches
FGD	:	Focus Group Discussion
GHG	:	Green Houses Gasses
GUU	:	Group Unit Usaha
HCV	:	High Conservation Value
HIRAC	:	Hazard Identification Risk Assessment Control
HGU	:	<i>Hak Guna Usaha</i> (Land Use Rights)
HR	:	<i>Human Resources</i>
IPM	:	Integrated Pest Management
IOPRI	:	Indonesian Oil Palm Research Institute
ISO	:	International Standard Organization
IUP	:	Izin Usaha Perkebunan (<i>Plantation Business Permit</i>)
KER	:	Kernel Extraction Rate
LB3	:	<i>Limbah Bahan Berbahaya & Beracun</i> (Hazardous Waste)
NCR	:	Non Conformities Report
NGO	:	Non Government Organization
OER	:	Oil Extraction Rate
OHS	:	Occupational Health and Safety
OHSAS	:	Occupational Health and Safety Management System
P&D	:	Pests and Diseases
P2K3	:	<i>Panitia Pembina Keselamatan dan Kesehatan Kerja</i> (OHS Committee)
PPE	:	Personal Protective Equipment
PK	:	Palm Kernel
POM	:	Palm Oil Mill
POME	:	Palm Oil Mill Effluent
PPD	:	<i>Petugas Pengendali Dokumen</i> (document control officer)
PTPN	:	PT Perkebunan Nusantara
RSPO	:	Roundtable on Sustainable Palm Oil
RTE	:	Rear, Threatened or Endangered
RKL&RPL	:	<i>Rencana Kelola Lingkungan & Rencana Pemantauan Lingkungan</i> (Environmental Management Plan & Environmental Monitoring Plan)
SCCS	:	Supply Chain Certification System
SEIA	:	Social Environment Impact Assessment
SIO	:	<i>Surat Izin Operator</i> (Operator License)
SOP	:	Standard Operating Procedure
SP-BUN	:	<i>Serikat Pekerja Perkebunan</i> (Plantation Workers Union)

SWOT	:	Strength, Weakness, Opportunity, Threatened
WHO	:	World Health Organizations
WTP	:	Water Treatment Plant
WWTP	:	Waste Water Treatment Pond

1.0	SCOPE of the CERTIFICATION ASSESSMENT		
1.1	Assessment Standard Used	<ul style="list-style-type: none"> • Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INA-NITF, July 2016 (Endorsed by the RSPO Board of Governors meeting on 30th September 2016), • RSPO 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	Organization name listed in the certificate	Pabatu Palm oil Mill - PT Perkebunan Nusantara IV	
1.2.2	Contact person	Khayamuddin Panjaitan	
1.2.3	Organisation address and site address	Head Office: Jln Letjen Suprpto No.2, Medan, Sumatera Utara, 20151, Indonesia Representative offices submission of applications : Village of Banjaran, Sub-District of Padang Tualang, District of Langkat, Province Sumatera Utara, Indonesia.	
1.2.4	Telephone	(62-61) 415 4666	
1.2.5	Fax	(62-61) 457 3117	
1.2.6	E-mail	perencanaan@ptpn4.co.id	
1.2.7	Web page address	www.ptpn4.co.id	
1.2.8	Management Representative who completed the application for certification	Khayamuddin Panjaitan	
1.2.9	Registered as RSPO member	1-0082-09-000-00 29 June 2009	
1.3	Type of Assessment		
1.3.1	Scope of Assessment and Number of Management Unit	One (1) unit of Palm Oil Mill supply by one (1) estate <ul style="list-style-type: none"> • Pabatu Mill and Pabatu Estate 	
1.3.2	Type of certificate	Single	
1.4	Locations of Mill and Plantation		
1.4.1	Location of Mill		
	Name of Mill	Location	Coordinate
			Latitude Longitude
	Pabatu	Village of Pabatu/Naga, Sub District of Tebing Tinggi, District of Serdang Bedagai, Province of Sumatera Utara,	N 03° 17' 10" E 99° 06' 33"

	Indonesia		
1.4.2	Location of Certification Scope of Supply Base		
	Name of Supply Base	Location	Coordinate
			Latitude Longitude
	Pabatu	Village of Pabatu/Naga, Sub District of Tebing Tinggi, District of Serdang Bedagai, Province of Sumatera Utara, Indonesia	N 03° 17' 11" E 99° 06' 38"
1.5	Description of Area Statement		
1.5.1	Tenure		
	• State		5754.04 Ha
	• Community		Ha
1.5.2	Area Statement		
	• Total area		5754.04 Ha
	• Mature area		2867 Ha
	• Immature area		1764 Ha
	• Replanting Program		339 Ha
	• Mill, Emplishment,		169.04 Ha
	• Air Strip / Golf Field		40 Ha
	• Electricity Line		20 Ha
	• Nursery		20 Ha
	• Infrastructure (road, bridge, train rel)		418 Ha
	• Effluent Ponds		3 Ha
	• Cemetery, mosque, school and Church		6 Ha
	• steep, swamps, slope area		98 Ha
	• Other area (Bamboo, Gliricidia)		10 Ha
	• HCV*		88.3 Ha
*HCV area including planting area			
1.6	Planting Year and Cycles		
1.6.1	Age profile of planting year		
	Planting Year	Hectarage (Ha)	Total
	1998	222	222
	1999	70	70
	2000	63	63
	2003	68	68
	2004	152	152
	2005	1305	1305
	2006	157	157
	2009	418	418
	2012	235	235

	2013	12	12				
	2014	165	165				
	Sub Total Mature Area	2867	2867				
	2015	205	205				
	2016	779	779				
	2017	780	780				
	Sub Total Immature Area	1764	1764				
	TOTAL	4631	4631				
1.6.2	New Planting area after January 2010	Ha					
1.6.3	Planting Cycle	2 nd Cycle					
1.7	Description of Mill and Supply Base						
1.7.1	Description of Mill						
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel	
				Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)
	Pabatu	30	108565.00	25173.61	25.02	4920.04	4,54
	*Production data source from August 2017 – July 2018						
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)	%
	Pabatu	5754.04	4631	67232.69	14.52	67232.69	100
	TOTAL	5754.04	4631	67232.69	14.52	67232.69	100
	*Production data source from August 2017 – July 2018						
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)		
	CV. DUTA PALIWI (non certified)	Independent supplier	-	-	693.33		
	UD. GINTAR (non certified)	Independent supplier	-	-	2221.68		
	Kebun Marihat (non certified)	PT Perkebunan Nusantara IV	-	3970	1284.61		
	Kebun Bah Birung Ulu (RSPO Certified)	PT Perkebunan Nusantara IV	-	2175.40	970.56		
	Kebun Sei Kopas (non certified)	PT Perkebunan Nusantara IV	-	4,154	21004.47		
	Kebun Marjandi (RSPO certified)	PT Perkebunan Nusantara IV	-	1,802	857.08		
	Kebun Padang Matinggi (non certified)	PT Perkebunan Nusantara IV	-	4432.00	1445.54		
	Kebun Tinjauan	PT Perkebunan Nusantara IV	-	4531.32	1276.84		

(non certified)				
Kebun Aek Nauli (non certified)	PT Perkebunan Nusantara IV	-	2669.00	1700.77
Kebun Tonduhan (RSPO Certified)	PT Perkebunan Nusantara IV	-	2245.00	84.29
Kebun Silau Dunia (RSPO Certified)	PT Perkebunan Nusantara III	-	4963.62	1550.55
Kebun Gunung Pamela (RSPO Certified)	PT Perkebunan Nusantara III	-	2030.37	3341.92
Kebun Gunung Para (RSPO Certified)	PT Perkebunan Nusantara III	-	567.44	465.5
Kebun Bangun (RSPO Certified)	PT Perkebunan Nusantara III	-	1860.68	696.87
Kebun Sei Dadap (RSPO Certified)	PT Perkebunan Nusantara III	-	3963.21	3923.43
Kebun Dusun Hulu (RSPO Certified)	PT Perkebunan Nusantara III	-	2509.70	129.05
Kebun Rambutan (RSPO Certified)	PT Perkebunan Nusantara III	-	4713.91	45.26
Kebun Sei Puih (RSPO Certified)	PT Perkebunan Nusantara III	-	306.01	24.77
Kebun Sarang Giting (RSPO Certified)	PT Perkebunan Nusantara III	-	471.25	30.21
Kebun Tanah Raja (RSPO Certified)	PT Perkebunan Nusantara III	-	2099.12	49.52
TOTAL				41796.25

**Production data source from August 2017 – July 2018*

1.7.4	Product categories	FFB, CPO, PK
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1.8	Tonnage of Product				
1.8.1	Past Annual Claim Certified Product		Last Year Projected Certified Volume (MT)		Actual certified product September 2017 – August 2018 (tonnes/year)
	• FFB Process		78579		63212.64
	• CPO Production		17287		14963.78
	• Palm Kernel (PK) Production		3536		3012.583
1.8.2	Product selling				
	Tonnage of selling product		Period of actual selling product (September 2017 – August 2018)		
	• CSPO sold as RSPO certified product		3625.37		
	• CSPK sold as RSPO certified product		-		
	• CSPO sold under other scheme		-		
	• CSPK sold under other scheme		-		
	• CSPO sold as conventional		11319.792		
	• CSPK sold as conventional		2998.493		
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)

	Pabatu	5754.04	4631	70000	15.11			
	TOTAL	5754.04	4631	70000	15.11			
<i>*Projected FFB production for 16 September 2018 to 15 September 2019</i>								
1.8.4	Estimate of Certified Palm Product Claim							
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO Out put (tonnes)	Extraction (%)	Palm Kernel Out put (tonnes)	Extraction (%)	Supply Chain Module
	Pabatu	30	70000	17500	25	3599	5	MB
<i>*Projected CSPO and CSPK production for 16 September 2018 to 15 September 2019</i>								
1.9	Other Certifications							
	ISO 9001:2008			-				
	ISO 14001: 2004			-				
	OHSAS 18001:2007			-				
	ISCC			-				
	Others							
1.10	Time Bound Plan							
1.10.1	Time Bound Plan for Other Management Units							
	Management Unit		Estate (Supply Base)	Time Bound	Location	Status		
	POM	Time Bound						
	Pabatu	2015	Pabatu	2015	Serdang Bedagai, Sumatera Utara	Certified September 2015		
	Dolok Ilir	2015	Dolok Ilir	2015	Simalungun, Sumatera Utara	Certified September 2015		
			Laras	2018	Simalungun, Sumatera Utara	Stage-2 Audit		
	Pulu Raja	2015	Pulu Raja	2015	Asahan, Sumatera Utara	Certified August 2015		
	Adolina	2018	Adolina	2018	Serdang Bedagai dan Deli Serdang, Sumatera Utara	Audited on March 2017		
	Bah Jambi	2018	Bah Jambi	2018	Simalungun, Sumatera Utara	Certified 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 August 2018		
			Balimbangan	2021	Simalungun, Sumatera Utara	Certified August 2018		
	Mayang	2019	Mayang	2019	Simalungun, Sumatera Utara	Stage -2 Audit		
			Bukit Lima	2020	Simalungun, Sumatera Utara	Stage -2 Audit		
	Gunung Bayu	2019	Gunung Bayu	2019	Simalungun, Sumatera Utara	Stage -2 Audit		

		Tanah Itam Ulu	2019	Simalungun, Sumatera Utara	Stage -2 Audit
Tinjowan	2019	Tinjowan	2019	Simalungun, Sumatera Utara	Stage -2 Audit
		Aek Nauli	2019	Simalungun, Sumatera Utara	Stage -2 Audit
		Padang Matinggi	2019	Simalungun, Sumatera Utara	Stage -2 Audit
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				
	PTPN IV- Pabatu POM does not have scheme smallholders. The other supplier of Pabatu POM are include to other scope in accordance with the time bound plan.				

2.0	ASSESSMENT PROCESS
2.1	Assessment Team
ASA-3	<p>1. Moh. Arif Yusni. Indonesian citizen, bachelor of Agriculture, majoring of Plant Pest and Diseases (Plant Protection) Faculty of Agriculture. He has a working experience for 2 (two) years since 2010 as Operational staff in oil palm Plantation Company in Indonesia. Trainings attended namely: Indonesian Sustainable Palm Oil (ISPO) Lead Auditor training course. Now he worked at Professional Certification Body. He has been several times following audit related to sustainable palm oil certification system as an observer and auditor. Training attended: ISO 19011, ISO 9001; ISPO 14001, RSPO Lead Auditor, ISPO Lead Auditor, OHS Expert, , OHS Auditor based on National Government No. 50/2012, SA 8000 and SCCS Training. Since 2012 has been following many audit as auditor for ISPO and RSPO Scheme for several aspects, such as Best Management Practices, Best Manufactures Practices, land Legality, Worker Welfare, OHS, Social, Environment, conservation, Integrated pest management, transparency, long term economic aspect and Supply chain for palm oil mill. During the assessment he assigned to verify SCCS, social and worker welfare, legal aspect and public consultation.</p> <p>2. M. Amarullah. Indonesian Citizen. Master of Wood Science and Technology and Bachelor of Forestry, majoring in Forest Product Technology. Has experiences as an Agronomist and Research Assistant in Indonesia and Malaysia from 2008 to 2014. Has been attended several trainings such as Lead Auditor of ISPO, RSPO, ISO 17021, ISO 17065, ISO 9001, ISO 19001, ISO 14001, HCV, SA 8000 etc. Has been conducted several ISPO audit scheme as an Auditor since 2014 in BMP, environment, conservation and OHS aspect. Fluent in Bahasa, Malay and English. At this time of audit, verified aspects of Best Management Practices and Transparency.</p> <p>3. Steve Mualim. Indonesia citizen. Master of Environmental and Natural Resources Management. Has experience as Environmental management consultant (2012) and Sustainable palm oil assurance auditor since 2013. Has been attended several trainings e.g : ISCC in house training, palm oil GHG emission, HCV management, ISPO lead auditor, RSPO lead auditor, labor and human rights issues, ISO 19011, and ISO 9001:2008. Has been conducted several audits for RSPO / ISPO scheme since 2013 for best management practices, conservation, and environmental management. Fluent in bahasa and chinese mandarin. At this time of audit, verified aspects of environmental management and HCV.</p>
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 auditors.</p> <p>Number of days for ASA-2 at site : 4 days.</p> <p>Number of working days for ASA-2 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 PT PN IV – Pabatu Unit Bussiness to the requirements of Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INA-NITF, July 2016 (Endorsed by the RSPO Board of Governors meeting on 30th September 2016), RSPO P&C Certification System 2017 and RSPO 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).</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) interview, 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> <p>Improvement of findings from main assesment findings were observed by auditors at this ASA-3 assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of ASA-3.</p> <p>The assessment program please find Appendix 2</p>

2.2.3	Locations of Assessment
ASA-3	<p>Pabatu Estate (24 August 2018)</p> <ul style="list-style-type: none"> • Afdeling 1 Block planted in 2016. Observation on best agricultural practices in hilly areas. • Afdeling 2 Block 014G. observation and interview with Foreman, 3 Pesticide Applicators and 1 Pesticide Mixer on their understanding towards technical, safety, environment, conservation and manpower aspects. • Afdeling 2 Block 05N. Observation to HCV 6 (cemetery) management implementation. • Afdeling 2 Block 015E. Observation on best agricultural practices in hilly areas and fire monitoring tower. • Afdeling 2 Block 017 BE. Observation on EFB mulching in immature area, as well as best agricultural practices in hilly areas. • Afdeling 2. Observation to HCV 1 and HCV 4 management implementation on riparian (stream) zone. • Afdeling 4 Block 016E. Observation to HCV 1 and HCV 4 management implementation on riparian (stream) zone. • Afdeling 5 Block 012D. Observation and interview with Foreman and 2 Harvesters on their understanding towards technical, safety, environment, conservation and manpower aspects. • Nursery Area. Observation and interview related to work ethics, worker welfare and safety. • Chemical storage of Division 2, 3 and 7. Observation about hazardous material management • Housing Division 2, 4 and 7. Observation and interview regarding management of domestic waste, quality and feasibility of employee welfare facilities and infrastructure such as water source, electricity, and others. • Place to Rinse. Observation about place to rinse and store the PPE and spraying equipment • Division VII. Observation legal boundary conditions No. 56, 83 and 87 • Landfill block 98 AFD VII. Observation for domestic waste management • Land application block 98O AFD VII. Observation for nutrient cycle and waste management • Replanting block 95F AFD VII. Observation for zero burning activities <p>Pabatu Mill (23 August 2018)</p> <ul style="list-style-type: none"> • Station FFB Sortation/Grading. Observation and interview with 3 FFB Grader on their understanding towards technical, safety, environment and manpower aspects. • Station Transfer Carriage. Observation on safe working practices on the station. • Station Sterilizer. Observation and interview with 2 Operator on their understanding towards technical, safety, environment and manpower aspects. • Station Nut and Kernel. Observation on safe working practices on the station. • Station Thresher. Observation and interview with 2 Operator on their understanding towards technical, safety, environment and manpower aspects. • Station Press. Observation and interview with 2 Operator on their understanding towards technical, safety, environment and manpower aspects. • Station Boiler. Observation and interview with 2 Operator on their understanding towards technical, safety, environment and manpower aspects. • Station Generator Set. Observation and interview with 2 Operator on their understanding towards technical, safety, environment and manpower aspects. • Laboratory. Observation and interview with 1 Laboran on hazardous materials such as used chemical containers, emergency response and safely implementation. • Hydrant Simulation. Observation on readiness of fire fighter. • Waste Water Treatment Plant. Field observations and interviews with WWTP operators regarding waste water management. • Storage of hazardous waste. Observation and interview with officer related hazardous waste, symbol-symbol, emergency responses and others. • Chemical storage. Observation and interview related condition of chemical storage. • Workshop. Observation and interview related OHS, activities, First aid, and others. • Water Treatment Plan. Observations and interviews with WTP operators on management in WTP area. • Shell Station. Observation and interview with officer related activities in shell station.

	<ul style="list-style-type: none"> Fiber and Shell EFB. Observation regarding solid waste management. <p>Interview with Enviromental Agency, Labor Agency, Plantation Agency, Local contractor, Gender Committee, Labour union, and villages surrounding</p>
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- Unit Business of Pabatu was held by:</p> <ol style="list-style-type: none"> 1. Public Notification website MUTU (www.mutucertification.com) on 6 August 2018. 2. Public consultation meeting with related agencies on 24 August 2018. 3. Public consultation meeting with Villages Surrounding Company Area on 25 August 2018. 4. Public consultation meeting with Local Contractor and Worker Union on 25 August 2018. 5. Public consultation to NGO by email has been sent on 16 August 2018. <p>Numbers of input from stakeholders were clarified by PT Perkebunan Nusantara IV Unit Business of Pabatu.</p>
2.3.2	Stakeholder contacted
	<i>Please find appendix 1</i>
2.4	Determining Next Assessment
	The next visit (ASA-4) will be determined 8 -12 Months after the date of Certificate (May 2019)

3.0. ASSESSMENT FINDINGS

3.1. Summary of Assessment Report of the RSPO Certification

MUTUAGUNG LESTARI has conducted an assessment of Pabatu POM – PT Perkebunan Nusantara IV that's operation consisting of one palm oil mill and one oil palm estates.

During the assessment, there were Six (6) Nonconformities were assigned against Major Compliance Indicators; one (1) nonconformities were assigned against Minor Compliance Indicators and two (2) nonconformances against supply chain requirement for CPO mill, Nil (0) nonconformances against RSPO System Certification and Four (4) opportunities for improvement were identified.

Further explanation of the non-conformities raised and corrective actions taken by the company are provided in section 3.5. The company has already prepared and implemented the corrective action(s) that had been reviewed and accepted by Auditor(s) in form of documentation evidence(s) e.g. (*document record/photographic/etc...*). Those corrective action(s) taken that consist of eight (8) Major non-conformities and one (1) Minor non-conformities had been closed out shall be verified during next assessment.

MUTUAGUNG LESTARI found that Pabatu POM – PT Perkebunan Nusantara IV complied with the requirements of Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INA-NITF, July 2016 (Endorsed by the RSPO Board of Governors meeting on 30th September 2016), RSPO P&C Certification System 2017 and RSPO 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).

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>List of stakeholder is presented in document List of Stakeholder dated August 15th 2018 Chapter III. Update of the list was conducted annually, based on dynamic situation. According to the document, stakeholder of PTPN IV Unit Pabatu were consist of representatives as classified into village, government institutions, business groups, NGO, mass media and labor union. Contact number of each representatives were available.</p> <p>Procedure of information request and response is presented in document No. SOP 06 (Rev. 03) dated August 1st 2017. Information which need approval release from Head Quarter will be arranged by the Secretary, in coordination with Director. Furthermore, information release by Unit will be arranged by Human Resources and General Assistant, in coordination with Unit Manager. Time of response on information request was maximum for 30 days. Socialization of procedure (Revision 3) had been conducted in September 16th 2017, attended by 31 participants, includes Chief of Villages, Head of Police Office and employees representatives.</p> <p>Based on interview with Agriculture and Plantation Agency, Environment Agency, Manpower Agency and National land Agency of Serdang Bedagai Regency, it was known the company has considered cooperative and in schedule to provide several information which also required to be reported regularly, for example such as fire monitoring report to Agriculture and Plantation Agency of Serdang Bedagai Regency on August 21st 2018, environment management and monitoring report to Environment Agency of Serdang Bedagai Regency on February 2nd 2018 and August 16th 2018, hazardous waste</p>

management report to Environment Agency of Serdang Bedagai Regency on August 6th 2018, OSH Committee (or P2K3) report to Manpower Agency of Serdang Bedagai Regency on August 21st 2018, plantation development report (LPUP) semester II to Plantation Agency of Serdang Bedagai Regency on June 4th 2018, land title usage report to National Land Agency of Serdang Bedagai Regency on August 20th 2018, etc.

1.1.2

Information request were recorded on logbook (color blue). However, information on request response towards information requested were not available. For example as follows:

- Letter No. B/23/01/2018 dated January 25th 2018 about “*Kelengkapan Berkas Jaminan Kecelakaan Kerja*” is not available.
- Response on Pemkab Sergai Letter No. 1843/524/34/2018 dated February 3rd 2018 about “*Penanggulangan Gangguan Hewan Ternak Lembu dan Kambing*” is not available.

According to the points above, unit management is not be able to shows that the Letter has response less than 30 days, which set in Procedure of information request and response in presented in document No. SPO 06 dated August 1st 2017 (Rev. 3). Person in charge towards information request and response was conducted by Assistant of Human Resources and General, in coordination with Assistant Afdeling. Time of response was maximum for 30 days of work while time of documents saving was at least for 2 to 15 years, depends on request category. **Based on that's explanation raised non conformity No 2018.01 with Major Category**

Major 1.1.2	Status: NCR No. 201801 with Major category	Open
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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
Information which available for public by request is presented in Managing Director Decree No. 04.03/Kpts/02/II/2018 dated February 5th 2018 about document publication of PTPN IV and Letter of Managing Director No. 04.01/SE/02/II/2018 February 27th 2018 about company data, document and information management.

The document informed that there were 22 information which could be accessed by public such as land ownership certificate, environment impact assessment, company policies, annual report, social impact assessment, all permits, high conservation value report, RSPO assessment report, periodic compulsory report to Government Agencies, etc. Meanwhile, information which limited to be accessed by public were consist of 27 items, for example production report, audit report, workers database records, working agreement, etc.

	Status: Comply	
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1.3
Growers and millers commit to ethical conduct in all business operations and transactions.

1.3.1
Company policy towards integrity and ethical code is presented in document of “*Pedoman Perilaku*” or Code of Conduct (COC) Guidance No. 04.03/Kpts/06/XI/2013 which issued by the Managing Director and Commisioner of PT Perkebunan Nusantara IV in November 15th 2013. The policy has covers ethical behavior related to conflict of interest, transparency information and fair business activities, as well as prohibition of workers towards corruption, nepotism, collusion, bribery, gratification, political maneuver activities, drugs and gambling. Policy was available in Bahasa. COC guidance has communicated to all workers through the poster which displayed on the Manager and Administrative Office, distribution of “pocket book” to all PTPN IV and Contractor workers ans socialization which lastly had conducted in May 14th 2018.

Based on interview with representative from Labor Union (SPSI), as well as workers in Pabatu POM and Pabatu Estate, it could be concluded that the COC has socialize to all workers annually. Meanwhile Company policy with formed as a “pocket book” has also distributed to contractors and socialization when lastly had conducted on May 14th 2018.

	Status: Comply	
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PRINCIPLE #2 COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS

2.1
There is compliance with all applicable local, national and ratified international laws and regulations.
2.1.1

Organization shown compliance regulation for examples :

- Temporary hazardous waste storage permit based on head of capital investment decree No 0002/ DPMP2TSP-SB/II/2018 Serdang Bedagai regent valid until 2023
- Land application permit based on head of environmental agency decree No 18.32/660/47/2016 Serdang Bedagai regency valid until 2021
- Surface water utilization permit based on North Sumatra integrated licenses services department No.610/89/BPPTSU/2/12.1/IX/2013. (licenses extension are still on going process).

As verified in Indicator 4.7.3 and related document review during audit, it was known that licenses for boilerman and chargeman were still valid, In term of best management practices, the company has shows several pursuance towards Indonesian Laws and Regulations, for example has conducting zero burning method for land clearing during replanting, has only use planting materials from seed producers which recognized by the Government of Indonesia, e.g. DxP Marihat and DxP Socfin from Indonesian Oil palm Research Institute (IOPRI) and PT Socfindo, respectively and has implementing integrated pest management, biological control and only use pesticides listed on Pesticide Commission Book edition 2016. But the company should to monitoring and compliance with the period of validity of licenses owned. **OFI**

2.1.2 and 2.1.3

The company has a list of applicable laws and regulations that are consistently updated every year, for example in 2018 (types of regulations consist of 55 laws, 44 government regulations, 1 presidential instructions, 7 presidential decrees, 3 presidential regulations, 58 ministerial regulations, 10 Ministerial Decrees, 6 Decrees of the Director General and 11 Regional Regulations.

The CH has procedures regarding to conduct annual internal audit on SOP No 21 dated 02 January 2015 about Implementation Of Internal Audit RSPO that's mentioned if the Annual Audit Program is carried out at least once a year by considering the status and importance of the process and fields to be audited. If necessary, the audit program can be changed. It is recommended that an internal audit be carried out before an audit from the Certification Body. The last internal audit conduted on 09 – 11 August 2018 that conducted by strategic planning department.

2.1.4

The CH has issued Decision Letter No. PAB.MU/Kpts/03/VII/2017 in 01 July 2017 on the Establishment of Team Evaluation and Socialization of Legislation/Government Regulation residing in Pabatu Estate signed by Unit Manager as a change of Decision Unit Manager PTPN IV Pabatu Estate No. MU/Kpts/8/I/2015. Changes made due to personnel changes from the evaluation team. In the latest Evaluation Team Decree it is decided that the Evaluation Team consists of the ChairmanHR & General Assistant, Secretary admin HR & General

The evaluation of the prevailing laws and regulations has been conducted on January 20178 The Regulation evaluation includes Type, Compliance Description, compliance or not compliance information, and Description. Based on these evaluations it is stated that the CH has fulfilled all of the regulations evaluated. All types and copies of these laws and regulations are available in the Unit office and are managed by the documents controller.

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 history of Pabatu Estate comes from Pabatu Gunung Kataran and Dolok Merawan concession rights owned by Handless Vereniging Amsterdam which was taken over and nationalized by the Indonesian Government from NV. *Bandar Oli Culture Masscthapij* (BOCM) in 1957 with a total area of 6,173.53 Ha. In the beginning until 1938, unit Pabatu is a tobacco plantation and is converted by BOCM into palm oil plantations.

Based on konstatering (decree) No. 110/-PPT/B, Minister of Home Affairs cq. Directorate General of Agrarian Affairs

through Decree No. 19/HGU/DA/1976 dated June 26, 1976 gave land title to PNP VI (National Plantation Company VI) Pabatu Estate for an area of 5,707.07 Ha. which is based on field inspection carried out by Committee B which stipulates that the area is free from popular occupation. there is a discrepancy the total area of land title covering 403.50 Ha ie from 6,173.53 ha to 5,770.07 ha. This is due to the existence of an asset release permit from the relevant authorities which is intended for the general plan of the district government spatial layout. for example schools, PT. KAI, Puskesmas, government area of Tebing Tinggi.

Currently Unit Managements of Pabatu managed area covering 5,754.04 ha. On that particular area the unit management of Pabatu has had the documents of land ownership are:

- Certificate of Land Use Title No. 164 Year 2005 dated 16 September 2005 with a land area of 5,500.43 Ha.
- Certificate of Land Use Title No. 1 Year 2007 dated 17 July 2007 with a land area of 145.46 Ha
- Certificate of Land Use Title No. 2 Year 2007 dated 17 July 2007 with the land area of 108.15 Ha

Based on interview with managements, field observations and interview with the community surrounding the company there is no indication a planting outside the permit.

2.2.2

PT PN IV Unit Pabatu has had Standard Operating Procedures of Land use title boundaries pole Maintenance with No.SPO 12.0 (Revision 2) dated 02 January 2015 which describes the person in charge of the boundary poles, the action to be taken if the pole is damaged/lost and the monitoring period were performed every 6 months. The unit management unit has identified the number of pole boundaries in the operational area carried out on June 2, 2018. Based on the results of the identification, it is known that the number of poles available is 109 and 24 poles not available. Related to this, the company has submitted a letter to National Land Agency regarding the request of pole.

2.2.3; 2.2.4 and 2.2.5

The CH has SPO for Land Conflict Management No. 04 (Revision 2) dated 02 January 2015 which explaining that the settlement of land disputes is done by negotiation involving deliberation of regional leaders and determine the compensation done by negotiation until they reach agreement. Calculations carried out with reasonable prices in accordance with the taxable value and state of the areas.

Based on interviews with surrounding villages and plantation agencies, there is currently no land dispute between PTPN IV Pabatu Unit and the parties around the plantation area. There was a Land claims occurred by the people of Naga Kesiangan Village for an area of 254.33 Ha and has been resolved with the involvement of the parties. In 2012 re-claim of land to the same area by different groups and has been mediated by the National Land Agencies with the explanation that the area has been paid to the previous group. Until the audit activity takes place there is no more land conflict cases.

2.2.6

There was policies explained in the Code of Conduct company that the company did not use force to maintain peace and order. Based on observations during the audit activities and results of consultations with relevant agencies, the Village Government, Community leaders and residents of surrounding communities, among others in the Kedai Damar Village there was no indication about the use of military or mercenary in maintaining peace and order operations in the area of plantation PTPN IV Unit Pabatu.

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; 2.3.2; 2.3.3 and 2.3.4

The CH has SPO for Land Conflict Management No. 04 (revision 2) dated 02 January 2015 which explaining that the settlement of land disputes is done by negotiation involving deliberation of regional leaders and determine the compensation done by negotiation until they reach agreement. Calculations carried out with reasonable prices in accordance with the taxable value and state of the areas.

Based on documents verification of Government Regulation no. 19 of 1959, it is explained that the CH area comes from the land of the Dutch company (NV. *Bandar Oli Culture Masscthapij* (BOCM)) on 1957. Result on public consultation with

National Land Agency District Sedang Bedagai and Head of Village Kedai Damar obtain information if there is no customary land/right in the company area and the company (Unit Pabatu) has been settle up since dutch colonial era. For land disputes in the form of community land claims have been settled by involving the government (verification 2.2.3).

Status: Comply

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

3.1

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

3.1.1

PTPN IV Pabatu Business Unit has a long term management plan for period 2015 to 2019 which issued by the Board of Directors and Commissioners in November 2014. Management plan has covers prediction of production cost, operational areas, productivity, products price, replanting area, product quality, etc. These prediction parameters later on were subjected to be evaluated annually, as reported on document of "*Rencana Kerja Anggaran Perusahaan (RKAP)*" or Working Plan Financial Budget which prepared by Unit Manager. Unit Management was able to shows RKAP for period 2017 and 2018 dated January 9th 2017 and February 1st 2018, respectively. For example, as evaluated by management, oil extraction rate target in 2018 were change into 24.45 % from previously 23.51 % and kernel extraction rate were change into 4.80 % from previously 4.92 %, respectively.

Estate management informed that there are no presence of peat within estate operational areas. This is confiurmed during field observation. Thus, management plan towards peat management matters such as water management, subsidy measurement, etc. are not applicable.

3.1.2

PTPN IV starts operated since 1918 and had conducted three times of replanting. Continuing from the previuos audit assessment which informed replanting realization from 2014 to 2016, realization of replanting from 2017 forwards were about 871 ha and 293 ha in 2017 and 2018, respectively. Replanting had conducted in Afdeling 1, Afdeling 2, Afdeling 6 and Afdeling 7. Furthermore, estate management is able to shows several document related to replanting activities in 2018, for example: Working Agreement with Replanting Contractor namely CV Hasqi No. 04.14/SPMK/013/VII/2018 dated july 6th 2018 for replanting in Afdeling 1 for about 112 ha; and weekly progress report for replanting activities. Up to August 20th 2018, land clearing conducted by CV Hasqi has been carried out for about 61.40 ha.

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

Unit management of Pabatu POM and Estate stated that there were no revision on procedure of best menegement practices in Mill and Estate. The procudures were presented in document No. SPO -00 to SPO-21 dated August 1st 2007. All procedures were available in Bahasa. Master list of procedure for estate and mill were keeps by Unit Manager. Based on procedures document review, it could be concluded that all SOP's and WI's were still relevant with current situation and covers all aspect of best management practices in the estates and mill. Based on field observation and interview with Foreman and several workers such as 3 Pesticide Applicators and 1 Mixer Opertor in Afdeling 2 Block 014G, and 2 Harvesters in Afdeling 5 Block 012D, it could be concluded that the workers were able to explain and demonstrate its job in accordance with the SOP, such as standard of ripeness, PPE to be used, PPE management, considering wind flows during spraying process, pesticides and weeds target, prohibited areas to be sprayed (for example HCV or riparian zone area which marked by red-paint on the palm trunk).

Procedure of safe working practices towards agrochemicals application or chemist works is presented in several documents such as Work instruction (WI) No. IK/TA/07 dated June 1st 2015 about chemist (pesticide application) quality on the palm circle and harvesting path, WI No. IK/TA/08 dated June 1st 2015 about wiping on coarse grass, WI No. IK/TA/11 dated June 1st 2015 about peset management, Hazard identification risk assessment control (HIRAC) for estates and mill dated January 4th 2018 and material safety data sheet (MSDS) of each agrochemicals used. According to field observation to estate and mill, as well as interview with the respective workers, it could be concluded that in general the workers has understood

the basic of safe working practices such as using a proper set of personal protective equipment (PPE), meaning of risk symbols, agrochemicals and hazardous materials handling, etc.

4.1.2

Update and distribution of standard operation procedures and work instructions of PTPN IV were conducted by Planning Division. Master of documents were placed on the Head Quarter. Meanwhile in the business Unit, Document Control Officer in Coordination with Unit Manager has responsibility to distribute and socialize it to the respective workers. Document administrative has refers to ISO 9001. For monitoring of procedure consistency purposes, some mechanism had been conducted by Mill and Estate management which presented in the following documents:

- RSPO Internal audit which the most updated has carried out by Internal Auditor on August 9th to 11th 2018. The audit informed that there were identified 6 non conformity (NCR) related to RSPO principles and criterias, 6 NCR's related to general chain of custody and 1 NCR on supply chain system Module E.
- Manuring recommendation report which conducted by IOPRI in 2017 and 2018.
- Monthly Unit Management report as shows in report dated August 4th 2018.

In order to maintain workers knowledge towards technical matters, several training has conducted by unit management as shows in report No. PAB/04.11/97/VI/2018 dated July 29th 2018, as follows:

- Training of harvesting quality has conducted in May 2nd to 3rd 2018, attended by 56 workers.
- Training of chemist quality improvement has conducted on May 4th 2018, attended by 34 pesticide applicators.
- Training of clerk 1 performance has cobducted on May 5th 2018, attended by 12 clerk officers.

4.1.3

The company shows appointment Letter from Pabatu Unit Manager No. PAB/SE/Intrn/.../VIII/2018 dated August 13th 2018 about PIC for RSPO related document control. The PIC was carried out by Assisstant of Human Resources and Document Control Team.

Summary of audit, evaluation, rott cause analysis, estate or mill response and recommendation were appropriately presented in document No. 04.02/LHA/Rt/R/18/VI/2018 dated June 2nd 2017. Description on follow up towards audit findings has also presented in Commercial Director Letter No. 04.Dirut/PAB/R/020/VI/2017 dated June 6th 2017. These two example follow up description are explained in Part II about Operational Point A.1 and Point A.9, respectively. Monitoring and evaluation records as instructed on Commercial Director Letter were presented in estate and mill operational works record (daily, weekly, monthly and annually).Based on description of root cause analysis and corrective action, as well as corection evidence given, it could be concluded that NCR No. 2017.05 is considered **closed**.

Records of operational activities, as well as it evaluation and monitoring is presented in several documents such as quarter work operational plan,daily work plan and Foreman notes, daily statistics report, upkeep barchart program record, monthly management report, follows up of RSPO internal audit dated August 13th 2018 as response of RSPO Internal audit which conducted on August 9th to 11th 2018. The document has informed description of follow up and PIC of each findings. Furthermore, document of "*Ikhtisar Pemeriksaan dan Rekomendasi*" or Summary of Recommendation and Monitoring of Operational Audit for period December 2017 to June 2018 which carried out on July 2nd to 11th 2018. Description of follow up, action plan, output, dateline and monitoring records were available. Regarding this matter, unit management has an opportunity to improve document evidence arrangement on points mentioned in Table "*Penjelasan Bagian/Rencana Tindak Lanjut*" which mentioned in document "*Ikhtisar Pemeriksaan dan Rekomendasi*". **OFI with observation.**

4.1.4

SOP related to the purchase of FFB from Third Parties have not changed as stated in the Regulation of Board of Directors of Nusantara IV Estate (PERSERO) No. 04.01/PER/13.1/IV/2014, dated 30 April 2014 on Guidance on Purchasing Fresh Fruit Bunches. Documents and field observation in weightbridge its known if Pabatu Mill Received FFB from own Estate, sister company from PT Perkebunan Nusantara IV, PT Perkebunan Nusantara III and outgrower. The list of all supplier has been keep properly by the company.

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

Estate management mentioned that there is no revision of procedure for soil fertility management, which presented in document No. SPO 04 and No. SPO No. 05 for immature and mature area, respectively. Several objects described in the procedure are leaf and soil sampling analysis, empty fruit bunch (EFB) mulching, land application, composting and water deficit measurement. Furthermore, there were also WI which describes more detail on several technical works such as WI No. Dok. IK/TA/12 about manuring and No. Dok. IK/TA/14 about EFB mulching. Both WI were issued on June 1st 2015. Based on field observation to immature area, it was known that several strategies had been implemented by estate management which aims for soil fertility enhancement and soil conservation, as follows:

- As observed in Afdeling 7 Block 098O, it was known that land application by palm oil mill effluent (POME) has been implemented on the permitted block. Dosage of application was 60 mt/ha/year. POME has supported additional nutrient N on the field.
- As observed in Afdeling 2 Block 017BE, it was known that EFB had been mulched on the palm circle. Dosage implemented was 200-250 kg/palm/year. EFB is very good to retain soil moisture, organic matters and support additional nutrient K on the field.
- As observed in Afdeling 2 Block 014G, Block 015E, Block 017BE, Afdeling 4 Block -16E and Afdeling 5 Block 012D, it was known that cover crop condition which was planted by *Mucuna bracteata* were considered very satisfactory. This crop was useful for soil and water conservation, as well as additional nutrient N supply when the canopy has fully covered.
- Selective weeding, on the palm circle and harvesting path only.

4.2.2

Estate management mentioned that manuring recommendation which explains type of fertilizer, dosage, placement and time of application were provided by Indonesia Oil Palm Research Institute (IOPRI) in Medan. According to the record of fertilizer application Semester 1 (January to June 2018), it could be concluded that in general actual implementation ranged from about 60 % to 100 % in immature area and 35 % to 85 % in mature area. This is due to lack of stock and delay in fertilizer delivery. Estate management mentioned that the rest of the uncompleted manuring program will be continued in Semester 2 period. Based on fertilizer stock record for August 2018 review, it could be concluded that fertilizer stock in the store was adequate to fulfill the uncompleted program. Fertilizer recommended for 2018 period are Dolomite, NPK 14:7:25+1TE and NPK 18:10:15.262+1TE.

4.2.3

Procedure of leaf and soil sampling analysis is presented in document No. SOP 05.4 and No. 22 dated January 1st 2013. There is no revision of procedure. Procedure mentioned that leaf analysis was conducted annually while soil analysis was conducted every 3 to 5 years. The LSU samples for 2018 manuring recommendation were taken in 2017, while SSU samples were not less than 5 years. It has been verified through manuring recommendation for 2018 report review.

Leaf and soil analysis were conducted by IOPRI in Medan. Leaf analysis results were presented in the Annual Manuring Recommendation Report of PTPN IV – Unit Pabatu, Appendix 6.1 while soil analysis was presented in document Soil Analysis Results of PTPN IV Appendix 3.17. Leaf analysis has included dry matter percentage of nutrients on the leaf and rachis (N, P, K, Ca, Mg and B). Furthermore, results of soil analysis have included pH, soil nutrient status and nutrient exchange cation capacity. Apart from leaf and soil sampling analysis, nutrient status of palms has also been accessed through visual assessment of palm vigour and field condition by Agronomy of IOPRI which also discussed in the Annual Manuring Recommendation Report of PTPN IV report.

4.2.4

Apart from chemical fertilizer, estate management has also adopted by-products application such as EFB and POME for nutrient supply purposes. As observed in Afdeling 7 Block 098O, it was known that land application by palm oil mill effluent (POME) has been implemented on the permitted block. Dosage of application was 60 mt/ha/year. POME has supported additional nutrient N on the field. Furthermore, as observed in Afdeling 2 Block 017BE, it was known that EFB had been mulched on the palm circle. Dosage implemented was 200-250 kg/palm/year. EFB is very good to retain soil moisture, organic matters and support additional nutrient K on the field. Estate management was able to show by-products application records, summarised as follows:

- Up to July 2018, it was about 11,130 ton of EFB had been applied on the field.

- Up to July 2018, it was about 21,952 ton of POME had applied on the permitted Blocks.

Status: Comply

4.3

Practices minimize and control erosion and degradation of soils.

4.3.1

Estate management shows topography and soil map with scale 1:25,000. The map were provided by PT Surveyor Indonesia and Indonesia Sustainable Palm Oil Foundation on July 2013. The map informed that in general slope condition in Unit Pabatu were varies from undulating to hilly. As observed to Pabatu Estate, it was known that hilly area were has adopting terraces planting pattern. Soil type in Pabatu Estate was mineral soils, which consist of Alluvial, Podzolik Reddish Bron and Podzolic Brown. Main limitation were mainly due to low soil fertility and hilly slope condition. Fragile area were spotted on area with slope more than 40 % which mostly located on Afdeling 2. In total, this fragile area has covers about 10 to 15 % from estate operational areas.

4.3.2

Strategy of planting management in hilly areas is presented in document No. SPO.01 about land development and No. SPO.02 about new planting, replanting, under replanting, peat management and planting technique. Based on observation to Afdeling 2 Block 014G, Block 015E, Block 017BE, Afdeling 4 Block -16E and Afdeling 5 Block 012D, it was known that estate management has adopting terraces planting pattern on hilly areas, while single plantform was adopted for palm planted in rolling to hilly area. Furthermore for soil and water conservation purposes, cover crop condition which planted by *Mucuna bracteata* were considered very satisfactory.

4.3.3

Procedure of road maintenacnce is presented in work instruction document No. 4.3-13-IK-36. Estate management mentioned that road management was conducted by heavy machinaries which rented and operated by PT Trakindo Utama. Among machinaries used are road grader and vibro compactor. Program of estate road maintenance is presented in document of annual budget and quarter estate operational plan. As per July 2018, it was informed that totaling about 72,194 m has had graded and compacted. Based on field observation to pabatu Estate, it could be concluded that road conditions were considered satisfactory and easily passable for fruits extraction.

4.3.4 and 4.3.5

Based on information from estate management, verification on soil map and field observation, it could be concluded that there were no presence of peat soils within Pabatu Estate operational areas. Hence, these Indicator is not applicable.

4.3.6

As explained in Indicator 4.3.1, it was known that main limitation in Pabatu Estate were mainly due to low soil fertility and hilly slope condition. Fragile area were spotted on area with slope more than 40 % which mostly located on Afdeling 2. In total, fragile area has covers about 10 to 15 % from Pabatu Estate operational areas. Regarding this matters, strategy of planting management in hilly areas were presented in document No. SPO.01 about land development and No. SPO.02 about new planting, replanting, under replanting, peat management and planting technique. Based on observation to Afdeling 2 Block 014G, Block 015E, Block 017BE, Afdeling 4 Block -16E and Afdeling 5 Block 012D, it was known that estate management has adopting terraces planting pattern on hilly areas, while single plantform was adopted for palm planted in rolling to hilly area. Furthermore for soil and water conservation purposes, cover crop condition which planted by *Mucuna bracteata* were considered very satisfactory.

Furthermore for low fertility limitation, strategy of planting management in hilly areas were presented in document No. SPO 04 and No. SPO No. 05 for immatue and and mature area, respectively. Moreover, there were also work instruction (WI) which describes more detail on several technical works such as WI No. Dok. IK/TA/12 about manuring and No. Dok. IK/TA/14 about EFB mulching dated June 1st 2015. Based on fied observation to immature area, it was knows that several strategy had implemented by estate managemenet which aims for soil fertility enhancement and soil conservation, as follows:

- As observed in Afdeling 7 Block 098O, it was known that land application by palm oil mill effluent (POME) has implemented on the permitted block. Dosage of application was 60 mt/ha/year. POME has support additional nutrient N on the field.
- As observed in Afdeling 2 Block 017BE, it was known that EFB had mulched on the palm circle. Dosage implemented

was 200-250 kg/palm/year. EFB is very good to retain soil moisture, organic matters and support additional nutrient K on the field.

- As observed in Afdeling 2 Block 014G, Block 015E, Block 017BE, Afdeling 4 Block -16E and Afdeling 5 Block 012D, it was known that cover crop condition which planted by *Mucuna bracteata* were considered very satisfactory. This crop was useful for soil and water conservation, as well as additional nutrient N supply when the canopy has fully covers.

Status: Comply

4.4

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

4.4.1

Based on document verification and field visit result indicated that there is no indication of peat land in PTPN IV area (Pabatu Estate) and yet based on topographic map (scale 1: 25.000), slope of land in operational area of PTPN IV (Pabatu Estate) made by PT Surveyor Indonesia and Indonesia Sustainable Palm Oil Foundation in July 2013, it can be concluded that the operational area of PTPN IV (Pabatu Estate) has a level of slopes ranging from flat to undulating and some have slopes > 40% (hilly) in Block A-C Division II in Planting year 2015.

Water management plans are recorded on HCV Identification Documents, e.g riparian buffer zone marking, regular river water testing (Padang river), and water usage on pabatu Palm oil mill. Based on field visit during audit found that company have implemented terrace construction for hilly areas to minimize soil erosion and sedimentation that can be affected total suspended solids content on waterways. Land cover crops (*mucuna*) also planted on replanting areas and company also shown "berita acara penanaman sempadan sungai", for examples June 2018 on Block 2000B AFD 1 for bamboos planting at riparian areas.

4.4.2

Management for water courses, and riparian was done based on riparian management procedure (SPO-05) and HCV management procedures (SPO-08). Pabatu estate have been identified water courses and wetland based on HCV Assessment. Sub watersheds on Pabatu estates are Padang riverine. And All of sub watersheds has been mapped and listed on HCV identification document.

Based on observation to Afdeling IV Block 16E, it is known that the river / water flow boundary has not been managed in accordance with the procedures that are owned:

- There is chemical applications in river riparian
- There is no boundary markers in river riparian

In SOP No. 05 rev 02 dated 02 January 2015 concerning the Mechanism of River Management, it is explained that the prohibition on the application of chemicals is at the border of natural water flow (50 meters left and right of the border) and marking the river boundary boundaries. **Based on that's explanation raised non conformity No 2018.02 with Major Category**

4.4.3

Field visit on Pabatu Mill shown that effluent pond are maintained well. All palm oil mill effluent are managed on waste water treatment plant before its distributed to estates as land application. Regarding this Pabatu mill already have land application permit based on decree No 18.32/660/47/2016 by Head of environmental agency Serdang Bedagai regency, valid until 2021. Mill effluent has been monitored every months and monitoring period Jan-June 2018 indicates that all of effluent testing parameters is compliant to the standards quality, for example BOD on June 2018 was 160 mg/l. Mill Effluent management also was reported and submitted quarterly to environmental agency of Serdang Bedagai Regency regularly.

4.4.4

Water usages monitoring for Pabatu Mill are conducted daily and listed on "Neraca pemakaian harian" Standards of water usage for FFB process recorded on 2018 budget projected 1.20-1.50 m³/MT FFB process. Evidence for water usage monitoring periodically are available and recorded, for example on July 2018 FFB processe was 13,745 mt, process water usage 19002 m³, and water usage efficiency was 1.41 m³/mt FFB process. Field visit on Pabatu mill water treatment plant found that flowmeter for water usage monitoring are served well.

Major 4.4.2 **Status: Non Conformity No 2018.02 with Major Category**

4.5

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

4.5.1

Estate management has committed to adopting and implementing integrated pest management (IPM) which presented in company budget and procedure No. SPO.05.10-12. Budget and program already covers early warning system, monitoring and census analysis, pest and disease population control through chemical and biological method. Realization of IPM program is presented as follows:

Census and analysis

- According to census of bagworm (*Mahasena corbeti*) on the last week of June 2018 in Afdeling V, it was noted that incidence more than threshold limit were identified on Blocks planted in 1998, 2009 and 2012 for about 35 ha, 30 ha and 35 ha, respectively. Thus, as response on census analysis, application of Manthene (Asefat 75 %) through trunk injection with recommended dosage 20 g/palm has been carried out to overcome these situation. As for monitoring in July 2018, census of bagworm in the same blocks were significantly decrease. Only in Block planted in 2012 was still bagworm attack for about 5 ha, while the rest were zero incidence attack.
- Census of *Thosea asigna* on June to July 2018 were nill. Hence, there were no recommendation and use of insecticide.
- As observed to Pesticide Store, it was known that there were no pesticides for rats population control. In 2018 there is no use of rat baits in Pabatu Estate.

Biological control

Estate management has only adopting planting of beneficial plants such as *Turnera subulata* and *Antigonon leptopus* for leaf eating caterpillar population control. As observed to estate field, it was known that beneficial plants were mostly planted on the edge of collection and main road.

Prophylactic

In order to avoid P&D (include weeds) resistance and prophylactic uses of pesticide, estate management had substitute and/or rotate the use of pesticides for the same target, for example, in term of broad leaf control such as *Ageratum conyzoides*, *Boreiva alata* and *Mikania micranta*, the use of Elang 480SL (Isoprophyl Amine Glyphosate) could be substitute with Santafuron/Ally/Metsulindo (Methyl Metsulfuron).

4.5.2

In order to maintain workers knowledge and skills towards IPM, estate management has conducting training of chemist quality improvement which had conducted on May 4th 2018, attended by 34 pesticide applicators, included pesticide mixer and Foreman. Based on field observation and interview with Foreman, 3 Pesticide Applicators and 1 Mixer Operator in Afdeling 2 Block 014G, it could be concluded that the workers were able to explain and demonstrate its job in accordance with the SOP, such as justification of pesticide usage, considering wind flows during spraying, pesticide mixing, pesticides and its target, prohibited areas to be sprayed (for example HCV area and riparian zone, as well as PPE's to be used as well as its management.

Status: Comply

4.6

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

4.6.1

Procedure No. SPO.05 Part 5.10-12 mentioned that chemical application for pests and diseases population control has only allowed when the level of incidence has passed the threshold limit, as identified through census analysis. Estate management was able to shows justification of pesticide usage, for example, according to census of bagworm (*Mahasena corbeti*) on the last week of June 2018 in Afdeling V, it was noted that incidence more than threshold limit were identified on Blocks planted in 1998, 2009 and 2012 for about 35 ha, 30 ha and 35 ha, respectively. Thus, as response on census analysis, application of Manthene (Asefat 75 %) through trunk injection with recommended dosage 20 g/palm has been carried out to overcome these situation. As for monitoring in July 2018, census of bagworm in the same blocks were significantly decrease. Only in Block planted in 2012 was still bagworm attack for about 5 ha, while the rest were zero incidence attack. In order to avoid P&D (include weeds) resistance and prophylactic uses of pesticide, estate management had substitute and/or rotate the use of pesticides for the same target, for example, in term of broad leaf control such as *Ageratum conyzoides*, *Boreiva alata* and *Mikania micranta*, the use of Elang 480SL (Isoprophyl Amine Glyphosate) could be substitute with Santafuron/Ally/Metsulindo (Methyl Metsulfuron). List of pesticide used by Pabatu Estate was available.

According to the list of pesticide, it could be concluded that all pesticide used were listed on Pesticide Commission Book 2016. Based on field observation and interview with Foreman, 3 Pesticide Applicators and 1 Mixer Operator in Afdeling 2 Block 014G, it could be concluded that the workers were able to explain and demonstrate its job in accordance with the SOP, such as justification of pesticide usage, considering wind flows during spraying, pesticide mixing, pesticides and its target, prohibited areas to be sprayed (for example HCV area and riparian zone, as well as PPE's to be used and its management.

4.6.2

Program of pesticide application was presented on annual budget. However, estate management mentioned that apart for weeding program, application of pesticide (insecticide, rodenticide, etc.) should be based on census analysis result and/or Agronomist recommendation. Based on review towards Pesticide Store and Estate management record, consumption recapitulation of pesticide in Pabatu Estate during January to August 2018 was available. For example, total consumption of Elang 480 SL (Isoprophyl Amine Glyphosate 480 g/l) for period January to June 2018 was totaling 2,555 litre which could be breakdown into 0.55 litre Glyphosate/ha or 0.08 litre Glyphosate/ton FFB produced. According to the pesticide consumption record, it could be concluded that estate management has monitor and records the use of pesticides satisfactory. The LD-50 data was provided on the material safety data sheet (MSDS) which were available on the Pesticide Store.

4.6.3

Strategy of pest management is presented in procedure No. SPO.05 Part 10-12. Implementation of minimizing pesticide consumption is presented as follows:

- Pesticide has only applied when census analysis were above its economic threshold level. For example, according to census of bagworm (*Mahasena corbeti*) on the last week of June 2018 in Afdeling V, it was noted that incidence more than threshold limit were identified on Blocks planted in 1998, 2009 and 2012 for about 35 ha, 30 ha and 35 ha, respectively. Thus, as response on census analysis, application of Manthane (Asefat 75 %) through trunk injection with recommended dosage 20 g/palm has been carried out to overcome these situation. As for monitoring in July 2018, census of bagworm in the same blocks were significantly decrease. Only in Block planted in 2012 was still bagworm attack for about 5 ha, while the rest were zero incidence attack.
- Apart from agrochemical application, estate management has adopt planting of beneficial plants such as *Turnera subulata*, *Cassia cobanensis* and *Antigonon leptopus* for leaf eating caterpillar population control. As observed to estate field, it was known that beneficial plants were mostly planted on the edge of collection and main road. Since, incidence of rats and *Oryctes rhinoceros* attack were low as verified during field observation, biological method on these pests control is not on the program yet.

4.6.4

Based on pesticide used records in 2018 which presented in Indicator 4.6.1 and 4.6.2, it could be concluded that there is no pesticides listed in WHO Appendix 1A, 1B and/or listed in Stockholm or Rotterdam Convention. However, estate still use paraquat, which starts to be applied in October 2016. Regarding this matter, estate management shows Head of Strategic Planning Letter No. 04.03/04.-4/M-170 dated April 2017 mentioned that usage of Paraquat was still allowed in special conditions, which follows national best practice. Paraquat was mainly used during replanting.

Estate management has program to minimize the use of paraquat through substituting of pesticide uses. According to review on Pesticide Store and Estate Management Record, total paraquat applied during 2016 to August 2018 were available. According to the records, it could be concluded that the actual usage of paraquat from 2006 to 2017 and 2017 to 2018 were significantly reduced for about 39.85 % and 90.25 %, respectively.

As required by Indonesia Regulation, estate management was able shows certificate of "Limited Pesticide" for 151 related pesticide application workers (include applicators) when the training had conducted in October 24th to 29th 2016. For example, Certificate No. 521.4/206.07/UPT.PTPH/XI/2016 dated November 6th 2016, valid for five years.

4.6.5

Procedure of chemical application (chemist works) is presented in work instruction No. FM.4.3.13-05 dated March 3rd 2012. Procedure has covers working plan, completeness of work devices, mixing, technical spraying method, PPE to be used, as well as its management. In order to maintain workers knowledge, estate management has conducting several training for example as follows:

- Training of chemist quality improvement which had conducted on May 4th 2018, attended by 34 pesticide applicators, included pesticide mixer and Foreman.

- Training of limited pesticide paraquat which had conducted on October 24th to 29th 2016, attended by 151 participants.

Based on field observation and interview with Foreman, 3 Pesticide Applicators and 1 Mixer Operator in Afdeling 2 Blok 014G, it could be concluded that the workers were able to explain and demonstrate its job in accordance with the SOP, such as justification of pesticide usage, considering wind flows during spraying, pesticide mixing, pesticides and its target, prohibited areas to be sprayed (for example HCV area and riparian zone, as well as PPE's to be used as well as its management. However, Based on field observations at Blok 98O Afdeling VII the application activities of pesticides (asphalt active ingredients) carried out by 1 (one) worker did not use adequate safety equipment in accordance with the Material Safety Data Sheet and Identified Risks Identification (only using boots) . **Based on that's explanation raised non conformity No 2018.03 with Major Category**

4.6.6

Procedure of hazardous waste management is presented in document No. 02 (Rev. 2) dated January 2nd 2015. Procedure mentioned that used pesticide containers could be labelled as hazardous materials, placed on the Hazardous Store and recorded to monitor time of placement. Later on the hazardous material (included used pesticide containers) to be delivered to the permitted hazardous collector namely PT Jagar Prima Nusantara. Based on observation to agrochemical (includes Pesticide) Store in Pabatu Mill, it was found that pesticides were stored properly by adopting first in first out method, grouped into toxicity category, limited accessed and labelled in accordance with its hazardous properties. Used pesticide containers were labelled by estate management. Furthermore, based on observation to Afdeling 7 employees housing areas as well as interview with occupants, it was known that used pesticide containers were not be able to be reused for domestic household purposes.

4.6.7

Verification 26 August 2018

Estate management shows socialization of training evidence towards pesticide application procedure which presented in several documents as follows:

- Letter No. MU/Asst/M-93/VII/2018 dated July 4th 2018 about training invitation.
- List of absence in Form No. FPI-TU-01-18 which informed that the training has conducted on July 9th 2018 in OSH Committee Meeting Room of Pabatu POM, attended by 11 participants.
- Picture documentation of socialization.

Letter No. PAB/SE/.../VII/2018 dated July 3rd 2018 about returning the used pesticide containers which formerly used for pesticide mixing on the field. Furthermore, picture documentation of Special Containers marked with "Clean Water" information was available. Moreover, as observed to pesticide application in Afdeling 2 Blok 014G, it was known that there is no reused of used-pesticide containers for pesticide mixing on the field. **Based on explanation above, NCR No. 2017.09 has considered closed.**

Procedure of pesticide application (chemist) is presented in work instruction No. FM.4.3.13-05 dated March 3rd 2012. The procedure has covers application area targeting, pesticide needs calculation, applicators devices and preparation, mixing, safe application technique and PPE used. The Company has conducting several trainings which aims to maintain workers knowledge and skills towards safe pesticide application. Based on field observation and interview with Foreman, 3 Pesticide Applicators and 1 Mixer Operator in Afdeling 2 Blok 014G, it could be concluded that the workers were able to explain and demonstrate its job in accordance with the SOP, such as justification of pesticide usage, considering wind flows during spraying, pesticide mixing, pesticides and its target, prohibited areas to be sprayed (for example conservation area and stream/riparian zone, which were marked with red paint on palm trunk) as well as PPE's to be used and its management. Pesticide applicators has also mentioned that pregnant and breastfeeding women are strictly prohibited to works related with agrochemicals. Furthermore, based on field observation to Pesticides Store in Pabatu POM, it was found that all MSDS were available and match with pesticide stocks, symbols of risk and hazardous level, instruction and PPE used were displayed properly. Furthermore there are Pre mixing area as pesticide mixing and PPE's place located nearby Pesticide Store. Moreover, as observed to housing complex in Afdeling 7, it was known that used pesticide containers were not be able to be reused for domestic household purposes.

4.6.8, 4.6.9

Based on field observation and information from estate management, it was informed that there were no pesticide application by plane through the air. All pesticides has applied through mist blower spraying and trunk injection. Estate has

conducting several continual training of pesticide handling and application, which aims to maintain workers knowledge and skills. However, the company has no smallholders' scheme. Hence, training has only available for internal workers. Based on interview with with Foreman, 3 Pesticide Applicators and 1 Mixer Operator in Afdeling 2 Block 014G, it was known that the workers were able to explain and demonstrate pesticide handling technique such as storage of used containers on the Scheduled Waste Store, can't be reused for domestical purposes, PPE to be used, emergency action of pesticide incidence and cholinesterase testing which conducted twice a year.

4.6.10

Field visit for examples on AFD VII and AFD IV found that agrochemicals containers are disposed in responsible way. Field visit on AFD VII housing also found there is no indications that ex agrochemicals containers are used as flower pots or water containers. Based on document review and interview with management representative, shown all ex pesticide containers on estates are managed by regularly submitted to Pabatu Mill temporary hazardous waste store and hazardous waste disposal evidence for example manifest on August 16th 2018 were available and verified by auditors. Besides that each Afdeling are able to shown regular " *berita acara pengiriman bekas kemasan agrokimia ke TPS LB3*". Pesticides Applicator devices clean up area are located on each Afdeling, based on field visit on AFD VII shown that used water from devices clean up were collected and then reused for next pesticides mixing. Evidence for workforce education related to hazardous waste and ex agrochemical handling are available for examples socialization on May 2018, held on Safety committee room, attended by 21 workers representative.

4.6.11

The results of interviews with pesticide operators in Pabatu Estate, submitted that all pesticide operators have been checked health periodically six months and workers have known the results of the examination. No worker has an indication of exposure to chemicals such as itching, skin irritation, poisoning or anything else. Based on document review, company showed result of medical checkup for PT Perkebunan Nusantara IV – Pabatu Unit, such as:

- Results of General Medical Check Up for pesticide workers on 11 November 2017 for 121 Pabatu employees. Examination carried out is cholinesterase and physical. The results of the examination showed, among others:
 - MCC: 8 employees within normal limits & 1 cardiomegaly employee
 - PPIS (Palm Core Processing Plant): 15 employees within normal limits, 5 employees of stage-1 hypertension, 2 employees of proteinuria, and 2 cardiomegaly
 - Afdeling VII: 7 employees within normal limits and 2 cardiomegaly employees
 - Afdeling IV: 6 employees within normal limits, 4 cardiomegaly employees and 2 mild hypertensive employees.
 - Warehouse: 5 employees are within normal limits
 - Afdeling III: 8 employees within normal limits, 2 employees of proteinuria.
 - Afdeling VI: 4 employees within normal limits, 2 proteinuria employees & 2 stage-1 hypertension employees
 - Afdeling V: 7 employees within normal limits, 1 proteinuria employee & 2 stage-1 hypertension employees
 - Afdeling II: 6 employees within normal limits, 1 employee of bronchitis & 1 employee of cardiomegaly.
 - Afdeling I: 9 employees within normal limits, 3 stage-1 hypertension employees & 1 proteinuria employee.

From the results of the examination, Pabatu hospital doctors (PT. Prima Medica Nusantara) suggested that health control be carried out next year, regular exercise and the use of PPE while working.

The company showed records of special medical examinations for high-risk workers on January 11, 2018 with a total of 19 spray workers from Afdeling I to VII carried out a cholinesterase examination with the results of 18 employees still within normal limits and 1 employee indicated moderate acetylcholinesterase disorder. The company follows up by transferring the worker to work that is not related to chemicals (manual maintenance)

4.6.12

A policy that states preventing pregnant and lactating women from dealing with pesticides already include on circular Letter no. PAB/SE/44/VII/2017 dated July 11, 2017 declared by the Manager concerning the prohibition of pregnant and lactating female workers for working in hazardous, toxic and high-risk places. Based on interviews with female spray workers, it is known that all workers are aware of the ban on pregnant women and lactating work in spray activities. The supervisor stated that if any female workers experience signs of pregnancy then the concerned will report to the supervisor or staff and immediately went to the clinic.

Major 4.6.5	Status: non conformity No 2018.03 with Major Category
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4.7
An occupational health and safety plan is documented, effectively communicated and implemented.
4.7.1

Policy related to OHS still the same as previous assessment, namely OHS Policy dated on January, 2017 authorized by the Unit Manager and SP-bun Chairman. Policies are socialized by creating banners in front of the unit business office. Also, the company had agreement letter with worker union (SP BUN) on October 2017 which explained: *"Management with Employees of PT Perkebunan IV Pabatu Business Unit, commitment to implement Quality, Environment and OHS Management Systems, for a safe and healthy workplace."*

4.7.2

The Company showed documents of Hazard Identification, Risk Analysis and Risk Control created by the plantation team of PT PN IV Pabatu Unit approved by management leaders on January 4th, 2018 (latest evaluation). The document identifies hazards, risk analysis and risk control in every upkeep activity (Nursery activities, Re-planting activities, Railway crossing area, Pesticide spraying, fertilizer application, pruning midrib, etc.), harvesting activities, FFB transportation, all FFB processing activities (Weigh Bridge, Press Station, Thresher Station, Boiler Station, etc.) and General Activities (warehouses, workshops, employee housing, hazardous material management, generator set & water pump machines, and laboratory).

4.7.3

The Company has established the OHS training program for the period of 2018. The training which has been conducted for example training :

- Fire Fighter simulation on July 28, 2018 attended by 29 employees.
- Pesticide Quality Improvement Training on May 4, 2018 attended by 34 employees.
- Harvesting Quality Improvement Training on 3 May 2018 attended by 56 employees.
- Clerk Quality Improvement Training on 5 May 2018 was attended by 17 employees.

Based on field visit in Mill, all workers have been using PPE according to risk analysis made and PPE is in good condition and in accordance with its function. Boiler operators at mill using PPE kinds of helmets, ear muff, gloves, mask, and safety shoes. Workers also can explain how to work safely for example in the boiler station, workers can explain the PPE to be used, how to monitor the boiler in order to operate safely, has been given training related firefighters. Boiler operator have attended training and certification OHS, as evidenced by the availability OHS No. 15.7886.OPK3-PUBT-B.I/II/2015 (Class I) valid until February 16th, 2020. Based on interviews with 5 spray workers, 3 harvesters, 2 nursery workers on Pabatu Estate stated that they get PPE free of charge from the company. The Company also shows the documents related to the provision of PPE in the document of PPE Monitoring Record. The document contains monitoring of grant and returns if any PPE are damaged/broken.

4.7.4

The Company has identified those responsible for implementation of OHS program formed in P2K3 structure Estate and Mill (PT Perkebunan Nusantara IV – Pabatu Unit). P2K3 that owned has been approved by Labour Agency and Transmigration of North Sumatera Province (No. KEP.120-7/DTK/SU/2018) About Ratification of Provincial Safety and Health Provider (P2K3) Committee at PT Perkebunan Nusantara IV – Pabatu Unit as of June 29, 2018. Secretary of P2K3 who is an OHS Expert in accordance with the applicable regulation has certificate of OHS Expert, in the name of Idris Sardi Manurung (KEP.P.872/M/DJPPK/V/2015) and Afrizal Lubis (KEP.7044/NAKER-BINWASK3/IX/2017).

Besides that, meeting related OHS has been done monthly by P2K3, for example meeting on June 4th, 2018 with the agenda of discussion is about constancy of PPE using and improvement of Mill product and environment quality.

4.7.5

The procedure related to the emergency response has not changed from the previous assessment contained in the Accident and Health Check Procedures on April 23, 2013 and the Emergency Management Procedures No. document 4.3.16 revision 02 dated April 23, 2013.). Company has emergency facilities and infrastructure such as fire extinguisher, first aid kit, hydrant, water tank, and other supporting equipment. Based on field observation in mill for e.g. at boiler station known that hydrant are functioned properly and the fire extinguishers there check and monitored every month (checklist of inspection provided in each fire extinguisher). Based on field observation at Pabatu POM and Pabatu Estate, it is known that the contents of first aid box are available as determined by the company. As well as interviews with Harvesting and Spraying Supervisor of Pabatu Estate are also able to explain the function of each tool in the first-aid box.

4.7.6

Company has provided the employees with insurance to cover occupational accident in accordance with the provision set by the government (BPJS). Such insurance is named *BPJS Ketenagakerjaan*, which is routinely paid every month. Based on interview with workers in estate and mill, explained that all employees have been registered in accident insurance.

Based on document review and interview with company staff and related agencies, there's no accident (no major or major accident) in latest report. So, the company don't have to claim the insurance. Based on interview with several workers (e.g. harvester, nursery workers) its known that all workers provide with medical care.

4.7.7

P2K3 (Advisory Committee of Occupational Health and Safety) quarterly reports are available where there are work accident reports for a certain period. Based on observations of these documents, it was known that during the quarterly I & II report on period 2018 there were no work accidents. The P2K3 report was submitted to the relevant agency in April 2018.

Status: Comply

4.8

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

4.8.1 and 4.8.2

Certificate holder has established a training program that is based on the identification of the training needs of workers to improve competence. The training program period in 2018 consist of technical training, training concerning OHS and environmental health, simulation and socialization associated with sustainability, for example:

- Pest management training (April)
- Spray calibration training (May)
- Water Analysis Socialization (June)
- Hoisting Crane, Boilers and Demin Plant Training (October)
- Hazardous Waste Management Training (May)
- Harvesting Training (September)
- Pesticide Training (November)
- Computer Use Training (November)
- Fire Fighter Training (July and August)
- Steam Boiler Training (September)
- Achivement Motivation Training (October)

Training records for each worker are kept and recorded in the attendance list during the training. Examples of training program realizations:

- Fire Fighter simulation on July 28, 2018 attended by 29 employees.
- Pesticide Quality Improvement Training on May 4, 2018 attended by 34 employees.
- Harvesting Quality Improvement Training on 3 May 2018 attended by 56 employees.
- Clerk Quality Improvement Training on 5 May 2018 was attended by 17 employees.

Based on interview with workers such as warehouse officer and spraying team known that workers has been given training by CH related their jobdescription.

Status: Comply

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

Certificate holder possess Environmental Impact Assessment (EIA) document covered 5.754,76 ha areas, mill capacity 30 mt FFB/hour, kernel crushing plant, and 3 MW power plant on 2009 approved by Head Of Serdang Bedagai Environmental agency based on letter No: 660/158-B/LH/2009. EIA documents explained activities for estate and palm oil mill.

5.1.2

Company have plan which includes monitoring protocol outlined in the RKL-RPL document and implemented to monitor the effectiveness of the management activities to mitigate negative impact and enhance positive impacts. Review of this environmental monitoring and management plans has been developed on August 2018 and listed on document "*Rapat tinjauan manajemen*" FM-4.5.1-02. Results of monitoring are listed on regular environmental monitoring and management report, and monitoring results for examples 1st quarter 2018 shown environmental management related to waste water, surface water quality, hazardous waste management, noise and etc still comply with regulation and monitoring plan.

5.1.3

Monitoring result indicates environmental monitoring done by company (waste water testing, landfire monitoring, air emission and etc) are still comply with standard quality excepted for noise monitoring on kernel station i.e 91.4dBA. regarding this company have preventive action plan by providing ear plug for workers that working in high noise station. Related to replanting activities that currently conducted, company shown environmental monitoring and management plan listed on document "*rencana pengelolaan dan pemantauan lingkungan replanting*". Company has environmental monitoring and management implementation report (RKL/RPL) per semester. Document review for examples on "*Laporan pelaksanaan RKL/RPL first semester 2018*" shown that company management and monitoring regarding replanting activity are not described yet on those report. **Based on that's explanation raised non conformity No 2018.04 with Major Category**

Minor 5.1.3
Status: Non conformity No 2018.04 with Major Category
5.2

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

5.2.1

There are no changes for the HCV Identification assessment, since that was conducted in 2013. All HCV and the RTE species was identified by the RSPO approved assessor. RTE species that were identified based on this identification e.g : *manis javanica* "*Trenggiling*". HCV identifying process conducted by using HCV identification guides in Indonesia 2007. The identification results indicate that there are HCV 1,4, and 6 covered 88.3 ha areas.

5.2.2

Pabatu estate shown HCV management plan listed on HCV management plan 2018 document, that consist of HCV area marking, HCV socialization, and HCV area monitoring,. Interview with related stakeholders for examples spraying team on block 09T AFD VII acquired information that HCV 4 area (riverine) on estate are not allowed for all chemical activity and there is clear marked for buffer zone areas. Field visit on block 95F AFD VII also found that riparian are maintained well with natural vegetation.

5.2.3 and 5.2.4

Pabatu estate shown HCV management plan listed on HCV management plan 2018 document, that consist of HCV area marking, HCV socialization, and HCV area monitoring. Program and realization to socialize the status of protected, rare, threatened or endangered (RTE) to all workers were available for examples by providing hunting ban signboard on block 98H AFD VII. Monitoring for RTE species and HCV are conducted every day on each estate and summarized on HCV monthly report. Based on this explanation, it was concluded **NCR 2017.16 are Closed**

Program and realization to socialize the status of protected, rare, threatened or endangered (RTE) to all workers were available for examples by providing hunting ban signboard on block 98H AFD VII. Monitoring for RTE species and HCV are conducted every day on each estate and summarized on HCV monthly report. Based on monitoring result period August 2018 shows that HCV areas are managed well. The species that found during this monitoring i.e "*burung kacer*" on AFD II and "*musang*" on AFD VI and VII. Based on interview with Pabatu estate harvesting workers, acquired information that companies has conducting socialization for RTE/ protected species within estates operational areas which also informed by signboard. Moreover, field visit on Division 2,3,7 estates housing found there is no RTE / wild species reared by workers

5.2.5

Based on HCV identification 2010 found there is HCV 6 presence on Pabatu estate (local cemetery). Public cemetery has

been there for a long time and until now still been used by community as cemetery. HCV locations has been included on each division working map with appropriate scale. Mutual HCV management agreement between company and affected parties regarding this HCV attributes are available for examples Mutual Agreement letter No PAB/X/234/VIII/2016 on August 30 2016 between Pabatu Estate and Kedai damai villages, Bah Sumbu village, Panonggol village, Pabatu village, Gunung Kataran village, and other villages affected this HCV areas. Companies are encouraged to put up HCV area information boards in the designated areas. **OFI**

Status: Comply

5.3

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

5.3.1

All waste (including hazardous waste) and pollutions sources from mill and estate are identified and recorded on waste identification risk assessment 2018 such as effluent are managed at waste water treatment plant before it distributed to land application bed, hazardous waste were kept at hazardous waste storehouse, etc.

5.3.2 and 5.3.3

Company conduct waste management based on waste identification and waste management plan. Observation during audits on Pabatu mill temporary hazardous & toxic waste storage shown that all of hazardous waste are compliant with the periods in permit. Document review shown that company has sent all toxic and hazardous waste to PT Jagar Prima Nusantara (licensed collector by decree of national environmental minister) on August 16th 2018.

Inventory for all chemicals usage and it containers are available on chemicals storehouse / temporary hazardous storage. All ex chemicals containers were kept on temporary hazardous storage and the company has a permit for hazardous and toxic waste storage issued by head of capital investment decree No 0002/DPMP2TSP-SB/II/2018 valid until 2023. Based on document review and interview with management representative, shown all ex pesticide containers on estates are managed by regularly submitted to Pabatu Mill temporary hazardous waste and hazardous waste disposal evidence for example manifest on August 16th 2018 were available and verified by auditors. All settlements waste are not disposed using open fire, certificate holder are provides landfill for domestic waste management. Field observation on Pabatu estate block 98O AFD VII, found that companies managed settlements/housing domestic waste by sorting them into organic/anorganic waste. But the company encourage to consistency and management of domestic waste in accordance with procedures. **OFI**

Status: Comply

5.4

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

5.4.1

Company shown appointment letter for PIC related to renewable energy usage monitoring based on Pabatu Manager decree PAB/SK/11/X/2017 namely Rasan Hidayat. Company also shown monitoring and record keeping for fossil fuel usages periods 2016-2017 and energy efficiency calculation based on FFB material balance konversion every day, that recorded on monthly report. Based on above explanation, it was concluded **NCR 2017.19 are Closed**.

Procedure for fossil fuel usage efficiency are listed on procedures SPO no 17 related to mill waste utilization. PTPN IV Pabatu unit had planned and implemented the use of fiber and shell for fossil fuels substitution. Realization of renewable energy have been monitored every day and documented on monthly report for fiber and shell usage. During January-July 2018, the usage of fiber and shell for boiler resulted energy efficiency for electricity about 72.01 kwh/MT CPO meanwhile fossil fuel usage energy efficiency were 0.96 Litre/MT CPO.

Status: Comply

5.5

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

5.5.1 and 5.5.2

Company have commitment and policy listed on SOP Agronomy stated that company do not conduct any land fire for replanting or new development. Field visit on block 95F AFD VII and document review shown the last replanting activities

were conducted on 2018 and there is no indications that land clearance were conducted by open fire.

Auditors also verified working agreement letter for examples SPMK No. No 04.14/SPMK/030/VII/2018 (between Pabatu estate and PT Risa Agina Sara) and on this working agreement listed that all land clearing activities are conducted by mechanically method.

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

Mitigation measurements and plan to reduce waste, pollution, and emission including GHG from Mill and estate are identified and recorded on waste/pollution identification document and GHG identification 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 Jan-June 2018 sighted that all of waste water testing parameters is compliant to the standards quality.

Noise monitoring (1st semester 2018) are conducted based on RKL/RPL matrix in kernel station (91.4 dBA), mill front yard (67.7 dBA), and workers housing (52.1dBA). Field visit on high noise station on Pabatu Mill such as sterilizer, kernel, thresher, press found that warning signs for PPE requirement (ear muff) on those areas are available.

5.6.3

Monitoring for GHG emission and pollutants from estate and mill was done periodically every 6 month, covered on RKL/RPL implementation report and reported to environmental agency periodically. Semester 1 2018 testing result indicates all parameters related to emission are still comply with standard quality. Calculation of GHG and its monitoring has conducted by company using RSPO palm GHG calculator v 3.0.1. Summary of GHG emission for Pabatu mill are listed as follows:

Summary of Net GHG Emissions periods January-December 2017

Emissions per Product	tCO ₂ e/t Product
CPO	0.77
PK	0.77

Production	ton/year
FFB processed	71,136
CPO produced	16,152

Land Use	Ha
OP planted area	4,970.00
OP planted on peat	0.00
Conservation	88.33

Extraction	%
OER	22.71
KER	4.59

Summary of Field Emissions and Sinks

Description	Own Crop			3 rd party		
	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e/t FFB	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e
Land Conversion	49086.84	9.88	0.69	0	0	0
*CO ₂ Emissions from Fertilizer	2869.46	0.58	0.04	0	0	0

**N2O Emissions	2338.54	0.47	0,03	0	0	0
Fuel Consumption	453.70	0.09	0,01	0	0	0
Peat Oxidation	0	0	0	0	0	0
Sinks						
Crop Sequestration	-46527.81	-9.36	-0,65	0	0	0
Conservation Sequestration	0	0	0	0	0	0
Total	8220.73	1.65	0,12	0	0	0

Summary Oil Mill Emissions and Credits

Remarks	tCO ₂ e	tCO ₂ e/t FFB
Emissions sources		
POME	13,943.86	0.20
Fuel consumption	55.66	0.00
Grid electricity	6.69	0.00
Credits		
Export of grid electricity (housig)	0.00	0.00
Sales of PKS	-7,180.80	-0.10
Sales of EFB	0.00	0.00
Total	6,825.41	0.10

Palm Oil Mill Effluent (POME) Treatment

Divert to compst (%)	0
Divert to anaerobic digestion (%)	100

POME Divert to Anaerobic Digestion

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

Notes:

- Based on document verification shown that accurate data has been put into RSPO Palm GHG Calculator.
- GHG emission on 2017 (0.77 tCO₂e / tProduct) vs 2016 GHG emission (0.01 tCO₂e / tProduct) are increased because Pabatu estate are conduct replanting activities since 2017for about 780 ha areas.

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 CH has had document of Social Impact Analysis Report compiled in collaboration with PT Surveyor Indonesia, Foundation for Sustainable Palm Oil Indonesia in 2009. 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.

Based on the stakeholder consultations in the villages surrounding, there is no indication of any significant issues from surrounding communities. Meanwhile the results of the questionnaire related to the management of social Impact Assessment on March 2018 there are several complaints from the community, but it has not been documented / recorded, and its has been being NC on Indicator 6.3.2

6.1.2

There was a record of community involvement in the implementation of the Social Impact Study of identification on year of 2009, recording in the form of implementation of Social Impact Assessment Questionnaire. It has been shown also consultation with stakeholders of villages surround 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 Pabatu Plantation. There was also showed photographs of implementation of the Focus Group Discussion (FGD) conducted by the Yayasan Kelapa Sawit Berkelanjutan Indonesia (YASBI). In addition, there is evidence of a questionnaire of social impacts around plantations conducted on 30 August 2016. The impacts of plantation activities of PTPN IV Unit Pabatu are:

1. Positive Impact

- Increased community income around the plantation.
- The availability of company-wide facilities that can be used by the company.
- There is assistance in the form of community development given to the community.
- Increased levels of community education.

2. Negative Impacts

- The emergence of a trance between the cattle owners and the company.
- The community's dependence on the company.

6.1.3 and 6.1.4

The certificate holder shows the consultation process with the affected party in the form of a monitoring questionnaire around the plantation that was carried out on March 4, 2018. Based on the results of the monitoring the company has a management and monitoring plan for the period of 2018, among others:

1. Public facilities and social facilities
2. Job Opportunities
3. Business opportunities
4. Conflict with farmers
5. Replanting

Based in interview with village community representative, its is known that the presence of PT PN IV Unit Pabatu has had benefited such as job opportunity, sports facilities, eucations, road acces and etc. Related to this, based on the results of document review and interviews, information was obtained that Identification of social impacts in the form of a questionnaire involving only the village head, does not involve all parties / stakeholders by paying attention to representation, as stipulated in the SOP Communication and Consultation (SOP 03 rev 02 dated 02 January 2017) stating that Communication and consultation with the community in the Plantation Unit and The factory directly manages its recording and processing by the HR and General Assistant representing the Manager to communicate with: *Muspida, Koramil, Polsek*, religious leaders, traditional leaders and the surrounding community, while also not involving employees.

Based on that's explanation raised non conformity No 2018.05 with Major Category

6.1.5

Until now PTPN IV Unit Pabatu does not have smallholder schemes and there are no farmers in the surrounding area of plantation PTPN IV Unit Pabatu.

Major 6.1.3

Status: Non Conformity No 2018.05 with Major Category

6.2

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

6.2.1; 6.2.2 and 6.2.3

Procedure of communication and consultation with surrounding communities is presented in document No. SPO 03 dated

May 23rd 2016. Socialization of this procedure has had conducted in May 23rd 2016. Person in charge for communication with local stakeholders includes local communities is carried out by Assistant of Human Resources and General. Meanwhile, structure organization as well as its job description for Pabatu Unit is presented in PTPN IV Director Decree No. 05.15/Kpts/58/V/2016 dated May 31st 2016.

List of stakeholder is presented in document List of Stakeholder dated August 15th 2018 Chapter III. Update of the list was conducted annually, based on dynamic situation. According to the document, stakeholder of PTPN IV Unit Pabatu were consist of as the following:

- Villages, e.g.: Village of Pabatu I, Pabatu II, Pabatu III, Pabatu VI, Mainu Tengah, Korajim, Bahdamar, Bahjering, Kelembak, Paritokan, Kedai Damar, Penonggol, Gunung Kataran, Naga Kesiangan, Bahsumbu, Penggalan and Marjanji.
- Government institutions of Serdang Bedagai Regency, e.g.: Manpower Agency, Plantation Agency, Environment Agency, Agriculture Agency, Regency Region Income Agency, National Land Agency, Sub-Regent Head (Camat) of Dolok Merawan, Camat of Tebing Syahbandar, Camat of Sipis-pis, County/Resort Police Office (Polres) of Tebing Tinggi, Polres of Serdang Bedagai, Sector Police Office (Polsek) of Serbelawan, Polsek of Sipis-pis and Polsek of Tebing Tinggi.
- Business groups, e.g.: PT Pemuda Simalungun, PT Genmitra Gemilang, CV Habonaran Jaya, CV Panca Karya, CV Semangat Bersama, CV Lubuk Baru, CV Panomnas Jaya, CV Abadi Jaya, CV Wijaya Putra Perkasa, UD Rifat Teknik, UD Perkasa, UD Namira and UD Metro Mandiri.
- NGO, e.g. Pamid RI, Perkebunan RI, Bidik and Lembaga Pemerhati Pembangunan Sumatera Utara (LP2SU).
- Mass media, e.g. Tabloid Lakalantas, Tabloid Warta Poldasu, Bidik Indonesia Newspaper and Harapan Rakyat Newspaper.
- Labor Union of Pabatu Base.

Estate management shows form of communication which presented in questionnaire for example on Form dated July 11th 2018. The form has allocated to the representative from Penonggol Village. As response, of consultation with local communities, unit management shows report of CSR dated June 17th 2017 and January 2018 informed that estate management has conducting road maintenance and mosque renovation in Village of Naga Kesiangan, respectively as response of community aspiration. Furthermore, based on interview with Agriculture and Plantation Agency and Environemnt Agency of Serdang Bedagai District, as well as interview with representative of Kedai Damar Village, it was known that communication with stakeholders was considered satisfactory and there is no negative issues regarding communication and transparency information.

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

PTPN IV Unit Pabatu has a complaint mechanism contained in the document:

- Standard Operating Procedures for Handling Customer and Environmental Complaint (No. SPO 13. Rev 01, effective date 02 January 2015) relating to complaints from stakeholders
- PT Perkebunan Nusantara IV Wholesale Blowing System (PERSERO) in 2013 on Article 10: Protection of Reporters.
- Document of Collective Labor Agreement (PKB) for the period 2018 - 2019 between PT Perkebunan Nusantara IV (PTPN IV) with Plantation Workers' Union (SPBUN) of PT Perkebunan Nusantara IV, CHAPTER XI Industrial Relations Settlement, Article 65 on Dispute Resolution & Employees and Industrial Action.

The company has a Regulation related to the protection of Whistleblower which is regulated in the Joint Regulations of the Board of Commissioners and Board of Directors of PTPN IV (Persero) No. DK-60/PER/XI/2013; No. 04.03/PER/13/XI/2013 in 26 November 2013 on the Whistleblowing System, particularly the article in Article 10: Protection of Reporters, states that:

- The Company shall provide protection to a well-informed rapporteur in accordance with applicable regulations and regulations
- A reporting person shall have the right to protection, to provide a report without pressure, confidentiality of reporter identification and report content, protection from adverse treatment, unfair dismissal, protection of demotion and

rank and protection of harassment/discrimination in all forms

- The guarantee of confidentiality of identity is given by the company until a complaint report is processed in accordance with applicable law.

Based on document verification if there are problems that cannot be resolved at the unit level, it will be continued at the level of the board of directors and subsequent according to the agreement of the parties, including the legal path or other settlement path. Based on interview with workers (harvester, Spraying team, Administration Officer), they already know about the mechanism of complaints.

6.3.2

Documents verifications the company is not able to show the records of process and outcome of complaints resolution. Based on the results of the questionnaire related to the management of social Impact Assessment on March 2018 there are several complaints from the community, but it has not been documented / recorded, for example Replanting

- Replanting activities which cause the attack of horn beetle pests on community-owned plantations (Questionnaire from Manu Tengah Village and Paritokan Village
- Lack of coordination between the company and the village government around the company, so that the village government does not know about the company's programs related to environmental development, for example in Pabatu 1 Village, paritokan and Kedai Damar.

Based on that's explanation raised non conformity No 2018.06 with Major Category

Major 6.3.2

Status: Non Conformity No 2018.06 with Major Category

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

The CH has SPO for Land Conflict Management No. 04 (revision 2) dated 02 January 2015 which explaining that the settlement of land disputes is done by negotiation involving deliberation of regional leaders and determine the compensation done by negotiation until they reach agreement. Calculations carried out with reasonable prices in accordance with the taxable value and state of the areas. In SOP does not distinguish the compensation calculation based on sex, homesteader, local community or ethnic groups.

Based on documents verification of Government Regulation no. 19 of 1959, it is explained that the CH area comes from the land of the Dutch company (NV. Bandar Oli Culture Masschapij (BOCM)) on 1957. Result on public consultation with National Land Agency District Sedang Bedagai and Head of Village Kedai Damar obtain information if there is no customary land/right in the company area and the company (Unit Pabatu) has been settle up since dutch colonial era. Documents verifications, field visits and interview with stakeholder obtained informations if there is no land acquisition from the last assesstment

Based on interviews with surrounding villages and plantation agencies, currently there is no land dispute between PTPN IV Pabatu Unit with the community surrounding the company. There was a Land claims occurred by the people of Naga Kesiangan Village for an area of 254.33 Ha and has been resolved with the involvement of the parties. In 2012 re-claim of land to the same area by different groups and has been mediated by the National Land Agencies and given an explanation that the area was paid to the previous group

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

Company has implemented the payment of wages for employees refers to the minimum wage in accordance with Decree of North Sumatera Governor No. 188.44/679/KPTS/2017 dated 1 January 2018 is explained Minimum Wage is set for Serdang Bedagai District at IDR. 2.447.714. Based on document verification of Salary Slip July 2018 was known that wages payment is in accordance with the Minimum Wages 2018. Terms of overtime payments are also in accordance to National Regulation with the provision of overtime calculation ie 1.5 hourly wages for first hour overtime and 2 x one hour

wage for second hour overtime. Based on interviews with Labour Agency and workers, explained that the Company has paid wages according to the minimum wage set by the government.

Terms of overtime payments for employees who work over working hours have been made in accordance with applicable provisions, such as examples of overtime workers of office workers and mill. For harvesters do not use overtime payment system, but the system of premium payment of harvest by still get the basic wage and there is no violation of wage or forced labor regulation.

From the result of document verification and field observation in nursery area, known that nursery activity is done by a third party by contract (CV Angkasa). The results of interviews with workers in nursery (contractor's workers) area known that the wages of workers have been in accordance with the prevailing minimum wage. There was also evidence of payment and checks of work to contractors indicating that nursery activity done by a third party.

The results of interviews with workers such as spraying workers, maintenance workers, warehouse workers, workshop workers etc, known that the company has paid the wage in accordance with the minimum wage provisions. Overtime payments / premiums are also in compliance with applicable labor requirements, and there are no complaints of employment related violations from the workers.

The results of interviews with Manpower Agency of Serdang Bedagai District were also known that the company has paid wages in accordance with applicable employment provisions and there were no violations or complaints / complaints related to labor violations.

6.5.2

The company has a collective labor agreement that describes the rights and obligations of employees and employers, wage payment mechanisms, worker conditions, working hours, working days, holidays and leave and termination of employment which contained in Bahasa. The CLA is valid for the period 2018 – 2019 (valid until December 31, 2019) and has been approved by Decree of Directorate Employment and Transmigration of North Sumatera (No. KEP.22-6/DTK/2018) on February 9, 2018. Based on interview with labor union and management, Collective Labour Agreement has been explained to the workers. In addition, based on interview with workers (e.g. harvester, spraying workers, operators), they already know about their right and obligations such as working hours, working days, medical care, job description, etc.

6.5.3.

The Company provides infrastructure documented in the fixed asset collection dated on May 2018 consisting of employees' houses, warehouses, social buildings (Church, Junior High School, Laboratory, Convention Hall, Elementary School, Mosque, daycare etc.), and other buildings (Reservoirs, security offices, bales of public baths and so on). Based on field visits in the afdeling housing area, there are sources of electricity, water supply, school buses in each emplacement, medical facilities, educational facilities and others.

Based on the results of field visits in housing known that workers have had enough with the housing conditions, where the electricity needs has been installed by State Electricity Company and the clean water needs fulfilled by the artesian well.

6.5.4

From the results of housing observations and interviews of workers & residents of housing know The company has provided access to markets everywhere, accessing food stalls and access to Tebing Tinggi.City. Workers said that they can get proper food sources around the company's operational area.

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

Based on the results of the document review, the company has policies related to freedom of association in the Collective Labor Agreement between PT PN IV and the Union of Plantation Workers for the 2018-2019 Period, especially in articles 5, 6, 7, 8 and 9 where the article explains:

- The company / board of directors will not interfere or obstruct everything related to the development of the workers' organization (SP BUN) as long as it does not conflict with the applicable laws and regulations.
- The company / board of directors will not put pressure directly or indirectly on employees who are elected as the management of the trade union.
- In carrying out their duties, each employee and company will try to avoid actions that can harm each party.
- The company provides loans to use the space for offices along with equipment and facilities / infrastructure as well as facilities and other assistance for the smooth functioning of the organization, in accordance with its importance.

PT Perkebunan Nusantara IV has the estate worker union. Provision of plantation union decree PT PN IV with No.: 34 / Kpts / SP.BUN-PTPN-IV / VI / 2014 regarding inauguration composition of administrators SP BUN PTPN IV Basis Pabatu with service period from 2014 until 2019. It's valid since June 9, 2014. SP BUN has been registered with Serdang Bedagai District Manpower Office with number 560/390 / DTK / 2009 dated May 28, 2009. According to the result of interview with the worker union, the company has given the opportunity for the workers to join or form the worker union. Based on interview with worker union agency, there's no intervention by company to the election of worker representative in bipartite and there have been no work relationship disputes between employees and companies

6.6.2

The company shows several recordings of company meetings with workers' representatives, including:

- Collective Labor Agreement period 2018-2019 socialization on July 16, 2018 attended by SP BUN representatives and company representatives.
- Available documentation from SPSI Desa Kedai Damar Kec. Tebing Tinggi and the Head of the All Indonesian Workers' Union (SBSI) of Kedai Damar Village, Tebing Tinggi Subdistrict with the letter number PAB / X / 247 / VIII / 2016. The Company's representative also participated in that meeting held on March 23, 2016.

Status: Comply

6.7

Children are not employed or exploited.

Same as the previous assessment, The Company has had commitments related to transparency and confidentiality of information, environment, and policies related to child labor, work opportunity, retention time of documents, sexual harassment, land fires, hazardous waste management and others which are contained in the policies and SPO documents. The Company has demonstrated evidence of company's policy documentation related to the child labor policy in documents, among others:

1. The process of labor recruitment where it has been mentioned that the minimum age of employment which is eligible for employment is 18 years.
2. There are prohibitions to employ under aged children in every Work Order (SPK) with the third parties.
3. SOP with document number 03.02 dated 1 August 2012 regarding child labor policy which states that the minimum age to be allowed to work in the company is at least 18 years old and it is in accordance with the labor statute No. 13 year 2003.
4. The employment data in May 2018 which shows that there are no employees under 18 years old.
5. Collective Labor Agreement for 2018-2019 Period, specifically Clause III about Working Days and Working Hours. Where workdays in one week are 5 days (8 hours a day and 40 hours a week) or 6 days (7 hours a day and 40 hours a week) depending on the interests and needs of the company. In addition, it also has a calculation of overtime work in accordance with applicable government regulations. (Ministry of Manpower and Transmigration Decree No. 102/2004).

In addition, the results of interviews workers (harvesting workers, Spraying workers, etc. known that workers have to know and understand not to bring / include children or families to work in the plantation area. Workers have been aware that the minimum age for employment is 18 years old and at the time of acceptance of work must be equipped with an ID card.

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 and 6.8.2

During surveillance-3 audit activities, there has been no change / revision regarding the company's policy on non-discrimination and equal opportunities in the Company's Policy document regarding equal opportunities and treatment in employment opportunities contained in SOP Number 04.02 about Work Equality Policy which states that PT Perkebunan Nusantara IV provides the same opportunities and opportunities as broadly as possible without discrimination for all employees to carry out their work in order to achieve the company's vision and mission.

Based on interview with company workers known that workers get the same treatment and there are no issues related to discrimination. The results of public consultations with the Serdang Bedagai Regency Employment Agency also stated that there were no issues related to SARA (ethnicity, religion, race and anatomy) and discrimination in the company's operational environment.

6.8.3

The results of interviews with workers, labor union, gender committees, worker cooperative known that in the recruitment process there are several requirements that must be met, such as identity cards, CV, family card, health examination results, etc. In addition, workers are also given training related to their job description to improve skills / expertise of workers. So that workers who are appointed or recruited indeed have the skills / abilities in accordance with their job description. For example: Work agreement dated March 21, 2017. There are file personnel such as ID cards, CV, health checks etc.

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

Same as the previous assessment, the company's policies on the prevention of sexual harassment and violence are contained in SOP with document number 06 dated 2 January 2015, regarding sexual harassment policy which states that PT PTPN IV is responsible for preventing sexual harassment in the workplace and taking corrective action to prevent sexual harassment related to jobs. Also, the company already had Gender Committee named "Association of Large Family Wives of PTPN IV Pabatu Business Unit" chaired by Mrs. A. Simanjuntak. That committee also had work program (for 2017-2018 period) which consists about socialization of women's right, routine meeting and other activities.

On sexual harassment prevention policy No. Policy 06 valid January 2, 2015 is explained when employees experience or witness sexual harassment in the workplace to immediately report to the Director of HR & General with the confidentiality of employees, witnesses and perpetrators will be protected from unnecessary disclosure. When the investigation is completed, the employee will be informed of the results of the investigation. Against all allegations of sexual harassment will soon be investigated.

The company has a policy related to Protection of Women's Reproductive on The policy is contained in the Labor Collective Agreement Letter between the company and the PT PN IV Plantation Worker Union period 2018-2019 in clause 27 and clause 28 which states that:

- Employees are entitled to maternity leave for 1.5 (one and a half) months before giving birth according to the information of the doctor or midwife and 1.5 (one half) months after giving birth.
- Permission for miscarriage leave is issued to female employees who experience miscarriage, which is for 1.5 (one and a half) months from the time of miscarriage accompanied by a certificate from a doctor or midwife.
- Female employees who experience pain during menstruation are not obliged to work on the first and second day of menstruation (supported by a certificate from a company health worker)
- During maternity leave, miscarriage, and menstruation (menstruation) the employee concerned earns full income.

Based on the results of interviews with 5 spray workers it is known that workers have known maternity leave policy, miscarriage leave and menstrual leave. The worker also explained that the policy was communicated through the morning circle before starting the worker by the supervisor / foreman.

Status: Comply

6.10

Growers and mills deal fairly and transparently with smallholders and other local businesses.
6.10.1; 6.10.2; 6.10.3 and 6.10.4

Pabatu Mill are not purchased any FFB from outsiders (third party) since May 2018. Besides certified unit, all FFB received during 2018 were supplied by other estate under PTPN IV group. During ASA-2 until April 2018 there is some third party (CV Makmur Jaya, UD Gintar, CV Duta Paliwi) that supplying FFB for Pabatu mill. Regarding for this Pabatu mill are able to show each FFB vendor purchasing contract.

Based on FFB purchasing contract review found that those contract are made transparently, agreed and signed by both sides with stamp, and on FFB contract purchasing article 5 clearly stated that FFB pricing mechanism are determined by company based on CPO price update. Document **review also found that FFB purchasing payment are done on timely manner by PTPN IV head office.**

Status: Comply

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

To ensure CD/CSR plan for local development and local communities needs right on target, Pabatu unit has conducted interview with related stakeholders and results of interview are listed on annual questionnaire 2018. Local contribution record keeping are listed on "Program kerja bina lingkungan" realization document. During 2017-2018 company has some realization for local community development such as school building maintenance, mosque renovation, and road maintenance on surrounding affected parties. Based on interview with affected parties i.e Kedai Damar village acquired information that local communities are involved by company to determine CSR needs and company have a lot of contribution for local community development.

6.11.2

There is no smallholder scheme on PTPN IV Pabatu Unit.

Status: Comply

6.12
No forms of forced or trafficked labour are used.
6.12.1; 6.12.2 and 6.12.3

Based on employment documents verification, field observation, interview with Labor Union (SP BUN) and Manpower Agency of Serdang Bedagai District, it was known that workers are permanent worker, and contract workers. There are no migrant workers, no substitution contracts, no labor trade or forced labor forms were found. All workers have been equipped with the Working Agreement or Appointment Letter that has been agreed together.

Based on the results of field visit in estates and mill such as harvesting activity, spraying activity were not found child labor or worker families who helped worker without any agreement.

Status: Comply

6.13
Growers and millers respect human rights
6.13.1

Same as the previous assessment, there's no revision related to human rights policy on Equality of Human Rights Guidance No. PAB/SE/6/IV/2015 dated 1 April 2015, refer to the constitution of the Republic of Indonesia No. 39/1999 about Human Rights consists of 10 points, for example: Right to live, the right to obtain justice, right to security, women's right and children's right. Labor interviews such as sprayer workers, warehouse officers, mill workers, etc. are known that workers have known about human rights and employment rights. The results of the interviews of workers there are no cases of human rights violations.

Status: Comply

PRINCIPLE #7 Responsible development of new plantings

7.1

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

7.1.1; 7.1.2; and 7.1.3.

As described in indicator 5.1.1 which states that the area of palm oil plantation PTPN IV (Unit Pabatu) is a land that has been managed as a plantation land since the Dutch colonial government and became a national company since 1959. Based on the verification document of the palm oil planting year shows that planting after November 2005 is the replanting activity of previous rotation palm oil. So Principle 7 is not applicable to PTPN IV (Unit Pabatu).

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 and 7.2.2.

Since the previous assessment (ASA-2), there are no land expansion.

Since established in 1918, PTPN IV Pabatu Business Unit had three times conducting replanting activity. The company management stated that PTPN IV Pabatu Business Unit does not have program related to new development and/or expansion plan. This is also confirmed by Forestry and Estate Crop Agency of Serdang Bedagai District.

Status: Comply

7.3

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

7.3.1; 7.3.2; 7.3.3; 7.3.4 and 7.3.5.

As described in indicator 5.1.1 which states that the area of palm oil plantation PTPN IV (Unit Pabatu) is a land that has been managed as a plantation land since the Dutch colonial government and became a national company since 1959. Based on the verification document of the palm oil planting year shows that planting after November 2005 is the replanting activity of previous rotation palm oil. In accordance with the RSPO Secretariat's Email (Dillon Sarim) July 21, 2017 CH declared that PTPN IV (Unit Pabatu) has sent a new Land Clearance Disclosure after November 2005 and can continue the certification process "This unit has been disclosed as zero non-compliant land clearance. It may proceed with RSPO Certification Process".

Status: Comply

7.4

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

7.2.1 and 7.2.2.

Since the previous assessment (ASA-2), there are no land expansion.

Since established in 1918, PTPN IV Pabatu Business Unit had three times conducting replanting activity. The company management stated that PTPN IV Pabatu Business Unit does not have program related to new development and/or expansion plan. This is also confirmed by Forestry and Estate Crop Agency of Serdang Bedagai District.

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.

Since the previous assessment (ASA-2), there are no land expansion.

Since established in 1918, PTPN IV Pabatu Business Unit had three times conducting replanting activity. The company management stated that PTPN IV Pabatu Business Unit does not have program related to new development and/or expansion plan. This is also confirmed by Forestry and Estate Crop Agency of Serdang Bedagai District.

	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.		
<i>Since the previous assessment (ASA-2), there are no land expansion.</i> Since established in 1918, PTPN IV Pabatu Business Unit had three times conducting replanting activity. The company management stated that PTPN IV Pabatu Business Unit does not have program related to new development and/or expansion plan. This is also confirmed by Forestry and Estate Crop Agency of Serdang Bedagai District.		
	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.		
<i>Since the previous assessment (ASA-2), there are no land expansion.</i> Since established in 1918, PTPN IV Pabatu Business Unit had three times conducting replanting activity. The company management stated that PTPN IV Pabatu Business Unit does not have program related to new development and/or expansion plan. This is also confirmed by Forestry and Estate Crop Agency of Serdang Bedagai District.		
	Status: Comply	
7.8 New plantation developments are designed to minimise net greenhouse gas emissions.		
7.8.1 and 7.8.2 Based on documents review, interview, and field visits, shown that company did not expand any operational area and there is no more land clearing for new development activity since January 2015. Existing GHG emission calculations result are able to seen on Indicator 5.6.		
	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.		
Based on the summary of the results of non-conformities identified during the assessment of the RSPO (ASA 2 - ASA 3), the team of auditors assess that there is a commitment of continuous improvement that has not been fully implemented related to recurrence appearing on the activities of ASA-3 today. such as: <ul style="list-style-type: none"> - the repetition Non-conformity of the previous assessment, for indicator Major 1.1.2, Major 14.4.2 and Major 6.1.3 - Evaluation and follow-up of the RSPO internal audit results against repetition of non-conformities that arise. In connection with this there is a systematic failure in the implementation of the standard, due to the repetition of nonconformity from the previous assessment. Based on that's explanation raised non conformity No 2018.07 with Major Category		
Major 8.1.1	Status: non conformity No 2018.07 with Major Category	

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>Organization that conduct physically handled of RSPO product is Certificate Holder of Pabatu POM and transporter.</p> <p>Pabatu Mill is used RSPO supply chain of Mass Balance module because they still received FFB from the estate which has not been certified with RSPO</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>Organization that conduct physically handled of RSPO product is Certificate Holder of Pabatu POM and transporter.</p> <p>Pabatu Mill is used RSPO supply chain of Mass Balance module because they still received FFB from the estate which has not been certified with RSPO</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>Pabatu Palm Oil Mill - PTPN IV has registered RSPO-certified products are CSPO and CSPK through IT Platform RSPO with registration number: ID: RSPO_PO1000002520.</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 is no processing aids in Pabatu POM.</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>Pabatu Mill is used RSPO supply chain of Mass Balance module because they still received FFB from the estate which has not been certified with RSPO that is Marihat Estate, Bah Birong Ulu Estate, Sei Kopas Estate (subsidiary of PTPN IV) and from other resources.</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>

Pabatu Mill is used RSPO supply chain of Mass Balance module because they still received FFB from the estate which has not been certified with RSPO that is Marihat Estate, Bah Birong Ulu Estate, Sei Kopas Estate (subsidiary of PTPN IV) and from other resources.	
	Status: Comply
5.3	Documented procedures
5.3.1 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.	
Documents verifications its known if The CH has procedures regarding to ensure the implementation of all the elements mentioned in the terms of SCCS for Mill, which listed in: <ol style="list-style-type: none"> 1. SOP No 07A Rev 03 dated 02 January 2017 about “<i>Penanganan TBS Bersertifikasi</i> (Certified FFB Handling) This procedure is intended as a guide in handling certified FFB from the Estate to reception in Mill 2. SOP No 07B Rev 03 dated 02 January 2017 about “<i>Penanganan CPO / Bersertifikasi</i> (Certified CPO/PK Handling) This procedure is intended as a guide in handling certified CPO /PK in Mill, in the procedure mentioned if Mill uses the Mass Balance (MB) model with the Fixed system Inventory Periods which means RSPO stock may be negative in period 3 month, must be balanced <p>In that's procedure mentioned if</p> <ul style="list-style-type: none"> • Supply Chain Model is Mass Balance • FFB derived from their own plantation, one parental plantation and FFB of 3rd party certified by RSPO marked with stamps of CSPO (Certified Sustainable Palm Oil). • The factory reports the shipments of CPO, PK, PKO and PKM to marketing and headquarters processing sections • There is a flow diagram of the palm oil supply chain. <p>The people in charge of the supply chain system are:</p> <ul style="list-style-type: none"> - Head of mill Assistants registers Mill certified to RSPO Palm-Trace and informs them through memos to the Marketing Department of the Directors' Office. - Head of Plant Assistants are responsible for handling in estate certified FFB - Head of Mill Assistants is responsible for handling certified TBS in POM. 	
	Status: Comply
5.3.2 The site shall have a written procedure to conduct annual internal audit	
The CH has procedures regarding to conduct annual internal audit SOP No 21 dated 02 January 2015 about Implementation Of Internal Audit RSPO that's mentioned if the Annual Audit Program is carried out at least once a year by considering the status and importance of the process and fields to be audited. If necessary, the audit program can be changed. It is recommended that an internal audit be carried out before an audit from the Certification Body. The last internal audit conducted on 09 – 11 August 2018 by departments of suistanability.	
	Status: Comply
5.4	Purchasing and goods in
5.4.1 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	
All the FFB received and process information are recorded in the transport receipt and weigh-bridge ticket, such as : estate origin, division, departure time, vehicle number, driver name, block, number of bunches, number of loose fruit, stamp of certified / non certified and sign of field assistant. Documents verifications and interview with head of mill obtained informations if there is no purchasing of RSPO certified products.	
	Status: Comply

5.4.2	The site shall have a mechanism in place for handling non-conforming oil palm products and/or documents
	<p>The CH has procedures regarding to ensure the implementation of all the elements mentioned in the terms of SCCS for Mill, which listed in:</p> <ol style="list-style-type: none"> 1. SOP No 07A Rev 03 dated 02 January 2017 about “<i>Penanganan TBS Bersertifikasi</i> (Certified FFB Handling) This procedure is intended as a guide in handling certified FFB from the Estate to reception in Mill 2. SOP No 07B Rev 03 dated 02 January 2017 about “<i>Penanganan CPO / Bersertifikasi</i> (Certified CPO/PK Handling) This procedure is intended as a guide in handling certified CPO /PK in Mill, in the procedure mentioned if Mill uses the Mass Balance (MB) model with the Fixed system Inventory Periods which means RSPO stock may be negative in period 3 month, must be balanced <p>But in such procedures have not yet explained the mechanism or procedure in place for handling non-conforming oil palm products and/or documents. Based on that’s explanation raised non conformity No 2018.08 with Major Category</p>
	<p>Status: non conformity No 2018.08 With major Category.</p>
5.5	Outsourcing activities
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>Document verification results and interviews with the management obtained information that there are contractors involved in the process of transporting CPO PT Wahana Adidaya Pertiwi</p> <p>in the contract document stated that all product is legally owned, the transporter only responsible for transporting to the destination in stated in delivery document. Meanwhile In the work agreement, it was explained that PT Wahana Adidaya Pertiwi runs an international system in the transportation of palm oil and palm kernel oil and complies with all the requirements of the RSPO Supply Chain and Palm Kernel Oil and is willing to be audited by a Certification Body appointed by the first party</p>
	<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. 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
	<p>Document verification results and interviews with the management obtained information that there are contractors involved in the process of transporting CPO PT Wahana Adidaya Pertiwi</p> <p>In the work agreement, it was explained that PT Wahana Adidaya Pertiwi runs an international system in the transportation of palm oil and palm kernel oil and complies with all the requirements of the RSPO Supply Chain and Palm Kernel Oil and is willing to be audited by a Certification Body appointed by the first party</p>
	<p>Status: Comply</p>
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.	
Document verification results and interviews with the management obtained information that there are contractors involved in the process of transporting CPO PT Wahana Adidaya Pertiwi)	
	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	
Question : Has MUTU informed about any new outsourcers?	
It will verify in the next assessment	
	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	
Documentation for the Sustainable Crude Palm Oil (Sustainable CPO), consist of: daily record of the FFB acceptance, daily record of CPO production, which classified as the CSPO, CPO (RSPO/ISCC) sale record, stock record that has been reconciled with the FFB acceptance, monthly production and sale and annual recapitulation.	
Documentation for the Sustainable Palm Kernel (Sustainable PK), consist of: FFB dispatch record, which further will be counted the daily production of the Sustainable PK, daily production record of the PK, which classified as the Sustainable PK, monthly recapitulation of the Sustainable PK's sale, stock record, which has been reconciled with the FFB acceptance record, monthly sale production and annual recapitulation.	
	Status: Comply
5.7	Registration of transactions
5.7.1	
Supply chain actors who:	
<ul style="list-style-type: none"> • 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 	
Pabatu Palm Oil Mill - PTPN IV has registered RSPO-certified products are CSPO and CSPK through IT Platform RSPO with registration number: ID: RSPO_PO1000002520.	
	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:	
<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. 	

Documentation for the Sustainable Crude Palm Oil (Sustainable CPO), consist of: daily record of the FFB acceptance, daily record of CPO production, which classified as the CSPO, CPO (RSPO/ISCC) sale record, stock record that has been reconciled with the FFB acceptance, monthly production and sale and annual recapitulation.

Based on CPO sales data for the certification period 16 September 2017 - 15 September 2018 there were 11,319,792 tons of certified CPO products sold conventionally, but this has not been removed from Palm Trace

Based on that's explanation raised non conformity No 2018.09 with Major Category

	Status: non conformity No 2018.09 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					
Based documents review and interview with the managements representative its known if the training plan on RSPO SCC requirements conducted annually once a year. The last training has been conducted on 29 -30 November 2017 with the number of participants are 16 persons including all persons who responsible with SCCS aspect.					
	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					
Based documents review and interview with the managements representative its known if the training plan on RSPO SCC requirements conducted annually once a year The last training has been conducted on 29 -30 November 2017 with the number of participants are 16 persons including all persons who responsible with SCCS aspect .					
Based on interviews with security guards, weighbridge officers and managers, it is known that key persons in SCCS activities have understood the procedures and can demonstrate how documented FFB, CPO, PK are certified and not certified.					
	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					
In the procedure (No 05 rev 02 dated 02 January 2015) about Document s Retention Policy is mentioned that PT PN IV has carried out and ensure that all documents regarding the company's activities must be recorded, documented, maintained and stored properly. The record keeping saves in "Mass Balance Report of Within this record, the certificate holders maintain the FFB's sources based on monthly bases.					
Period	CPO production (MT)		Total	Cert CPO Dispatch (MT)	
	Cert	Non Cert		RSPO	Other scheme
Sep-18	1,224.40	779.05	2,003.45		
Oct-18	1,350.98	364.56	1,715.53		
Nov-18	1,345.81	1,437.38	2,783.19	500	
Dec-18	1,512.88	1,491.93	3,004.81		
Jan-18	1,173.14	767.94	1,941.08	500	
Feb-18	1,052.06	276.59	1,328.65	500	
Mar-18	1,324.50	303.89	1,628.39	1000	
Apr-18	1,284.98	202.71	1,487.69		
Mei 2018	1,591.38	43.53	1,634.91	500	
Jun-18	1,142.85	218.22	1,361.07	467.360	

Jul-18	1,184.86	1,899.63	3,084.48	58.010	
Aug-18	775.96	1,506.13	2,282.09		
Total	14,963.78	9,291.55	24,255.33		

Furthermore, CH has record and balance of all RSPO CSPO and CSPK, non-certified products produced, on a monthly and three monthly basis

CPO

Period	CPO production (MT)		Total	Cert CPO Dispatch (MT)	
	Cert	Non Cert		RSPO	Other scheme
Sep-18	1,224.40	779.05	2,003.45		
Oct-18	1,350.98	364.56	1,715.53		
Nov-18	1,345.81	1,437.38	2,783.19	500	
Dec-18	1,512.88	1,491.93	3,004.81		
Jan-18	1,173.14	767.94	1,941.08	500	
Feb-18	1,052.06	276.59	1,328.65	500	
Mar-18	1,324.50	303.89	1,628.39	1000	
Apr-18	1,284.98	202.71	1,487.69		
Mei 2018	1,591.38	43.53	1,634.91	500	
Jun-18	1,142.85	218.22	1,361.07	467.360	
Jul-18	1,184.86	1,899.63	3,084.48	58.010	
Aug-18	775.96	1,506.13	2,282.09		
Total	14,963.78	9,291.55	24,255.33		

PK

Period	PK production (MT)		Total	Cert PK Dispatch (MT)	
	Cert	Non Cert		RSPO	Other scheme
Sep-18	261.759	152.271	414.03		
Oct-18	274.927	68.453	343.38		
Nov-18	262.584	253.126	515.71		
Dec-18	321.965	258.435	580.40		
Jan-18	227.88	134.91	362.79		
Feb-18	196.747	48.973	245.72		
Mar-18	253.899	58.011	311.91		
Apr-18	265.912	40.978	306.89		
Mei 2018	313.771	8.949	322.72		
Jun-18	216.9	37.84	254.74		
Jul-18	237.748	379.362	617.11		
Aug-18	178.491	318.719	497.21		
Total	3012.583	1760.027	4772.61		

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

In the procedure (No 05 rev 02 dated 02 January 2015) about Document s Retention Policy mentioned if mill processing data is keeping for 2 – 5 years.

Facility showed the procedure regarding to retention time for all records and reports of supply chain. The 2016 documents can be showed during te audit conducted.

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.	
Has been set the estimated certified products that will be produced by Pabatu POM, for one year license period 16 September 2018 – 15 September 2019 are:	
<ul style="list-style-type: none"> - FFB → 70,000 MT - CPO → 17,500 MT - PK → 3,500 MT 	
	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	
During assessment conducted Angsana POM only received and processed of FFB's as material input from estate under scope of certification. This mill did not purchase FFB, CPO and/or PK from others. Therefore, this mill did not using conversion factors.	
	Status: Comply
5.10.2 Conversion rates shall be periodically updated to ensure accuracy against actual performance or industry average if appropriate.	
No. Facility did not using conversion rate. During assessment conducted Pabatu POM only received and processed of FFB's as material input from estate under scope of certification. This mill did not purchase FFB, CPO and/or PK from others. Therefore, this mill did not using conversion factors.	
	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.	
No. Facility did not using logo during communication with stakeholder / customer. the CH never using RSPO symbol or logos. A unique identification number, certificate number and supply chain model are available on relevant documents. Also, the CH using RSPO Palm Trace for communication, transaction, confirmation status and shipping announcement.	
	Status: Comply
5.12	Complaints
5.12.1 The organization shall have in place and maintain documented procedures for collecting and resolving stakeholder complaints.	
PTPN IV Unit Pabatu has a complaint mechanism contained in the document: <ul style="list-style-type: none"> • Standard Operating Procedures for Handling Customer and Environmental Complaint (No. SPO 13. Rev 01, effective date 02 January 2015) relating to complaints from stakeholders • PT Perkebunan Nusantara IV Wholesale Blowing System (PERSERO) in 2013 on Article 10: Protection of Reporters. 	
	Status: Comply

5.13	Management review
5.13.1	<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 latest annual review held on 13 August 2018 , discuss on:</p> <ul style="list-style-type: none"> - staff misunderstanding with the SSCS model - the officer responsible for SCCS has not yet been established - Mass Balance monitoring form is not yet available - Unrecognized procedures for receipt and delivery of certified materials
	Status: Comply
5.13.2	<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.
	Yes, all the input required has been discussed in the management review.
	Status: Comply
5.13.3	<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.
	Improvement of the effectiveness of the management system and its processes and resource needs is already included within the Management Review.
	Status: Comply

3.2.3 (Module E) CPO Mills - Mass Balance Requirements

Clause	Requirement																												
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.																													
Pabatu Mill is used RSPO supply chain of Mass Balance module because they still received FFB from the estate which has not been certified with RSPO that is Marihat Estate, Bah Birong Ulu Estate, Sei Kopas Estate (subsidiary of PTPN IV) and from other resources.																													
	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.																													
Estimated tonnage of CPO and PK products Pabatu POM as follows:																													
<table><tr><th>Product</th><th>Previous Certificate Claim 16 September 2017 – 15 September 2018 (tonnes/year)</th><th>Actual certified product 16 September 2017 – 23 August 2018 (tonnes/year)</th><th>Next license projection 16 September 2018 – 15 September 2019) (tonnes/year)</th></tr><tr><td>FFB</td><td>78879</td><td>63,212.64</td><td>70,000</td></tr><tr><td>CSPO</td><td>17287</td><td>14,961.78</td><td>17,500</td></tr><tr><td>CSPK</td><td>3536</td><td>3012.583</td><td>3,599</td></tr></table>		Product	Previous Certificate Claim 16 September 2017 – 15 September 2018 (tonnes/year)	Actual certified product 16 September 2017 – 23 August 2018 (tonnes/year)	Next license projection 16 September 2018 – 15 September 2019) (tonnes/year)	FFB	78879	63,212.64	70,000	CSPO	17287	14,961.78	17,500	CSPK	3536	3012.583	3,599												
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	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).																													
Pabatu Palm Oil Mill - PTPN IV has registered RSPO-certified products are CSPO and CSPK through IT Platform RSPO with registration number: ID: RSPO_PO1000002520.																													
Based on documents verifications its known from 16 September 2017 – 23 August 2018 there is 3,625.37 MT CPO Product sell that claimed as RSPO Product, as follows																													
<table><tr><th>NO</th><th>Dated</th><th>Destination</th><th>KG</th></tr><tr><td>1</td><td>06-11-2017 sd 23-11-2017</td><td>PT.MULTIMAS NABATI ASAHAN</td><td>500,000</td></tr><tr><td>2</td><td>23-01-2018 sd 25-01-2018</td><td>PT. MUSIM MAS</td><td>500,000</td></tr><tr><td>3</td><td>30-01-2018 sd 01-02-2018</td><td>PT. MUSIM MAS</td><td>500,000</td></tr><tr><td>4</td><td>07-03-2018 sd 15-03-2018</td><td>PT. MUSIM MAS</td><td>500,000</td></tr><tr><td>5</td><td>15-03-2018 sd 28-03-2018</td><td>PT. MUSIM MAS</td><td>500,000</td></tr><tr><td>6</td><td>05-04-2018 sd 11-05-2018</td><td>PT. SAN BELAWAN</td><td>500,000</td></tr></table>		NO	Dated	Destination	KG	1	06-11-2017 sd 23-11-2017	PT.MULTIMAS NABATI ASAHAN	500,000	2	23-01-2018 sd 25-01-2018	PT. MUSIM MAS	500,000	3	30-01-2018 sd 01-02-2018	PT. MUSIM MAS	500,000	4	07-03-2018 sd 15-03-2018	PT. MUSIM MAS	500,000	5	15-03-2018 sd 28-03-2018	PT. MUSIM MAS	500,000	6	05-04-2018 sd 11-05-2018	PT. SAN BELAWAN	500,000
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7	21-05-2018 sd 30-05-2018	PT. MUSIM MAS	467,360	
8	21-08-2018 sd 23-08-2018	PT.UNILEVER OLEOCHEMICAL INDONESIA	58,010	
	Total		3,625,370	
	Status: Comply			
E.3	Documented procedures			
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;				
b. The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site procedures for the implementation of this standard.				
Documents verifications its known if The CH has procedures regarding to ensure the implementation of all the elements mentioned in the terms of SCCS for Mill, which listed in:				
1. SOP No 07A Rev 03 dated 02 January 2018 about “Penanganan TBS Bersertifikasi (Certified FFB Handling) This procedure is intended as a guide in handling certified FFB from the Estate to reception in Mill				
2. SOP No 07B Rev 03 dated 02 January 2018 about “Penanganan CPO / Bersertifikasi (Certified CPO/PK Handling) This procedure is intended as a guide in handling certified CPO /PK in Mill, in the procedure mentioned if Mill uses the Mass Balance (MB) model with the Fixed system Inventory Periods which means RSPO stock may be negative in period 3 month, must be balanced				
In that’s procedure mentioned if				
• Supply Chain Model is Mass Balance				
• FFB derived from their own plantation, one parental plantation and FFB of 3rd party certified by RSPO marked with stamps of CSPO (Certified Sustainable Palm Oil).				
• There is a flow diagram of the palm oil supply chain.				
The people in charge of the supply chain system are:				
- Head of mill Assistants registers Mill certified to RSPO Palm-Trace and informs them through memos to the Marketing Department of the Directors' Office.				
- Head of Plant Assistants are responsible for handling in estate certified FFB				
- Head of Mill Assistants is responsible for handling certified TBS in POM.				
Based on interview with operator of weighbridge, explained that weighbridge ticket for FFB from own estate has been marked with stamp “SCCS Model Mass Balance” and for FFB from third parties has been given with Stamp “Non SCCS”.				
	Status: Comply			
E.3.2				
The site shall have documented procedures for receiving and processing certified and non-certified FFBs.				
SOP No 07A Rev 03 dated 02 January 2018 about “Penanganan TBS Bersertifikasi (Certified FFB Handling) This procedure is intended as a guide in handling certified FFB from the Estate to reception in Mill. FFB derived from their own plantation, one holding company and FFB of 3rd party certified by RSPO marked with stamps of CSPO (Certified Sustainable Palm Oil).				
Pabatu POM has been able to demonstrate the mechanism of separation of certified and non-certified products in the records model made starting from incoming FFB until processed FFB in the documents of monitoring monthly physical inventory of CPO and PK Certified which describe recording mechanism of the separation of certified and non-certified products, such as incoming FFB data, processed FFB data, CPO and Kernel production data, CPO and kernel extraction data.				
	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.

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

Month	FFB (MT)		
	RSPO Certified	Non-Certified	Total
September 2018	5,397.12	3,627.88	9,025.00
October 2018	5,739.06	1,660.94	7,400.00
November 2018	5,798.10	6,326.90	12,125.00
December 2018	6,237.80	6,412.52	12,650.32
January 2018	5,022.55	3,342.13	8,364.68
February 2018	4,339.11	1,210.89	5,550.00
March 2018	5,474.86	1,450.14	6,925.00
April 2018	5,345.54	979.46	6,325.00
Mei 2018	6,811.97	213.03	7,025.00
June 2018	4,862.01	937.99	5,800.00
July 2018	5,002.27	8,472.73	13,475.00
August 2018 (23 August 2018)	3,182.25	6,513.87	9,696.12
Total	63,212.64	41,148.48	104,361.12

Status: Comply

E.4.2

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

Pabatu POM will inform the CB immediately if there is a projected overproduction of certified tonnage. This statement is available within the procedure applied. According to below data record, there is no overproduction from Pabatu POM. There is no production of certified products which exceeds the projected

Product	Previous Certificate Claim 16 September 2017 – 15 September 2018 (tonnes/year)	Actual certified product 16 September 2017 – 23 August 2018 (tonnes/year)
FFB	78879	63,212.64
CSPO	17287	14,963.78
CSPK	3536	3012.583

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.)

Documents verifications its known if The CH has procedures regarding to ensure the implementation of all the elements mentioned in the terms of SCCS for Mill, which listed in:

- SOP No 07A Rev 03 dated 02 January 2017 about "Penanganan TBS Bersertifikasi (Certified FFB Handling) This procedure is intended as a guide in handling certified FFB from the Estate to reception in Mill
- SOP No 07B Rev 03 dated 02 January 2017 about "Penanganan CPO / Bersertifikasi (Certified CPO/PK Handling) This procedure is intended as a guide in handling certified CPO /PK in Mill, in the procedure mentioned if Mill uses the Mass Balance (MB) model with the Fixed system Inventory Periods which means RSPO stock may be negative in period 3 month, must be balanced

CPO

Period	CPO production (MT)		Total	Cert CPO Dispatch (MT)	
	Cert	Non Cert		RSPO	Other scheme
Sep-18	1,224.40	779.05	2,003.45		
Oct-18	1,350.98	364.56	1,715.53		
Nov-18	1,345.81	1,437.38	2,783.19	500	
Dec-18	1,512.88	1,491.93	3,004.81		
Jan-18	1,173.14	767.94	1,941.08	500	
Feb-18	1,052.06	276.59	1,328.65	500	
Mar-18	1,324.50	303.89	1,628.39	1000	
Apr-18	1,284.98	202.71	1,487.69		
Mei 2018	1,591.38	43.53	1,634.91	500	
Jun-18	1,142.85	218.22	1,361.07	467.360	
Jul-18	1,184.86	1,899.63	3,084.48	58.010	
Aug-18	775.96	1,506.13	2,282.09		
Total	14,963.78	9,291.55	24,255.33		

PK

Period	PK production (MT)		Total	Cert PK Dispatch (MT)	
	Cert	Non Cert		RSPO	Other scheme
Sep-18	261.759	152.271	414.03		
Oct-18	274.927	68.453	343.38		
Nov-18	262.584	253.126	515.71		
Dec-18	321.965	258.435	580.40		
Jan-18	227.88	134.91	362.79		
Feb-18	196.747	48.973	245.72		
Mar-18	253.899	58.011	311.91		
Apr-18	265.912	40.978	306.89		
Mei 2018	313.771	8.949	322.72		
Jun-18	216.9	37.84	254.74		
Jul-18	237.748	379.362	617.11		
Aug-18	178.491	318.719	497.21		
Total	3012.583	1760.027	4772.61		

Status: Comply
E.5.2

In cases where a mill outsources activities to an independent (not owned by the same organization) palm kernel crush, the crush still falls under the responsibility of the mill and does not need to be separately certified. The mill has to ensure that the crush is covered through a signed and enforceable agreement.

There is no outsources activities

Status: Comply

3.3. Conformity Checklist of Certificate and Trademark Use

1.	Evidence of permission or approval certificate and logo from Certification Body which submitted by Client	X or√
ASA-3	PTPN IV Pabatu has had permits of certificate usage with number MUTU-RSPO/072 .	√
	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 Pabatu 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 Pabatu 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 Pabatu 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</p> <p>There are external audit that has been conducted for management units of Adolina, Bah Jambi, Dolok Sinumbah, Air Batu, Berangir, Sawit Langkat, Pasir Mandohe 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.</p> <p>All management units of PTPN IV, based on company disclosure has no liability.</p> <p>PTPN IV has sent their liability disclosure and LUCa to the RSPO Compensation Panel (rspocompensation@rspo.org) in 2016. All the units are free from non-compliant land clearance.</p> <p>Auditor verification</p> <p>Auditor has verified the supporting evidence of above the company statement. The above statement in accordance with the supporting</p>

		evidence provided.
2.1.3	Any new plantings since January 1 st 2010 must comply with the RSPO New Plantings Procedure.	<p>No new planting/land clearing after 1st January 2010. All planting in PTPN IV management units are old plantation that was planted before November 2005.</p> <p>Auditor verification PTPN IV has sent their liability disclosure and LUCA to the RSPO Compensation Panel (rspocompensation@rspo.org) in 2016. All the units are free from non-compliant land clearance.</p>
2.1.4	Any Land conflicts are being resolved through a mutually agreed process, e.g. RSPO Grievance procedure or Dispute Settlement Facility, in accordance with RSPO criteria 6.4, 7.5 and 7.6.	<p>There is no land conflicts.</p> <p>Auditor verification The company has SPO of conflict area management No.4 (revision 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.	Yes, there is no legal non-compliance is being processed.

		<p>Auditor verification</p> <p>The company has a complete list of regulations in 1st semester of 2016 that includes local regulations, national regulation and international regulation.</p> <p>The procedure explains that the person responsible for the management of legal documents are the Head of General Affairs and Human Resources. The company has kept a list of rules and regulations in 1st semester of 2016 at the Head of General Affairs and Human Resources Departement and has distributed to each division office in hardcopy and softcopy.</p>
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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 Assessment

NCR No.	:	2017.01	Issued by	:	Brigitta Prita
Date Issued	:	20 July 2017	Time Limit	:	19 September 2017
NC Grade	:	Major	Date of Closing	:	19 September 2017
Standard Ref. & Requirement	:	1.1.2 Records of requests for information and responses to the information requested shall be available.			
Non-Conformance Description & Evidence observed (filled by auditor): SOP the period of saving and response request No. SPO 06 dated January 2, 2015. However, the SOP has not explained about the period of responding to requests for information.					
Root Cause Analysis(filled by organization audited): Management considers it unnecessary to create a response period of 30 days, because the Management has provided website facilities to obtain information for the public contained in www.ptpn4.co.id .					
Correction(filled by organization audited): Revise SOP no. 06 by specifying the period of responding to requests for information.					
Corrective Action (filled by organization audited): Socialize to all estate units and community about SOP 06 that have been updated.					
Assessor Evaluation and Conclusion (filled by auditor): Verification, 13 September 2017. CH has presented evidence of improvements in the form of SOP revision of the Saving Information and Response Request Period No.SOP 06 No. Revision 03 effective date of 1 August 2017. At the request and response information mechanism has added the period of giving information to stakeholders that is maximum 30 working days. Based on the above explanation, this discrepancy is still OPEN please respond to questions related to root causes analysis and corrective action.					
Verification, 19 September 2017. The CH has presented SOP 06 Socialization regarding the shelf life of information and response request to stakeholders around PTPN IV Pabatu. This socialization was held on September 16, 2017 located in Balai Karyawan III Pabatu. There are 31 participants consisted of Head of Pabatu Village, Tebing Tinggi Police, Village Head Bah Sumbu, Panonggol Village Head, Merbau Village Head, PTPN IV Employee and others. Based on evidence of improvement received then the Non-conformity No.2017.01 is stated Closed.					
Verified by	:	Brigitta Prita			

NCR No.	:	2017.02	Issued by	:	Nanang Mualib
Date Issued	:	20 July 2017	Time Limit	:	19 September 2017
NC Grade	:	Major	Date of Closing	:	19 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): <p>Based on the results of document verification and management interviews indicate that there are some legal compliance that cannot be fulfilled by Certification Holder (CH), for example:</p> <ul style="list-style-type: none"> a. Company has not been able to show that has prepared Land Application Monitoring Report as regulated in the Decree of Environment and Forestry Minister No. 29/2003 in 25 March 2003 about Guidelines of License and Utilization of Waste Water Utilization of Palm Oil Industry on Land in Oil Palm Plantation as well as obligations contained in Permit Utilization Liquid waste to soil (Decree of Environmental Office Head, Serdang Bedagai District No. 18.32/660/47/2016). b. There is outsourcings worker for the main activities, this is not in accordance with the Law No.13/2003 article 66, Decree of Manpower and Transportation Minister No. 19/2012 article 17 and Circular Letter No. Unit Manager.PAB/SE/42/VII/2016 in 28 July 2016 regarding the abolition of bulk harvesting power. for example: <ul style="list-style-type: none"> - Letter of Work Agreement of FFB Harvesting in 06 April 2017 until 05 August 2017 with SPK No. 04.04/SPKP/ATBS/008/IV/2017 between CH and CV Rifagara for harvesting activities in Division IV, V, VI, VII Pabatu Estate. - Letter of Work Agreement of Harvest FFB in 20 March 2017 until 19 July 2017 with SPK No. 04.04/SPKP/ATBS/016/III/2017 between CH and PT Pemuda Simalungun Abadi for harvesting activities in Division II and III Pabatu Estate. 					
Root Cause Analysis(filled by organization audited): <ul style="list-style-type: none"> a. Land application monitoring has been done such as daily debit calculation and daily pH, groundwater monitoring, monthly wastewater test result but because the officer is new, lack of understanding of requested document so that it can not be shown during audit. b. Lack of harvesting power, and to raise new harvesting power requires a long period of time and process, to fill in the gaps temporarily used by harvesting contractors (as training for appointment to harvest employees) and from those contract workers who will be appointed to harvesters. 					
Correction(filled by organization audited): <ul style="list-style-type: none"> a. - To socialize the new officers regarding monitoring and reporting of waste water <ul style="list-style-type: none"> - Shows the results of monitoring of liquid waste and evidence of wastewater reporting b. - Decide the work contract of harvesting activities <ul style="list-style-type: none"> - Submitting letters of recruitment of harvesters. Application letter attached and currently still awaiting - Confirmation for the stages of receiving harvest employees from PTPN4 headquarters. 					
Corrective Action (filled by organization audited): <ul style="list-style-type: none"> a. Making of liquid waste collection and reporting schedules b. Planning for sustainable and long-term harvesting needs 					

Assessor Evaluation and Conclusion (filled by auditor):
19 October 2017
a. Evidence for the first point:

- The business unit shows the RKL-RPL Report Semester 1 year 2017 and has been reported in October 2017 to Serdang Berdagai Environment Agency. The report has included results of monthly wastewater testing, groundwater testing at monitored wells in LA, Non-LA areas and population wells.
- The business unit showed the socialization to 5 Lab workers on 16 September 2017 regarding the understanding of liquid waste.
- The business unit shows Barcat Waste Sampling and Reporting. For sampling of waste is done every month, to monitor wells conducted every 6 months, and soil samples taken once a year. While reports of test results are reported every semester.

b. Evidence for the second point:

- The business unit showed termination letter on 15 June 2017 which explains that the harvesting work contract with PT Pemuda Simalungun Abadi and CV Rifagara is not extended and there is a Letter of Introduction in September 2017
- Business Unit shows Letter no. PAB / 04.DIR.SDM & General / 29 / X / 2017 dated 04 October 2017 concerning Recruitment of Harvesting and FFB loaders who are addressed to GM Distrik III. The document describes the need and availability of harvest labor and the demand for labor lack with the following data:

Afdeling	Available workers	Be required	Deficit
I	28	35	7
II	15	26	11
III	22	38	16
IV	17	21	4
V	8	19	11
VI	12	17	5
VII	16	41	25
Total	118	197	79

Based on interviews with foreman I and foreman Harvester Afdeling 5 & 7, it is known that there is currently no harvesting activity undertaken by the contractor.

- The Business Unit showed the planned harvesting power needs of 2018-2020 based on the area, the Company's Budget Working Plan of FFB production and the number of working days.
- Based on the explanation, then this Non-conformity is stated Closed.

Verified by : **Muhammad Rinaldi**

NCR No.	2017.03	Issued by	Nanang Mualib
Date Issued	20 July 2017	Time Limit	ASA-3
NC Grade	Minor	Date of Closing	19 October 2017
Standard Ref. & Requirement	2.1.4. A system for tracking any changes in the law shall be available and implemented.		

Non-Conformance Description & Evidence observed (filled by auditor):	
Based on the result of verification of Evaluation Result Document to Regulation of 2017 indicates that; <ul style="list-style-type: none"> CH has not been able to show the addition of types of local regulations such as Regional Regulations, Governor Regulations etc such as local regulations related to Provincial Land Use Plans, Minimum Wage and etc. The CH has not fully evaluated the laws and regulations by referring to the list of laws and regulations relating to the RSPO Principles and criteria of 2013 (Appendix 1, National Interpretation of RSPO Principles and Criteria 2013 for Indonesia, September 2016). 	
Root Cause Analysis (filled by organization audited):	
Updating of legislation, etc. The unit coordinates to the Head Office of PTPN IV in the Legal & Land Section but has not been informed to the estate unit.	
Correction (filled by organization audited):	
Coordinate to the Legal & Land Section and update the list of rules.	
Corrective Action (filled by organization audited):	
- Coordinate to Legal & Land Section every year - Pointed a special officer to update the legislation periodically - Ensure that updates are conducted in accordance with PDK No.04.01.28 on legal opinion on the issuing of new regulations or amendments to points 1.2.	
Assessor Evaluation and Conclusion (filled by auditor):	
19 October 2017	
The CH showed the updated Regulation Document dated 02 October 2017 which contains 55 Laws, 54 Government Regulations, 3 Presidential Instructions, 7 Presidential Decrees, 7 Presidential Regulations, 88 Ministerial Regulations, 46 Ministerial Decrees, 3 Bapedal Decrees, 3 National Standards and 2 Local Regulations.	
Based on these documents it is known that the company has updated the list of regulations in accordance with Annex I of the RSPO 2013 National Principles and Criteria for Indonesia.	
Based on the explanation, this Nonconformity is stated Closed and will be observed further related to the evaluation of the regulation on the next surveillance.	
Verified by	: Muhammad Rinaldi

NCR No.	: 2017.04	Issued by	: Muhammad Rinaldi
Date Issued	: 20 July 2017	Time Limit	: ASA-3
NC Grade	: Minor	Date of Closing	: 19 October 2017
Standard Ref. & Requirement	: 2.2.2 Legal boundaries are demonstrated clearly and maintained.		
Non-Conformance Description & Evidence observed (filled by auditor):			
<ul style="list-style-type: none"> Pabatu Business Unit shows Land Map No.28/04/2000 dated 09 December 2000 and Data of Plantation 			

<p>Boundaries Pole Coordinate List which explains the position of the Land Use Title boundaries pole, but based on Data of Boundaries Inventory in April 2016 known that the number of poles do not match with the Data of Plantation Boundaries Pole coordinate List. For example on Division 7 in the document Boundaries Inventory, it is known there are 27 poles but on the Data of Plantation Boundaries Pole Coordinate List there are 45 poles.</p> <ul style="list-style-type: none"> Based on the SOP of Maintenance of the Land Use Title Boundaries Pole with No.SPO 12.0, it is explained that border monitoring is conducted every 6 months but the business unit can only shows the last monitoring of inventory data of the pole on April 2016. Based on the field visit on Division 7, it was found that the Land Use Title boundaries pole was not well maintained, among others, there were no numbering and there was 1 pole covered by leaf litter. 	
Root Cause Analysis (filled by organization audited): Do not have a special Officer to monitor the boundary.	
Correction (filled by organization audited): <ul style="list-style-type: none"> Appointment of special officers to monitor the boundary Conducting socialization to Borderline Officials related to procedures and number of HGU stakes Demonstrating borderline monitoring has been carried out according to the procedure Shows the plan for making a boundary 	
Corrective Action (filled by organization audited): Establish a monitoring schedule and evaluate the work of the border monitoring officer by the assistant afdeling.	
Assessor Evaluation and Conclusion (filled by auditor): Business Unit has shown evidence, among others: <ul style="list-style-type: none"> Decision Letter no. PAB / SK / 12 / X / 2017 dated October 12, 2017 which explains the appointment of border monitoring officers from afdeling 1 to afdeling 7 Socialization to borderline monitoring officers conducted on 02 October 2017 which explains the timing of monitoring, activities undertaken during checking and reporting to assistant afdeling. Based on interviews with the monitoring officer for Afdeling 7, it is known that the worker has been aware of the tasks and procedures for reporting monitoring in accordance with the procedures and can show the boundary of HGU no. 0.11 & 0.13 on block 09V which borders Bah Jering Hamlet. Shows the Boundary Monitoring Document conducted on 02 August 2017, for example in afdeling 7 there are 45 stakes with the number of broken stakes 19 patok. In addition, the company shows the Schedule of Additional HGU Stakes that will be implemented starting from the request of funds until preparation of the planned stakes in October-December 2017 and install in January-March 2018. <p>Based on these explanations, the Non-conformity is stated Closed but will be observed in relation to the plan for the installation of the boundary.</p>	
Verified by	: Muhammad Rinaldi

NCR No.	: 2017.05	Issued by	: Andi Pratama Pasaribu
Date Issued	: 20 July 2017	Time Limit	: ASA-3
NC Grade	: Minor	Date of Closing	: 26 August 2018
Standard Ref. & Requirement	: 4.1.3 Records of monitoring and any follow-up actions shall be available.		
Non-Conformance Description & Evidence observed (filled by auditor):			

<p>The company has shown the last report of SPI (Audit Report of Pabatu No. 04.02/LHA/Rt/R/18/VI/2017) that held on 5 – 18 April 2017. However, they did not showed the document of internal audit follow up. For example:</p> <ol style="list-style-type: none"> 1. Follow-up on production performance not in accordance yet with RKAP 2017. 2. Follow-up on ineffective upkeep in immature. For example: manual upkeep in Afdeling IV (52 Ha) and Afdeling V (3 Ha). 	
<p>Root Cause Analysis (filled by organization audited):</p> <p>Follow up and comments towards internal audit was actually available and provided in Commercial Director Letter. However, person in charge (PIC) who responsible to arrange documents related to RSPO audit purposes is not available.</p>	
<p>Correction (filled by organization audited):</p> <ul style="list-style-type: none"> To appoint PIC on RSPO related documents, included report and its follow up of findings. To arrange documents related to audit follow up. To shows Commercial Director Letter which mentioned follow up on audit findings/notes. 	
<p>Corrective Action (filled by organization audited):</p> <p>The appointed RSPO related document control PIC shall consistently arrange the completeness of RSPO related documents.</p>	
<p>Assessor Evaluation and Conclusion (filled by auditor):</p> <p>Verification 12 September 2017</p> <p>The company shows internal audit results which also informed response and correction recommendation. However, the response given is considered not adequate to inform the PIC and dateline. Furthermore, description towards root cause analysis and corrective action are not available. Hence, the NCR No. 2017.05 is still remain open.</p> <p>Verification 26 August 2018</p> <p>The company shows appointment Letter from Pabatu Unit Manager No. PAB/SE/Intrn/.../VIII/2018 dated August 13th 2018 about PIC for RSPO related document control. The PIC was carried out by Assisstant of Human Resources and Document Control Team.</p> <p>Summary of audit, evaluation, rott cause analysis, estate or mill response and recommendation were appropriately presented in document No. 04.02/LHA/Rt/R/18/VI/2018 dated June 2nd 2017. Description on follow up towards audit findings has also presented in Commercial Director Letter No. 04.Dirut/PAB/R/020/VI/2017 dated June 6th 2017. These two example follow up description are explained in Part II about Operational Point A.1 and Point A.9, respectively. Monitoring and evaluation records as instructed on Commercial Director Letter were presented in estate and mill operational works record (daily, weekly, monthly and annually).</p> <p>Based on description of root cause analysis and corrective action, as well as corection evidence given, it could be concluded that NCR No. 2017.05 is considered closed.</p>	
<p>Verified by</p>	<p>: Andi Pratama Pasaribu and Mohamad Amarullah</p>

NCR No.	: 2017.06	Issued by	: Nanang Mualib
Date Issued	: 20 July 2017	Time Limit	: 19 September 2017
NC Grade	: Major	Date of Closing	: 19 October 2017

Standard Ref. & Requirement	: 4.4.2. Protection of water courses and wetlands, including securing and maintaining appropriate riparian and other buffer zones, at the time of or prior to replanting shall be demonstrated.
Non-Conformance Description & Evidence observed (filled by auditor):	
Based on the results of field visits in the riparian of tributary of Padang river (Block 9W, Division VII) as well as document review indicate that CH has not boundaries in the field as limit of chemical application as set out in SOP Management and Monitoring of High Conservation Value Area and in circular letter of Manager Unit No. Business Unit.PAB/SE/12/II/2015 in 02 January 2015 on the Prohibition of Chemical Use on River Border Areas.	
Root Cause Analysis (filled by organization audited):	
Pabatu estate have completed the boundary of the river border with the red boundary mark on the stem as far as five staples (or 50 m) of the river border, but Kebun Pabatu does not monitor the marker because there is no officer responsible for it.	
Correction (filled by organization audited):	
<ul style="list-style-type: none"> • Appoint officers responsible for monitoring the conditions of river borders, including boundaries of river borders in the field and other HCV areas. • Marking the boundary of the river border in the form of red paint on the principal as far as five items from the right of the left of the river in the identified areas need to be improved. 	
Corrective Action (filled by organization audited):	
Implementing river border monitoring every month as regulated in SOP no. 05 dated 2 January 2015 Point 5.4, and report to the supervisor if there are any signs that need to be corrected.	
Assessor Evaluation and Conclusion (filled by auditor):	
Companies need to re-identify the root causes of problems, remedial actions and their precautions. Based on the above explanation then this discrepancy is not closed	
Verification 19 October 2017	
The Company may show some improvement evidence among others as follows:	
<ul style="list-style-type: none"> • Decree of the Manager of Pabatu Estate No. PAB.MU/Kpts/06/VI/2017 of July 2017 on the appointment of seven river border monitoring officers and HCV areas in each Afdeling. The letter of appointment includes activities and procedures that need to be carried out by the appointed officer. • Document form Checklist for monitoring of boundary markings of boundary areas of rivers in August and September 2017 for all Afdeling (I - VII). The document was signed by the Monitoring Officer and the Afdeling Assistant. • Documentation of red marking in the form of red paint at the boundary of the boundary of the river, based on the results of the previous month's monitoring. For example, in Afdeling V, the boundary marks need to be fixed in Blocks 98K, 12A, 12E, 14H, 16AE and 16W. Improvements in September 2017 have been implemented in Block 12E, 14H and 16AE. Repairs for Blocks 98K, 12A and 16W will be completed in October 2017. 	
Based on the root description of the problem, corrective action, and evidence of the improvements shown, Non-Conformity No. 2017.06 is stated closed.	
Verified by	: Mohamad Amarullah

NCR No.	: 2017.07	Issued by	: Andi Pratama Pasaribu
Date Issued	: 20 July 2017	Time Limit	: 19 September 2017
NC Grade	: Major	Date of Closing	: 19 October 2017
Standard Ref. & Requirement	: 4.5.1 Monitoring of Integrated Pest Management (IPM) plan implementation shall be		

	available.
Non-Conformance Description & Evidence observed (filled by auditor): CH can not show the evidence of IPM implementation, including biological control, mechanical control and reducing pesticide usage time by time.	
Root Cause Analysis (filled by organization audited): <ul style="list-style-type: none"> Documents are not available at the time of the audit because they are in District III, so evidence related to integrated pest control activities can not be demonstrated. No special officer is responsible for providing documents related to integrated pest management. 	
Correction (filled by organization audited): <ul style="list-style-type: none"> Document control officers will coordinate with relevant parties to ensure the availability of documents that need to be demonstrated during audit activities. Apply documents related to integrated pest control activities. Implementing socialization related to integrated pest management which was held on October 10, 2017 at the meeting room of SMK3 Pabatu estate, attended by 14 related employees. 	
Corrective Action (filled by organization audited): <ul style="list-style-type: none"> Secretary 1 Plant and Pest Coordinator as document controller will coordinate at the time of audit activity. Documenting activities related to integrated pest control, in the form of a listing on the PB10 Daily Activity Report Book and Weekly Pest Reporting Book. Monitor the completeness of documents related to integrated pest control activities. 	
Assessor Evaluation and Conclusion (filled by auditor): Verification October 19, 2017 The Company has appointed special officer of document control related to integrated pest control activities, which is shown in Decree of Manager No: PAB / SK / / IX / 2017 dated September 25, 2017 regarding appointment of officer of Pest Control of Pabatu Business Unit. Based on interviews at SMK3 Pabatu Office, the officer explained that the sequence of integrated pest control starts from early detection in the field, followed by census activity to know the level of pest attack. Evaluation of census results is then used as a reference in the control effort to be carried out (chemical, physical or biological). Companies can show justification of pesticide use. For example, in Afdeling 1, the results of the caterpillar caterpillar of September 6-9, 2017 are known to attack rates above 5 caterpillars per stem are contained in Block 05AU, 05AY, 05AZ, 05BA, 05BB, 05DB, 05DD and 05BE, area affected by 17 ha. Related to this, the follow-up given is to implement spraying Decis on September 11-14, 2017. The dose used is 250 cc / ha. Based on the description, it can be concluded that the workers understand the sequence of justification for the use of pesticides for pest control. The Company may show the recapitulation of pesticide use and evidence of its reduction in use. For example, based on records of pesticide use in 2015, 2016 and 2017 (s / d September 2017), it is known that the reduction of pesticide use with active substance Isopropyl amine glyphosate and methyl metsulfuron in 2015 to 2016 is 55% and 63%. Meanwhile, the company has stopped using rat poison (brodifakum) in 2017. Biological Control The Company carries out biological controls to control the population of leaf-caterpillar pests through the planting of beneficial plants (<i>Turnera subulata</i> and <i>Antigonon leptopus</i>). The company demonstrates the development and maintenance program of <i>Turnera subulata</i> in 2017. In October there have been planted some 348 <i>Turnera</i> plant in Blok with planting year 2005 Afdeling 1, in January and June 2017 has planted 100 <i>Turnera</i> plant in Blok with year of planting 2012. At the time of observation field, visually it can be concluded that UPDKS attack is very low and found also <i>Turnera subulata</i> plant along main road and collection in good condition and well maintained. Meanwhile, for the control of the horn beetle pest population (<i>Oryctes rhinoceros</i>), the company uses a net and a pheromone trap in the Imature plant area. Based on the description of the root cause of the problem and corrective action, as well as evidence of the	

improvements shown, Non-Conformity No. 2017.07 is stated Closed.	
Verified by	: Mohamad Amarullah

NCR No.	: 2017.08	Issued by	: Andi Pratama Pasaribu
Date Issued	: 20 July 2017	Time Limit	: 19 September 2017
NC Grade	: Major	Date of Closing	: 15 October 2017
Standard Ref. & Requirement	: 4.6.1 Documented evidence shall be available to show that pesticide used based on regulations and the use of pesticide is specific to target species with appropriate dosage which have minimal impact on non-target species.		
Non-Conformance Description & Evidence observed (filled by auditor): Based on document verification regarding to pesticide application during January – March 2017 found that there are several insecticide usage. However, justification of it usage can not shown yet. For example, 200 kg of Carbosulfan usage.			
Root Cause Analysis (filled by organization audited): <ul style="list-style-type: none">Documents are not available at the time of the audit because the documents are elsewhere, so evidence relating to integrated pest control activities can not be demonstrated.No special officer has been responsible for providing documents related to integrated pest management.			
Correction (filled by organization audited): <ul style="list-style-type: none">Document control officers will coordinate with relevant parties to ensure the availability of documents that need to be demonstrated during audit activities.Referring documents of Oryctes pest census and Oryctes pest control SOP in Afd IV.Conducting socialization related to integrated pest control which was held on October 10, 2017 held in meeting room of SMK3 Pabatu Estate, attended by 14 related employees.			
Corrective Action (filled by organization audited): <ul style="list-style-type: none">Secretary 1 Plant and Pest Coordinator as document controller will coordinate at the time of audit activity.Documenting activities related to integrated pest control, in the form of a listing on the PB10 Daily Activity Report Book and Weekly Pest Reporting Book.Monitor the completeness of documents related to integrated pest control activities			
Assessor Evaluation and Conclusion (filled by auditor): Verification 12 September 2017 The Company has presented evidence of improvements in the form: <ol style="list-style-type: none">SOP Chemical control where it is stated that "the use of Marshal 5G at doses of 5 to 10 grams per tree is sown on TBM-1 crop dumps with rotation 3 - 4 times/month".Results of the census showing the degree of attack of Oryctes rhinoceros on Afdeling IV plants. Of the two documents above, there is no justification of the use of chemicals for the attack. Given the census results show the attack has not reached the level of severe attack. Please explain in detail. Auditor Notes: Please re-evaluate the root of the problem, correction and corrective action to find the right documentation. Auditor's Conclusion:			

Based on the evidence of such improvements indicated, this Nonconformity not Closed.

Verification 19 September 2017

1. SOP Chemical control where it is stated that "the use of insecticides made from carbosulfan 5G with a dose of 5-10 grams / tree is sown on TBM-1 plant toxin with rotation 3-4 times per month", with a threshold for chemical control if total pest attack > 2%.
2. Result of Oryctes rhinoceros pest census on Afd IV plants showed the population of pests of Oryctes rhinoceros above the threshold of 6.53% and 5.76% (the percentage of total underlying conditions of Light, moderate and severe attack).
3. Usage of 200kg marshal used for 308 Ha hit by oryctes with dose 5gr / principal (4 ha is sample census representing 20 Ha in application).

Verification 15 October 2017

The Company has presented evidence of improvements in the form of:

1. In the form of socialization materials Integrated pest control in 2017 which was held on October 10, 2017 held in the meeting room of SMK3 Pabatu garden (available evidence of attendance list of activities and photos).
2. Decree of Manager No: PAB / SK / / IX / 2017 dated 25 September 2017 on appointment of officer of Pest Control of Pabatu Business Unit.

Based on the evidence of improvements that have been demonstrated, this Nonconformity Stated Closed and the effectiveness of the regulated system will be part of what will be further observed in subsequent audit activities.

Verified by : **Andi Pratama Pasaribu**

NCR No.	: 2017.09	Issued by	: Muhammad Rinaldi
Date Issued	: 20 July 2017	Time Limit	: ASA-3
NC Grade	: Minor	Date of Closing	: 26 August 2018
Standard Ref. & Requirement	: 4.6.7 Application of pesticides shall be by proven methods that minimize risk and negative impacts.		
Non-Conformance Description & Evidence observed (filled by auditor):			
Based on field visit in division 1 in spray activity, it is known that workers take water for fill in the sprayer by using former chemical cans in the drainage.			
Root Cause Analysis(filled by organization audited):			
Lack of understanding of workers towards procedure and work instruction on chemist or pesticide application activities.			
Correction(filled by organization audited):			
<ul style="list-style-type: none">• To conduct socialization on pesticide application procedure/work instruction.• To use special containers for pesticide mixing on the field, which not from the used-pesticide containers. The special containers to be marked with information "Clean Water" on the containers.			

Corrective Action (filled by organization audited):

To conduct socialization and/or awareness towards pesticide application procedure.

Assessor Evaluation and Conclusion (filled by auditor):

Verification 26 August 2018

Estate management shows socialization of training evidence towards pesticide application procedure which presented in several documents as follows:

- Letter No. MU/Asst/M-93/VII/2018 dated July 4th 2018 about training invitation.
- List of absence in Form No. FPI-TU-01-18 which informed that the training has conducted on July 9th 2018 in OSH Committee Meeting Room of Pabatu POM, attended by 11 participants.
- Picture documentation of socialization.

Letter No. PAB/SE/.../VII/2018 dated July 3rd 2018 about returning the used pesticide containers which formerly used for pesticide mixing on the field. Furthermore, picture documentation of Special Containers marked with "Clean Water" information was available. Moreover, as observed to pesticide application in Afdeling 2 Block 014G, it was known that there is no reused of used-pesticide containers for pesticide mixing on the field.

Based on explanation above, NCR No. 2018.09 has considered closed.

Verified by

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Mohamad Amarullah

NCR No.	: 2017.10	Issued by	: Muhammad Rinaldi
Date Issued	: 20 July 2017	Time Limit	: 19 September 2017
NC Grade	: Major	Date of Closing	: 19 October 2017
Standard Ref. & Requirement	: 4.6.11 Annual medical records of pesticide operators, and follow-up treatment of medical results, shall be available.		
Non-Conformance Description & Evidence observed (filled by auditor): <p>CH can shows the results of a medical examination in April 2016. The document has been shown in the previous assessment. CH has not been able to show that medical supervision has been done yearly. The last supervision conducted on April 09, 2016.</p> <p>Based on the review of health examination document of April 2016, it is known that the medical examination to spray workers is only done by spirometry method. It is not enough to know the content of toxic due to exposure to pesticides on spray employees.</p>			
Root Cause Analysis(filled by organization audited): <ul style="list-style-type: none"> • The medical examination is conducted in accordance with the instructions from the Head Office of PTPN IV • Have not set health inspection methods 			
Correction(filled by organization audited): <ul style="list-style-type: none"> - Conduct a medical examination for 2017 - Conduct examination for all employees of pesticide handlers - Create health inspection programs and methods 			
Corrective Action (filled by organization audited): <p>Conduct medical examination in accordance with the program and health inspection methods in accordance with SOP related General Medical Checkup for Employee Leaders and Implementing Employees</p>			
Assessor Evaluation and Conclusion (filled by auditor): Auditor's response 04 October 2017: <p>The Company shows Memos from the Human Resources Division on September 25, 2017 which explains the health examination will be held on 16-21 October 2017 for pesticide handlers and mill workers. However, it has not yet explained the method of medical examination used and evidence that it will be done (contract / schedule from the health examiner) Based on the evidence of such improvements indicated, this Nonconformity stated not closed.</p> <p>Response October 10, 2017 Company shows SOP related General Medical Checkup for Employee Leaders and Employees of PT. Prima Medica Nusantara (hospital Group PTPN IV). In the document explains that sprayers should perform health checks Spirometry and Cholinesterase every 6 months.</p> <p>However it has not yet explained the method of medical examination dated 16-21 October 2017 used and evidence that a medical examination will be conducted (such as contract / schedule from the health examiner)</p> <p>Based on the evidence of such improvements indicated, this Nonconformity stated not closed.</p>			
Verified by	:	Muhammad Rinaldi	

NCR No.	: 2017.11	Issued by	: Muhammad Rinaldi
Date Issued Tanggal diterbitkan	: 20 July 2017	Time Limit	: 19 September 2017
NC Grade	: Major	Date of Closing	: 04 Oktober 2017
Standard Ref. & Requirement	: 4.7.1 A health and safety policy shall be in place. A health and safety plan shall be documented and implemented, and its effectiveness monitored.		
Non-Conformance Description & Evidence observed (filled by auditor): CH has OHS work plan document, but no evidence of monitoring on the effectiveness of OHS work plan for example for the work plan on 2016.			
Root Cause Analysis (filled by organization audited): Evaluation of the work program already exists but can not be shown by the officer at the time of the audit because the officer is on leave.			
Correction (filled by organization audited): Shows the evaluation of work programs at management review meetings.			
Corrective Action (filled by organization audited): Tidy up the documentation system and all copies of documents are stored in the Document Control section.			
Assessor Evaluation and Conclusion (filled by auditor): 19 September 2017 The Company presented the Document Review Meeting on March 13, 2017 which was attended by 18 participants which discussed the work program of K3 that has been implemented and which has not been done, evaluated the OH & S policy and discussed the K3 audit theme. The company needs to re-identify the root of the problem and the precautionary measure. Based on the evidence of improvement that has been shown, this discrepancy is not closed October 04, 2017 Based on the above explanation, the Non-conformity is stated closed but will be re-observed in the next assessment.			
Verified by	: Muhammad Rinaldi		

NCR No.	: 2017.12	Issued by	: Muhammad Rinaldi
Date Issued	: 20 July 2017	Time Limit	: 19 September 2017
NC Grade	: Major	Date of Closing	: 19 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 (filled by auditor):

Based on field visits, there are activities and areas where risk identification is not identified in the Risk Management document, among others

- Re-planting Activities.
- Railway crossing area.
- There is a spinning machine that is not equipped with a safety cover.

Root Cause Analysis (filled by organization audited):

Because all this time Risk Management is made on the work process.

Correction (filled by organization audited):

- Make risk management of TU, KA, and risk of rotating engine and realize its control
- Disseminate Risk Management to Officers.

Corrective Action (filled by organization audited):

- Conduct risk management activities in coordination with the existing Mandor in Section / Afdeling by OHS experts
- Conducting Risk Management Evaluation activities annually and listed in P2K3 work program.

Assessor Evaluation and Conclusion (filled by auditor):

19 October 2017

The Company identifies the results of risk identification for activities on a rotary engine made on July 22, 2017. The document explains that controls on the engine rotate by means of signage, APD delivery to workers and installation of safety covers for rotary machinery. Based on field visits at kernel stations, it is known that spinning machines using belting have been covered using cover.

The Company demonstrated Risk Management related to the railway transportation made on July 22, 2017 which explains that risk controls include the provision of signs and careful sign passes across the rail. Based on field trips in afdeling 1 on the railway crossing area, it is known that there has been a careful mark in accordance with the controls in Risk Management.

The Company demonstrates the Risk Management relating to Replanting made on July 22, 2017 which explains that the risks and control of each re-planting work.

In addition, the company showed evidence of socialization related to hazard determination and risk assessment on October 10, 2017 to 10 Risk Management Team.

Based on the explanation, this Nonconformity is declared closed.

Verified by : **Muhammad Rinaldi**

NCR No.	: 2017.13	Issued by	: Muhammad Rinaldi
Date Issued	: 20 July 2017	Time Limit	: 19 September 2017
NC Grade	: Major	Date of Closing	: 20 October 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 (filled by auditor): <ol style="list-style-type: none"> During field visits at the mill, there are unsafe working practices, including: <ul style="list-style-type: none"> There are workers who smoke in the area of the boiler. There are motorcycle that are parking inside the factory area for example in the water purification machine room (WTP), under the Kernel station. Based on field visits at the factory, workers were found not using PPE in accordance with HIRAC, among others: <ul style="list-style-type: none"> Workers in WTP use slippers whereas in risk identification, the footwear that should be used are boots. Workers who are fixing the Kernel station at altitude do not use helmets and safety belts. Boiler operators do not use safety boots, leather gloves, masks and glasses. CH has not been able to show monitoring of the use and condition of PPE of workers for activities in plantation activity. 	
Root Cause Analysis(filled by organization audited): <ul style="list-style-type: none"> There has been no periodic socialization to employees regarding the obligations of employees using PPE. Diarrhea has been installed signs of smoking bans and parking restrictions, but workers do not heed the signs that are installed. The inspection team has only conducted monitoring in the mill and did not understand that the inspection was conducted for all activities. 	
Correction(filled by organization audited): <ul style="list-style-type: none"> Socializing the use of PPE to workers and related to smoking and parking restrictions Socialize job descriptions to the inspection team Shows monitoring data on PPE for Estate activities. 	
Corrective Action (filled by organization audited): <ul style="list-style-type: none"> Conduct daily inspections of workers regarding the discipline of smoking and the completeness of PPE Provide sanctions to workers who do not use PPE according to Risk Management Evaluate the results of inspections by P2K3 secretaries (general HR ast) 	
Assessor Evaluation and Conclusion (filled by auditor): 20 October 2017 <ul style="list-style-type: none"> The Company shows evidence of PPE socialization activities to mill workers on 13 September 2017 in which it explains the obligation to use PPE and sanctions if not to use and show evidence of socialization on September 14, 2017 related to smoking restrictions in various places to mill workers and parking restrictions. The company shows the inspection of the use of PPE in each differentiated estate area for each activity such as harvesting and fertilization activities The company demonstrated the socialization of understanding and job description to 8 inspection teams on October 10, 2017 which explained that inspections were conducted throughout the workplace including factories and estate. The company shows daily inspection of the smoking worker and the use of APD from 02-11 October 2017 period <p>Based on field visits at the mill, it was found that workers had been given the socialization of smoking bans and the ban on parkir disembarang place, business units have also given a special place for smoking and motorcycle parking. For PPE implementation, workers have used PPE in accordance with Risk Management. The company also shows evidence of sanctions to workers who are not disciplined using PPE.</p> <p>Based on the explanation, this Non-conformity is stated closed.</p>	

Verified by	: Muhammad Rinaldi

NCR No.	: 2017.14	Issued by	: Muhammad Rinaldi
Date Issued	: 20 July 2017	Time Limit	: ASA-3
NC Grade	: Minor	Date of Closing	: 20 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): <ul style="list-style-type: none">Based on field visit in the Factory Machinery Room, there is known that there is a first aid kit box but it is empty. This is not in accordance with the monitoring results of April 2017 stating that all drug content is still in good condition.CH has not been able to show the monitoring of first aid bags contained in each supervisor.Based on the visit in the factory office, Chemical Warehouse, Hazardous Waste Temporary Storage, Division 5 Office, Boiler station and lab office, it is known that APAR is not pressurized and has been expired. Applicability period in accordance with label in APAR until February 2017.			
Root Cause Analysis(filled by organization audited): <ul style="list-style-type: none">Workers using first aid equipment do not fill in the book of drugsThe inspection team has only conducted monitoring for First Aid Boxes and has not understood that inspection is done for all boxes and bags of First AidProcurement process including APAR must go through bidding process so that when the audit takes place the APAR has not been replaced.			
Correction(filled by organization audited): <ul style="list-style-type: none">To socialize to workers so that the use of first aid kit should be recordedSocialize job descriptions to the inspection teamFill APAR for all blank or expired APAR			
Corrective Action (filled by organization audited): <ul style="list-style-type: none">Reports reports of using First Aid Boxes reported monthly to AssistantEvaluate the results of the inspection by P2K3 secretary (ast of general human resources)The tender process will take place 3 months before the APAR expiry date			
Assessor Evaluation and Conclusion (filled by auditor): 20 October 2017 <ul style="list-style-type: none">The company showed the socialization of how to use the first-aid box of drugs on October 20, 2017 to workers at the MCC explaining how to use the drug and recording the drugs used.The company demonstrated the socialization of understanding and job description to 8 inspection teams on October 10, 2017 which explained that inspections were conducted throughout the workplace including Mill & estateThe company shows evidence of APAR distribution that has been filled on October 09, 2017 with the amount of 61 APAR located in all afdeling and mill.			

Based on field visits at the plant and offices afdeling 7, it is known that the APAR and first aid kit are readily available and ready for use. In the first aid kit there is a book for recording the drugs used.

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

Verified by : **Muhammad Rinaldi**

NCR No.	: 2017.15	Issued by	: Nanang Mualib
Date Issued	: 20 July 2017	Time Limit	: ASA-3
NC Grade	: Minor	Date of Closing	: 19 October 2017
Standard Ref. & Requirement	5.2.3. Programs to socialize the status of protected, rare, threatened or endangered (RTE) to all workers shall be available, including records of appropriate sanction disciplinary measures to any individual working for the company who is found to capture, harm, collect or kill these species.		
Non-Conformance Description & Evidence observed (filled by auditor): CH has animals protection regulation on SOP No. 09 (Rev 02) dated 02 January 2015 about Animals and Plants Identification and Protection. That SPO arranged about prohibition for capture, keep or kill wildlife wheter protected or not. However, based on field observation on housing employee of Division V shows that worker keep Macaca fascicularis and state that the worker wasn't know about his act.			
Root Cause Analysis (filled by organization audited): The CH has not conducted socialization to the workers related to flora and fauna protection as regulated in SOP No. 09 Rev 2 dated January 02, 2015.			
Correction (filled by organization audited): <ul style="list-style-type: none"> Implementing socialization related to the protection of flora and fauna as regulated in SOP no. 09 Rev 2 dated January 02, 2015. Make a form letter Manager regarding the prohibition of maintaining wildlife in employee housing. 			
Corrective Action (filled by organization audited): Implement monitoring of fulfillment / implementation of results of socialization related to this Indicator in the area of housing area employees.			
Assessor Evaluation and Conclusion (filled by auditor): 04 October 2017. The CH showed Memo manager Unit No. PAB / SE / 63 / IX / 2017 dated September 08, 2017 which explains the prohibition of arresting, maintaining and killing wild animals and Minutes of Long-tailed Monkey Release on September 7, 2017. But the CH has not shown to increase understanding to workers related to wildlife ban in accordance with SOP. Based on the explanation, this Non-conformity is not fulfilled. 19 October 2017			

The company showed evidence of the socialization of protected animals to employees on 7 October 2017 attended by HR Assistant, Anager Unit Pabatu, Askep Rayon A / B, Maskep, Afdeling Assistant, Processing Assistant, Afdeling Maid, Afdeling Employees and Mill with representatives of 3 persons per Section. The total number of socialization participants was 36 people. The socialization was also held on October 10, 2017, attended by 14 people, consisting of Assistant, Administration and Coordinator. The socialization materials consist of:

- Introduction of protected wildlife species.
- Prohibition to cut down trees and keep, shoot, sell protected animals.
- Fines and sanctions for violators under PP. 5 years of 1990, such as a criminal sanction of 5 years in prison or a fine of at most Rp 100 million.
- Obligations of employees and the whole community to report and coordinate with the company if aware of any restricted activity for protected animals.

Based on the analysis of the root cause analysis and corrective action, and evidence, **Non-Conformity No. 2017.15 is stated Closed** and the employee's understanding of the socialization material will be further observed in next surveillance (**Observation**).

Verified by : **Mohamad Amarullah**

NCR No.	: 2017.16	Issued by	: Nanang Mualib
Date Issued	: 20 July 2017	Time Limit	: ASA-3
NC Grade	: Minor	Date of Closing	: 26 August 2018
Standard Ref. & Requirement	5.2.4. Once the management plan is prepared, continuous monitoring documentation and report regarding the status of the RTE and HCVs are affected by the operations of the plantation and palm oil mill shall be available, and the results of monitoring are to be used to follow-up on the improvement of the management plan.		
Non-Conformance Description & Evidence observed (filled by auditor): CH has arranged Chinese Bamboo development and maintenance program 2016 and realization till December 2016, however not yet able to show : a. HCV Monitoring and management Plan on Identified HCV by considering HCV recommendation on 2009. b. HCV Monitoring and management Result periodically which is used as consideration of Next period evaluation.			
Root Cause Analysis (filled by organization audited): Pabatu estate are not able yet to show HCV management plan and HCV monitoring based on management plan			
Correction (filled by organization audited): HCV management plan establishment and conduct HCV monitoring on Pabatu estate			
Corrective Action (filled by organization audited): Evaluation for HCV management plan and HCV monitoring regularly			
Assessor Evaluation and Conclusion (filled by auditor): Verification on August 26,2018 Pabatu estate shown HCV management plan listed on HCV management plan 2018 document, that consist of HCV			

area marking, HCV socialization, and HCV area monitoring
 Program and realization to socialize the status of protected, rare, threatened or endangered (RTE) to all workers were available for examples by providing hunting ban signboard on block 98H AFD VII. Monitoring for RTE species and HCV are conducted every day on each estate and summarized on HCV monthly report
 Based on this explanation, it was concluded NCR 2017.16 are closed

Verified by : **Steve Mualim**

NCR No.	: 2017.17	Issued by	: Nanang Mualib
Date Issued	: 20 July 2017	Time Limit	: 19 September 2017
NC Grade	: Major	Date of Closing	: 19 October 2017
Standard Ref. & Requirement	: 5.3.2. There shall be evidence that all chemicals and their empty containers are disposed of responsibly.		

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

However, based on field observation in used material warehouse shows that hazardous waste (used accu, paint cans, used filter) mixed with non-hazardous waste and not yet delivered to hazardous waste warehouse

Root Cause Analysis (filled by organization audited):

The CH has not conducted a comprehensive socialization on the handling of hazardous Waste (Accu Used, Canned Cat, Filter Used) to the warehouse officer.

Correction (filled by organization audited):

Conducting socialization to warehouse officers concerning hazardous waste management.

Corrective Action (filled by organization audited):

Warehouse Administration conducts surveillance and ensures that all hazardous waste is only stored in temporary storage hazardous waste.

Assessor Evaluation and Conclusion (filled by auditor):

The CH showed evidence of hazardous waste socialization on September 15, 2017 to the Warehouse Officer of Pabatu Business Unit. However, it has not shown that all hazardous waste in the warehouse has been transferred to temporary storage hazardous waste.

In order to re-identify preventive measures so that non-conformities are not repeated. Based on the explanation, this Non-conformity has been closed.

19 October 2017

The Company showed evidence of improvements, among others:

- Decree of Unit Manager and Head of Administration Office No. PAB.MU/Kpts/76/IX/2017 September 2017 on the appointment of hazardous waste monitoring officers.
- Documentation of hazardous waste such as 7 used batteries, 11 used filters and 60 used paint cans, from

Engineering warehouses to licensed temporary storage hazardous waste on July 22, 2017. This is stated in the Warehouse Bound Warehouse document and Waste Balance Sheet hazardous waste.

- Based on observations to the Warehouse of secondhand (Central Warehouse), it is known that all hazardous waste found at the time of audit activity has been transferred to licensed temporary storage hazardous Waste.

Based on the above explanation, **Non-Conformity No. 2017.17 has been closed.**

Verified by : **Mohamad amarullah**

NCR No.	2017.18	Issued by	Nanang Mualib
Date Issued	20 July 2017	Time Limit	ASA-3
NC Grade	Minor	Date of Closing	19 October 2017
Standard Ref. & Requirement	5.3.3. A documented waste management plan to avoid or reduce pollution and its implementation shall be available.		
Non-Conformance Description & Evidence observed (filled by auditor): CH has had domestic waste management procedures as listed in SPO no. 20, dated January 2, 2015, however, based on the results of field visits in the housing of employees Division I and Division V indicate that the procedure has not been implemented properly such as there is no means of domestic waste dumps in the housing complex and Final Waste Disposal as a waste disposal site of domestic waste.			
Root Cause Analysis (filled by organization audited): The CH has not provided domestic waste management facilities for residential areas.			
Correction (filled by organization audited): <ul style="list-style-type: none">• Issue form Letter Manager Unit Pabatu No. PAB / SE / 78 / IX / 2017 dated 25 September 2017 on domestic waste management. Letters were sent to District III, all Chief Assistants, Chief Engineers, Security Officers, Plantation Workers Union and OHSAS / ISO / RSPO Secretariat.• Implement socialization of domestic waste management to residents of residential areas.			
Corrective Action (filled by organization audited): Conduct regular monitoring by assistant afdeling.			
Assessor Evaluation and Conclusion (filled by auditor): The Company showed some evidence of improvement such as: <ul style="list-style-type: none">• Form letter No. Pabatu Unit Manager. PAB / SE / 78 / IX / 2017 dated September 25, 2017 on domestic waste management explaining that all employees make each garbage hole behind their houses. Each house has two separate trash holes to accommodate organic and non-organic waste. If the holes are full, it must be closed and made a new hole.• There is socialization of domestic waste management on October 2, 2017 for Afdeling VII employees, attended by 22 employees (There is documentation)• Based on field visit to Afdeling V housing area, it is known that domestic waste management has been			

implemented in accordance with the form letter of Pabatu Unit Manager. Each house has two organic and non-organic waste pits, approximately 15 meters behind the house. Then, based on interviews with residents of the Afdeling V housing area, it can be concluded that domestic waste management has been understood by residents of residential areas.

Based on the root cause analysis and corrective action, and evidence, **Non-Conformity No. 2017.18 has been Closed.**

Verified by : **Mohamad amarullah**

NCR No.	: 2017.19	Issued by	: Nanang Mualib
Date Issued	: 20 July 2017	Time Limit	: ASA-3
NC Grade	: Minor	Date of Closing	: 26 August 2018
Standard Ref. & Requirement	: 5.4.1. A plan for improving efficiency of the use of fossil fuels and to optimize renewable energy shall be in place and monitored.		
Non-Conformance Description & Evidence observed (filled by auditor): Based on field observation in Pabatu Mill shows that CH used Shell and Fiber as boiler fuel but still not found: a. Record of Shell and Fiber Utilization period 2016 and 2017 as boiler fuels. b. Efficiency calculation of Shell and Fiber usage for fuels on 2016 and 2017.			
Root Cause Analysis (filled by organization audited): Officer are not preparing document well There is no monitoring for document needs based on RSPO P&C			
Correction (filled by organization audited): • Shows record of fiber and shell usage as boiler fuels Shows record of energy efficiency calculation			
Corrective Action (filled by organization audited): Conduct document monitoring based on RSPO P&C Socialization for PIC related to document control and keeping Appoint related PIC for document keeping and record			
Assessor Evaluation and Conclusion (filled by auditor): Verification on August 26,2018 Company shown appointment letter for PIC related to renewable energy usage monitoring based on Pabatu Manager decree PAB/SK/11/X/2017 namely Rasan Hidayat. Company also shown monitoring and record keeping for fossil fuel usages periods 2016-2017 and energy efficiency calculation based on FFB material balance konversion every day, that recorded on monthly report Based on above explanation, it was concluded NCR 2017.10 are closed			
Verified by	: Steve Mualim		

NCR No.	: 2017.20	Issued by	: Nanang Mualib
Date Issued	: 20 July 2017	Time Limit	: ASA-3
NC Grade	: Minor	Date of Closing	: 19 October 2017
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): Based on the environmental management plan / environmental monitoring plan document, it is known that the company has an obligation to monitor air quality produced in the first semester. The plan has been implemented by the company by conducting air quality testing at the accredited laboratory. The test results are still in accordance with the regulations (see indicator 5.6.1). But regularly, CH has not been able to show the calculation of Greenhouse Gas using PalmGHG v.3.0.1 calculation method in 2016.			
Root Cause Analysis (filled by organization audited): District Assistant III and Processing Administration who are currently responsible for calculating GHG emissions have not understood the calculation of greenhouse gas emissions using the latest RSPO Palm GHG Calculator version (Version 3.0.1).			
Correction (filled by organization audited): <ul style="list-style-type: none"> • Prepare greenhouse gas emissions calculation documents for 2016. • Implement calculations after studying and understanding the technical GHG emission calculations using version 3.0.1. 			
Corrective Action (filled by organization audited): Assistant was conducted monitoring of the latest GHG RSPO calculator, coordinates with consultants and provides training / socialization to Processing Clerk in charge of calculating GHG emissions.			
Assessor Evaluation and Conclusion (filled by auditor): The calculation has been done but it needs to be confirmed again in the "Summary (Mill)" section because in the "Plantation / field emissions and sinks" table of Group and 3rd Party there is no emission result while Pabatu Mill receives FFB from PTPN IV Group and from third party. 3. Therefore it is concluded that there is still an error in charging GHG calculator. Based on the above explanation, the Non-Conformity No. 2017.20 is not Closed. 19 October 2017 The CH has implemented GHG emission calculations using PalmGHG version 3.0.1 calculator, with the following description of the results: Summary of Net GHG Emissions			

Emissions per product	tCO ₂ e/tProduct	Extraction	%	Production	ton/year
CPO	0.01	OER	22.24	FFB Processed	143,606.67
PK	0.01	KER	4.29	CPO Produced	31,930

Land Use	ha
OP planted area	3.678
OP Planted on peat	0.00
Conservation (forested)	0.00
Conservation (non-forested)	88.00

Summary of Field Emissions and Sinks

	Own Crop		Group		3 rd Party		Total	
	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e	tCO ₂ e/ha
Emissions								
Land conversion	3,7215.14	9.88	-	-	-	-	37,215.14	9.88
*CO ₂ emissions from fertilizer	215,527.22	57.20	-	-	-	-	215,527.22	57.22
**N ₂ O emissions	2,990.81	0.79	-	-	-	-	2,990.81	0.79
Fuel consumption	423.26	0.11	-	-	-	-	423.26	0.11
Peat Oxidation	0.00	0.00	-	-	-	-	0.00	0.00
Sinks								
Crop sequestration	-33,075	-8.78	-	-	-	-	-33,075	-8.78
Conservation Sequestration	-	-	-	-	-	-	-	-
Total	22.3081,43	59.20	-	-	-	-	22,3081.43	59.20

Summary of Mill Emissions and Credits

	tCO ₂ e	tCO ₂ e/tFFB
Emissions		
POME	5.053,98	0.04
Fuel consumption	179.71	0.00
Grid Electricity Utilisation	0.00	0.00
Credits		
Export of Grid Electricity	0.00	0.00
Sales of PKS	0.00	0.00
Sales of EFB	0.00	0.00
Total	5,233.69	0.04

Palm oil Mill Effluent (POME) Treatment

Divert to compost	0.00 %
Divert to anaerobic digestion	100.00 %

POME Diverted to Anaerobic Digestion:

Divert to anaerobic pond	100.00 %
Divert to methane capture (flaring)	0.00 %
Divert to methane capture (electricity generation)	0.00 %

Based on root cause analysis and corrective action, and evidence of the improvements shown, **Non-Conformity No. 2017. 20 has been Closed.**

Verified by	:	Mohamad Amarullah
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NCR No.	:	2017.21	Issued by	:	Brigitta Prita
Date Issued	:	20 July 2017	Time Limit	:	19 September 2017
NC Grade	:	Major	Date of Closing	:	19 October 2017
Standard Ref. & Requirement	:	6.1.3 Plans for management and monitoring of social impacts to avoid or reduce negative impacts and promote positive ones, based on social impact assessment, through consultation with the affected parties, shall be available, documented and timetabled, including responsibilities for implementation.			
Non-Conformance Description & Evidence observed (filled by auditor): Based on the document review, the CH showed evidence of a questionnaire of social impacts around the plantation conducted on 30 August 2016. However, the company has not been able to show the social impacts management and monitoring plan to avoid or mitigate negative impacts and increase the positive impacts based on the results of the Social Impact Analysis.					
Root Cause Analysis (filled by organization audited): The CH does not yet have a dedicated officer responsible for creating, implementing, supervising and evaluating social impacts management and monitoring plans.					
Correction (filled by organization audited): <ul style="list-style-type: none">• Appoint a special officer, as described in the root cause analysis.• Personal in Charge (PIC/Officer) immediately creates a program of social impacts management and monitoring plan to avoid or mitigate negative impacts and enhance positive impacts based on Social Impact analysis results for the period 2017/2018.					
Corrective Action (filled by organization audited): The officer shall constantly evaluate the social impacts management and monitoring activities in coordination with the local village government, community leaders and other relevant stakeholders located within the operational area of the company.					
Assessor Evaluation and Conclusion (filled by auditor): Verification, 13 September 2017. The CH has demonstrated the identification of positive impacts and negative impacts to the social impacts of oil palm plantation companies but the company has not been able to show the forms of social impacts management and monitoring plans for the period 2017-2018. For example: what efforts (Management & Monitoring) the company undertakes to mitigate negative impacts and enhance positive impacts in accordance with the social impacts identification results has been made by the company. Based on the above explanation it is still stated OPEN, please respond to the root cause analysis and preventive					

measures and add back the corrective action.

Verification, 19 September 2017.

The CH showed the management and monitoring plan of PTPN IV - Pabatu for the year 2017-2018, among others:

1. Public facilities and social facilities

- Improve communication with stakeholders in the village to discuss village development programs in a participatory manner based on priority scales from the villagers' point of view.

2. Employment Opportunities

- Socialize if there is acceptance of labor to the community, equal opportunity for labor.
- Recommend that contractors / third parties prioritize local people around the estate if they compliance the required qualifications.

3. Opportunity

- Encourage the realization of partnership programs and community development in accordance with village needs.

Location and timing of monitoring in the villages around the plantation and monitoring is carried out during the operation of the estate.

Based on the above explanation, **Non-conformance 2017.21 is stated still Open please to fill the root cause analysis and corrective actions.**

19 October 2017.

The CH showed Decree No. Pabatu Business Unit Manager. PAB / SK / ... / IX / 2017 dated September 1, 2017 regarding the stipulation of special officers of environmental social management PTPN IV Pabatu Business Unit. The appointed officers are from the Public and Security Section of Human Resources, a number of four persons, consisting of Assistant, Administraion-1 and Administraion. The designated officer has established a social monitoring and management program as described in the Auditor's verification dated September 19, 2017.

Based on the root cause analysis and corrective action, as well as evidence of the improvements shown, **Non-Conformity No. 2017.21 has been Closed.**

Verified by	:	Mohamad Amarullah
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NCR No.	:	2017.22	Issued by	:	Brigitta Prita
Date Issued	:	20 July 2017	Time Limit	:	ASA 3
NC Grade	:	Minor	Date of Closing	:	20 Oktober 2017
Standard Ref. & Requirement	:	6.1.4. The documented plan for management and monitoring of social impacts, shall be reviewed at least on two-yearly basis. If necessary, the plan should be updated. There shall be evidence that the review process includes participation of all affected parties.			
Non-Conformance Description & Evidence observed (filled by auditor):					
The CH has not been able to show the social impacts management and monitoring plan has been reviewed every 2					

years.
<p>Root Cause Analysis(filled by organization audited):</p> <p>The CH does not yet have a dedicated officer responsible for creating, implementing, supervising and evaluating social impacts management and monitoring plans.</p>
<p>Correction(filled by organization audited):</p> <ul style="list-style-type: none"> Pointed a special officer, as described in the root cause analysis. The officer immediately contacts several village representatives around the Pabatu unit to conduct an evaluation meeting of the management and social monitoring program.
<p>Corrective Action (filled by organization audited):</p> <p>The officers will coordinate with community representatives around Pabatu to participate in conducting evaluation / review on social management and monitoring program every year.</p>
<p>Assessor Evaluation and Conclusion (filled by auditor):</p> <p>Verification, 13 September 2017. CH has demonstrated the identification of positive impacts and negative impacts on social impacts in PTPN 4 Unit Pabatu but the CH has not been able to review every two years on social impact management and monitoring plans for the period 2017-2018.</p> <p>Based on the above explanation Non-conformance No.2017.22 indicator 6.1.4 is still OPEN, please respond to the question of Root Cause Analysis and preventive measures and add back to the review of the social impacts management and monitoring plans.</p> <p>19 October 2017 CH showed Decree No. Pabatu Business Unit Manager. PAB / SK / ... / IX / 2017 dated September 1, 2017 regarding the stipulation of special officers of environmental social management PTPN IV Pabatu Business Unit. The appointed officers are from the Public and Security Section of Human Resources, there are four persons, consisting of Assistant, Administration -1 and Administration. The appointed officer has conducted the evaluation meeting of the management and social monitoring program that was held on 18 September 2017.</p> <p>The CH showed evidence of socialization and minutes of the review meeting on the social impacts management and monitoring plan in the village around the Pabatu business unit on September 18, 2017, which was held in Balai Karyawan Afdeling III Pabatu. The meeting was attended by Head of Plant Office, plant Administration and Assistant and Administration Public and Security HR as company representative. Meanwhile, the community around Pabatu Unit is represented by the Village Head Kedai Damar, Bah Sumbu, Naga Kesiangan, Pabatu I, Pabatu II, Pabatu VI, Paretoakan, Mainu Tengah and Bah Damar, and Padang Merbau and Pabatu Village Heads. Image documentation during the meeting is available. However, the company does not have a timeframe for the evaluation period of social impacts management and monitoring program. Non-compliance has not been Closed.</p> <p>20 October 2017 The CH showed Decree No. Manager. PAB / SK / 246 / X / 2017 dated October 19, 2017 regarding the stipulation of special officers of environmental social management PT PN IV Pabatu Business Unit. The decision letter adds several tasks that need to be carried out by the designated officers, which is to evaluate the needs and expectations of the workers and the management of social impacts every year, and review or evaluate the social impacts management and monitoring program to the community every two years.</p> <p>Based on the root description of the problem and corrective action, as well as evidence of the improvements shown, Non-Conformity No. 2017.22 has been Closed.</p>

Verified by	:	Mohamad Amarullah
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NCR No.	:	2017.23	Issued by	:	Muhammad Rinaldi
Date Issued	:	20 July 2017	Time Limit	:	19 September 2017
NC Grade	:	Major	Date of Closing	:	20 October 2017
Standard Ref. & Requirement	:	Principle 8 Commitment to continual improvement in key areas of activity			
Non-Conformance Description & Evidence observed (filled by auditor): <p>The certificate holder has not been able to show evidence of improvement related to continuous improvement. In connection with this there is a systematic failure in the application of standards, due to the repetition Non-conformity of the previous assessment, such as: Compliance to regulation (indicator Major 2.1.1); Regulator updating (indicator Minor 2.1.4); Boundary Marking (Indicator Minor 2.2.2); Annual Medical Checkup (indicator Major 4.6.11); Safe working (indicator Major 4.7.3); Emergency response equipment including first aid kit (indicator Minor 4.7.5); protection of wildlife (indicator Minor 5.2.3); HCV management & monitoring plan (indicator Major 5.3.2); domestic waste management (indicator minor 5.3.3); GHG calculation (indikator Minor 5.6.3); plans and implementation of social impacts (indicator Major 6.1.3); social impact evaluation (indicator Minor 6.1.4).</p>					
Root Cause Analysis(filled by organization audited): <p>Lack of CH to perform obigations related to RSPO.</p>					
Correction(filled by organization audited): <p>Increase commitment by conducting socialization related to recurring findings on RSPO implementation.</p>					
Corrective Action (filled by organization audited): <p>Perform internal audit periodically in accordance with quality procedures No Doc: PM-04.11-03 on Internal Audit which explains the internal audit activities carried out at least once a year.</p>					
Assessor Evaluation and Conclusion (filled by auditor): <p>20 October 2017. The Company showed evidence of socialization related to the understanding of the RSPO Principles & Criteria and SCCS on 09 October 2017 to all employees. In addition, the CH has shown evidence that all recurring nonconformities have been fulfilled.</p> <p>Based on the explanation, this Non-conformity is declared Closed.</p>					
Verified by	:	Muhammad Rinaldi			

NCR No.	: 2017.24	Issued by	: Muhammad Rinaldi
Date Issued	: 20 July 2017	Time Limit	: 19 September 2017
NC Grade	: Major	Date of Closing	: 19 October 2017
Standard Ref. & Requirement	: E.3.2 The site shall have documented procedures for receiving and processing certified and non-certified FFBs.		
Non-Conformance Description & Evidence observed (filled by auditor): Based on interview with operator of weighbridge, explained that weighbridge ticket for FFB from own estate has been marked with stamp "SCCS Model Mass Balance" and for FFB from third parties has been given with Stamp "Non SCCS". However, based on document verification of Weighing ticket, it is known there are non-Certified FFB but is marked with stamp of "SCCS Model Mass Balance" for example Weighing Ticket with no. 31706150000058 on June 15, 2017 which is the FFB from Sei Kopas Estate.			
Root Cause Analysis(filled by organization audited): FFB Operator is only one person, weighing and recording is done by the operator himself, so it is probably that negligence can occur.			
Correction(filled by organization audited): <ul style="list-style-type: none"> • Add the officer in case of recording and verification (there is internal memo related addition of employee). • Socialization to the scale officer. 			
Corrective Action (filled by organization audited): <ul style="list-style-type: none"> • Officers make daily reports of FFB scales overview, which presents the number of CSPO and NON CSPO FFB. 			
Assessor Evaluation and Conclusion (filled by auditor): 08 September 2017 CH showed note of weighing which is a Non-Certified estate. Based on the document, it is known that the uncertified FFB is given a "Non SCCS" sign. But CH need to re-identify the root o Cause Analysis, correction and corrective action, so that non-conformity does not recur. Based on the above explanation, the Non-Conformity No. 2017.24 is not fulfilled. 19 October 2017 CH showed Letter no. Mascep / Asst / M01 / IX / 2017 dated September 30, 2017 which explains the addition of 2 Officers. In addition, there is a Socialization document on 01 October 2017 to 3 officers of the scales relating to the acceptance of FFB certified and non-certified as well as the production of reports on the number of FFBs received certified and Non-Certificate. CH also showed the daily report of the scales in the FFB Summary document in which it explains the total FFB bcertificate and is not certified. For example, on October 7, 2017 there were 121,790 Kg from Kebun Pabatu which included FFB certified and there were 84,140 Kg from Kebun Aek Nauli which is FFB Non-certificate. Based on field visits on scales and interviews with weighers, it is known that there are 3 weighers and they can explain the way to separation of FFB is certified and non-certified and related to the marking of the ticket weigh.			

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

Verified by : **Muhammad Rinaldi**

NCR No.	2017.25	Issued by	Muhammad Rinaldi
Date Issued	26 July 2017	Time Limit	25 September 2017
NC Grade	Major	Date of Closing	05 October 2017
Standard Ref. & Requirement	RSPO Certification System 4.2.4 Time Bound Plan		
Non-Conformance Description & Evidence observed (filled by auditor): <p>Based on the verification of Time Bound Plan documents, it is known that there are 4 factories and 11 plantations that have passed the Time Bound Plan such as Laras (2015), Berangir (2015), Marihat (2016) etc. and there are 2 subsidiaries that have not been targeted for the time of RSPO certification is PT Agro Sinergi Nusantara located in Aceh Barat, Aceh and PT Sinergi Perkebunan Nusantara located in North Morowali, Sulawesi, but RSPO member PTPN IV has not been able to show any justification and renewal of the time bound plan.</p>			
Root Cause Analysis (filled by organization audited): <p>Unavailability of Time Bound Plan creating and reporting mechanism</p>			
Correction (filled by organization audited): <p>Revision of Time Bound Plan and create mechanism (SPO No.22 About Making and Reporting Time Bound Plan)</p>			
Corrective Action (filled by organization audited): <p>Evaluate the Time Bound Plan periodically</p>			
Assessor Evaluation and Conclusion (filled by auditor): 25 September 2017 <p>The Company shows the Time Bound Plan update in September 2017 but has not been shown any justification for any units that have been changed the time for get the certificate.</p>			
Auditor Verification on 03 October 2017 <p>The Company shows the SOP of Time Bound Plan (SOP No. 22 in 02 October 2017) describing the time bound plan made by the Head of Strategy and Planning Sub-division and reporting it to the Certification Body and evaluating each year.</p> <p>The company shows the Time Bound Plan update for all units of PTPN IV, but there are still Estate that have not updated their Time Bound Plan (Mayang, Gunung Bayu, Tinjowan) and the document has not been legalized.</p> <p>Based on the explanation, this Non-conformity is still OPEN</p>			
Auditor Verification 05 October 2017 <p>The company shows an update time bound plan that has been endorsed by the Head of Strategic Planning Section. Based on the document, it is known that all PTPN 4 Estate have been covered in time bound plan and for business</p>			

units that have been revised and there is a justification for the change of time, for example the Estate of Air Batu (Plantation and Mill) from 2015 to 2021 due to legality-related issues.

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

Verified by : **Muhammad Rinaldi**

3.5.2 Identification of Findings, Corrective Actions and Observations at ASA-3 Assessment

NCR No.	: 2018.01	Issued by	: Mohamad Amarullah
Date Issued	: 27 August 2018	Time Limit	: 25 November 2018
NC Grade	: Major	Date of Closing	: 09 September 2018
Standard Ref. & Requirement	: 1.1.2 Records of requests for information and responses to the information requested shall be available.		
Evidence observed (filled by auditor): Information request were recorded on logbook (color blue). However, information on request response towards information requested were not available. For example as follows: <ul style="list-style-type: none">Letter No. B/23/01/2018 dated January 25th 2018 about "Kelengkapan Berkas Jaminan Kecelakaan Kerja" is not available.Response on District Government of Serdang Bedagai Letter No. 1843/524/34/2018 dated February 3rd 2018 about "Penanggulangan Gangguan Hewan Ternak Lembu dan Kambing" is not available. According to the points above, unit management is not be able to shows that the Letter has response less than 30 days, which set in Procedure of information request and response in presented in document No. SPO 06 dated August 1 st 2017 (Rev. 3). Person in charge towards information request and response was conducted by Assistant of Human Resources and General, in coordination with Assistant Afdeling. Time of response was maximum for 30 days of work while time of documents saving was at least for 2 to 15 years, depends on request category.			
Non-Conformance Description (filled by auditor): The certificate holder is not able to show the evidence if all information request and response has been responded according the Procedure of information request and response in presented in document No. SPO 06 dated August 1 st 2017 (Rev. 3), that's mentioned the time period for giving responses to information requests to stakeholders is a maximum of 30 working days.).			
Root Cause Analysis (filled by organization audited): The company has not yet recapitulated all incoming information requests from stakeholders and responses to requests for information due to: <ul style="list-style-type: none">Lack of commitment and understanding of SPO Number 06 Revision dated August 1, 2017, making it difficult to trace required documents and fulfillment of SPO Number 06 Revision dated August 1, 2017.Reward and punishment has not been implemented related to the implementation of the RSPO certification system, with the implementation of the reward and punishment system, it is hoped that in the future the commitment in carrying out RSPO certification will be better and these findings will not be repeated at the next audit			
Correction (filled by organization audited): <ul style="list-style-type: none">Make a recapitulation of all incoming information requests from stakeholders as well as responses from companies related to the request for informationConduct responses to requests for information up to 30 documented working days Issued Circular Manager No. PAB / SE / 63 / VIII / 2018 dated August 28, 2018 regarding the orderly administration and procedures for incoming and outgoing mail.			
Corrective Action (filled by organization audited): <ul style="list-style-type: none">Make monitoring of document needs related to the application of RSPO principles and criteria			

- Establishes PIC that is responsible for recapitulating all requests for information and complaints that come from both internal and external companies
- Conduct socialization of SPO Number 06 Revision dated August 1, 2017 to employees of Administration and HR and General Affairs

Evaluate understanding of SPO Number 06 Revision on August 1, 2017 at the maximum of one month after the socialization is carried out

Assessor Evaluation and Conclusion (filled by auditor):
Verification on 30 August 2018
The company shows evidences, among others :

- Circular No. Manager. PAB / SE / 63 / VIII / 2018 dated August 28, 2018 regarding the orderly administration and procedures for incoming and outgoing mail. In this new system, the company has a mechanism to record the date of the letter of entry, the disposition of the manager, follow-up and the book code of the outgoing mail expedition. Thus, traceability of the 30-day response to incoming letters in the category of information requests and complaints can be more easily implemented. Letters with information request categories are coded "I" and complaints are coded "K".
- Operations of the above manager's circular letter are carried out by the Secretary Manager Unit, under the supervision of the HR and General Assistant, in accordance with procedure No. SPO 06 Revision 3 dated August 1, 2017.

Verification on September 09 2018

The company can show additional proof of improvement in the form of:

- Clarification related to the root of the problem, corrective action and precautionary measures
- Commitment to monitoring clauses 1.1.2 / 6.1.3 / 6.3.2 and 8.1.1 from General and Security Human Resources Assistant (No BAO / RSPO-ISPO / KOMITMEN / 01 / IX / 2018, September 2018)

In relation to the evidence of repairs that have been sent as well as clarification of the root of the problem, corrective actions and precautions, **the Non-Conformities in this indicator are stated to have been fulfilled and will be verified again in the next assessment.**

Verified by : Moh Arif Yusni

NCR No.	: 2018.02	Issued by	: Steve Mualim
Date Issued	: 27 August 2018	Time Limit	: 25 November 2018
NC Grade	: Major	Date of Closing	: 08 September 2018
Standard Ref. & Requirement	4.4.2. Protection of water courses and wetlands, including securing and maintaining appropriate riparian and other buffer zones, at the time of or prior to replanting shall be demonstrated.		
Evidence observed (filled by auditor):			
Based on observation to Afdeling IV Block 16E, it is known that the river / water flow boundary has not been managed in accordance with the procedures that are owned:			
- There is chemical applications in river riparian			

- There is no boundary markers in river riparian

In SOP No. 05 rev 02 dated 02 January 2015 concerning the Mechanism of River Management, it is explained that the prohibition on the application of chemicals is at the border of natural water flow (50 meters left and right of the border) and marking the river boundary boundaries.

Non-Conformance Description (filled by auditor):

Not to be shown the consistency and implementation of protection of water bodies and wetlands according to the procedure that is owned.

Root Cause Analysis (filled by organization audited):

- There are still employees or officers who do not understand the treatment and monitoring of the river border, so there needs to be re-socialization

Identification and data collection of all river border areas have not been carried out thoroughly.

Correction (filled by organization audited):

- Do not apply chemicals in the area of river and riparian , the management will be done manually / mechanically
- Enter the water body and wetland area into the management barchat manually
- Providing area boundary markings which chemical applications should not be made

Although the dissemination of policies or procedures regarding the Riparianr Management Mechanism and its evaluation has been carried out, there are still many employees or officers who still lack understanding of the policy, so that re-socialization that has been carried out on August 28, 2018 needs to be done

Corrective Action (filled by organization audited):

- Conduct information dissemination procedures for management of riparian.
- Making monitoring of the condition of the water body and wetland area found in the unit Estate unit
- Determine the officer responsible for monitoring the condition of the water body and wetlands in the plantations unit
- The control mechanism carried out by Division assistants through sudden inspections is periodically assisted by an administrative assistant as the team leader, as well as provisions related to his sangs. In addition, the company will monitor the implementation of chemical applications in the river border area

Application of punishment for violations of the prohibition of chemical applications in the riparian area

Assessor Evaluation and Conclusion (filled by auditor):

Verification August 28 2018

Evidences of correction that already sent is:

- socialization related to river border area on 28 August 2018 with participants are Assistant, Supervisor, clerk and employees at Division 1 - 8
- program and realization of manual maintenance activities at the river border
- Marking the border of the river that flows in Division IV
- Appointment of special officers responsible for river border monitoring officers and HCV area No PAB.MU/Kpts/136/VIII/2018

Verification on 30 August 2018

Pabatu Estate shows:

- Results of identification of river border and water flow in plantations for each farm in the Estate
- Commitment to monitoring the management of river border areas and the use of PPE by each Division assistant and signed by each Division and known by the manager of the unit based on the BAO / RSPO- ISPO / Commitment / 01 / VII / 2018 letter dated 28 August 2018. In this commitment letter, it is explained that if the assistant is negligent in implementation, the assistant is willing to accept sanctions in the form of

- delays in group increases, mutations or demos (if needed)
- Commitment from the manager of the unit on 28 August 2018 based on the letter number PAB / SE / VIII / 2018 regarding the implementation of the prohibition on the application of chemicals in the river border area and the use of personal protective equipment
 - Circular number of PAB / SE / 0 / VIII / 2018 dated 28 August 2018 concerning the prohibition of application of chemicals in the watershed / river flow and the use of personal protective equipment which explains the control mechanism carried out by Division assistants through sudden inspection periodically assisted by administration head as team leader, as well as provisions related to the punishment. In addition, the company will monitor the implementation of chemical applications in the river border area

Verification September 08 2018

In relation to the evidence of repairs that have been sent as well as clarification of the root of the problem, corrective actions and precautions, **the Non-Conformities in this indicator are stated to have been fulfilled and will be verified again in the next assessment.**

Verified by : Team Auditor

NCR No.	: 2018.03	Issued by	: Steve Mualim
Date Issued	: 27 August 2018	Time Limit	: 25 November 2018
NC Grade	: Major	Date of Closing	: 08 September 2018
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)		
Evidence observed (filled by auditor): Based on field observations at Blok 980 Afdeling VII the application activities of pesticides (asphalt active ingredients) carried out by 1 (one) worker did not use adequate safety equipment in accordance with the Material Safety Data Sheet and Identified Risks Identification (only using boots)			
Non-Conformance Description (filled by auditor): There is not enough evidence that the use of work safety equipment for all pesticide applicators has been properly monitored and implemented.			
Root Cause Analysis (filled by organization audited): <ul style="list-style-type: none">- There is no monitoring of the condition and use of PPE for all workers before doing work- Lack of understanding of workers on the function and usefulness of PPE in doing work- Commitment in carrying out a system / mechanism that is still low so that punishment must be given to discipline the use of PPE while working			
Correction (filled by organization audited): <ul style="list-style-type: none">- Provide PPE according to risk management and MSDS to the workers concerned <p>Workers already understand enough about the use of PPE in minimizing workplace accidents but the commitment in using PPE is still quite low because PPE is still considered a burden by workers, so to discipline the company makes a commitment that will provide sanctions if there are still employees who do not use PPE while working</p>			

Corrective Action (filled by organization audited):

- Making monitoring of the conditions and use of PPE for all workers
- Making socialization of the functions and uses of PPE to workers
- Establishing PIC that is responsible for monitoring the condition and use of PPE
- PPE inspection, PPE socialization and daily inspection of PPE use carried out by the inspection team
- Make regular monitoring to ensure the conditions and use of PPE (document evidence attached)
- Conduct inspection of the use of PPE by the General OHS and Verification Officer of Administration as a double control

Application of punishment for violations of the use of PPE.

Assessor Evaluation and Conclusion (filled by auditor):
Verification August 28 2018

Evidences of correction that already sent is:

- socialization related to the use of Personal Protective Equipment in Division 1-8 on August 28, 2018
- Checklist / monitoring of PPE compliance
- Proof of handover of PPE for employees on August 24, 2018
- Appointment of a special officer in charge of the Officer of the Monitoring and Use of PPE in accordance with the letter from the Manager of BAO / RSPO-ISPO / SK / 140 / VIII / 2018

In relation to the corrective evidences that have been sent, the Non-Conformities in this indicator are stated not to have been fulfilled due

- Proof / corrective action that is sent is the same as the previous audit period (NC in indicator 4.7.2 and 4.7.3) so there are no steps and efforts to ensure the nonconformity is repeated
- Clarification of the root of the problem, remedial actions and precautions

Verification on 30 August 2018

Pabatu Estate shows:

- Results of identification of river border and water flow in plantations for each division in the Estate
- Commitment to monitoring the management of river border areas and the use of APD applicator chemicals by each Division assistant and signed by each division and known by the unit manager's manager based on PAB / RSPO-ISPO / Commitment / 01 / VII / 2018 dated 28 after 2018. In this commitment letter, it was explained that if the assistant failed in the implementation, the assistant would be willing to accept sanctions in the form of delays in group increases, mutations or demos (if needed)
- Commitment from the manager of the unit on August 28, 2018 based on the Circular Letter PAB / SE / VIII / 2018 concerning the implementation of the prohibition of the application of chemicals in the river border area and the use of chemical applicator personal protective equipment
- Circular Letter PAB / SE / 0 / VIII / 2018 dated August 28, 2018 concerning the prohibition of application of chemicals in the flow of water / river flow and the use of chemical applicator personal protective equipment which explains the control mechanism carried out by Division assistants through regular periodic inspections assisted by an administrative assistant as team leader, as well as provisions related to his punishment. In addition, the company will monitor the implementation of chemical applications in the river border area

Verification September 08 2018

In relation to the evidence of repairs that have been sent and clarification of the root of the problem, corrective actions and preventive measures, **the Non-Conformities in this indicator are stated to have been fulfilled.**

Verified by : **Steve Mualim**

NCR No.	:	2018.04	Issued by	:	Steve Mualim
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Date Issued	: 27 August 2018	Time Limit	: ASA-4
NC Grade	: Minor	Date of Closing	:
Standard Ref. & Requirement	: 5.1.3 An environmental monitoring plan document and its implementation report and an improvement plan for such monitoring results if nonconformity is found. This plan is reviewed at least 2 years.		
Evidence observed (filled by auditor): Regarding for replanting activities that currently conducted, company shown environmental monitoring and management plan listed on document "rencana pengelolaan dan pemantauan lingkungan replanting". Company has environmental monitoring and management implementation report (RKL/RPL) per semester. Document review for examples on "laporan pelaksanaan RKL/RPL" semester 1 tahun 2018 shown that company management and monitoring regarding replanting activities are not described yet on those report			
Non-Conformance Description (filled by auditor): There is no report on the implementation of environmental management and monitoring, especially related to replanting aspects			
Root Cause Analysis (filled by organization audited): <ul style="list-style-type: none"> - The lack of understanding of the officers in making the RKL-RPL (Environment Monitoring Plan) report in accordance with the environmental documents owned by the estate unit - There is no stipulation of a special officer responsible for making RKL-RPL reports for each semester 			
Correction (filled by organization audited): List and explain the aspects of replanting done by Pabatu estate.			
Corrective Action (filled by organization audited): <ul style="list-style-type: none"> - Make a socialization on making RKL-RPL reports that are in accordance with the environmental documents owned by the plantations - Determine special officers who are responsible for making RKL-RPL reports for each semester 			
Assessor Evaluation and Conclusion (filled by auditor):			
Verified by	:		

NCR No.	: 2018.05	Issued by	: Moh Arif Yusni
Date Issued	: 27 August 2018	Time Limit	: 25 November 2018
NC Grade	: Major	Date of Closing	: 09 September 2018
Standard Ref. & Requirement	: 6.1.3 Plans for management and monitoring of social impacts to avoid or reduce negative impacts and promote positive ones, based on social impact assessment, through consultation with the affected parties, shall be available, documented and timetabled, including responsibilities for implementation.		
Evidence observed (filled by auditor): The certificate holder shows the consultation process with the affected party in the form of a monitoring questionnaire			

around the plantation that was carried out on March 4, 2018. Based on the results of the monitoring the company has a management and monitoring plan for the period of 2018, among others:

1. Public facilities and social facilities
2. Job Opportunities
3. Business opportunities
4. Conflict with farmers
5. Replanting

Related to this, based on the results of document review and interviews, information was obtained that:

- Identification of social impacts in the form of a questionnaire involving only the village head, does not involve all parties / stakeholders by paying attention to representation, as stipulated in the SOP Communication and Consultation (SOP 03 rev 02 dated 02 January 2017) stating that Communication and consultation with the community in the Plantation Unit and The factory directly manages its recording and processing by the HR and General Assistant representing the Manager to communicate with: Muspida, Koramil, Polsek, religious leaders, traditional leaders and the surrounding community, while also not involving employees

Non-Conformance Description (filled by auditor):

There is no evidence that all affected parties have been involved in the preparation of social management and monitoring plans and the results of monitoring and evaluation of the identified social impacts

Root Cause Analysis (filled by organization audited):

- The lack of understanding of the officers in making social impact analysis reports / documents
- Not all stakeholders have been involved in identifying social impacts
- Reward and punishment has not been implemented related to the implementation of the RSPO certification system, with the implementation of the reward and punishment system, it is hoped that in the future the commitment in carrying out RSPO certification will be better and these findings will not be repeated at the next audit

Correction (filled by organization audited):

- Involve stakeholders around the Pabatu plantation so that they can represent the affected parties in the preparation of the program for managing and monitoring social impacts
- Make results of monitoring and evaluation of management programs and monitoring of social impacts
- Preparation of social impact management and monitoring programs is carried out by means of communication and consultation involving stakeholders, namely the Muspida, Polsek, Village Heads, community leaders, religious leaders, employees, representatives of the gender committee and so on through questionnaires and documented direct public consultations.

Corrective Action (filled by organization audited):

- provide socialization of procedures for preparing management programs and monitoring the correct social impacts
- Make monitoring of social impact identification
- The implementation of the reward and punishment system is expected in the future commitment in carrying out RSPO certification will be better and these findings will not be repeated at the next audit

Assessor Evaluation and Conclusion (filled by auditor):

Verification August 30 2018

The company shows, among others:

- Memorandum from manager unit of Pabatu No SDM U/Kades/M-299/III/2018 relateded filling in information and stakeholder complaints
- Evidence of the questionary with due regard to representation of the community, for example, Religious

Leader from Kedai Damar Village (religious activity group, Al Musaadah Mosque), Head of Military from Tebing Tinggi Subdistrict and Tebing Syahbandar Subidtrict, Head of Police Tebing Tinggi Subdistrict, Head of Tebing Tinggi Subdistrict, Head of PKK (women group) in Kedai Damar Village and employees from civil department

- Management and monitoring plans for the period of 2018 include:
 - a. Public facilities and social facilities
 - b. Job Opportunities
 - c. Business opportunities
 - d. Conflict with farmers
 - e. Replanting
 - f. Documents

Regarding the proof of repairs sent by the auditor team, this discrepancy is declared as not yet fulfilled because the Certificate Holder needs to make clarifications related to the identification of the root cause of the problem, corrective actions and precautions.

Verification September 09 2018

The company can show additional proof of improvement in the form of:

- Clarification related to the root of the problem, corrective action and precautionary measures
- Commitment to monitoring clauses 1.1.2 / 6.1.3 / 6.3.2 and 8.1.1 from General and Security Human Resources Assistant (No BAO / RSPO-ISPO / KOMITMEN / 01 / IX / 2018, September 2018)

In relation to the evidence of repairs that have been sent as well as clarification of the root of the problem, corrective actions and precautions, **the Non-Conformities in this indicator are stated to have been fulfilled and will be verified again in the next assessment.**

Verified by	: MOh Arif Yusni
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NCR No.	: 2018.06	Issued by	: Moh Arif Yusni
Date Issued	: 27 August 2018	Time Limit	: 25 November 2018
NC Grade	: Major	Date of Closing	: 09 September 2018
Standard Ref. & Requirement	: 6.3.2 There shall be records of process and outcome of dispute resolution.		
Evidence observed (filled by auditor): Documents verifications the company is not able to show the records of process and outcome of complaints resolution. Based on the results of the questionnaire related to the management of social Impact Assessment on March 2018 there are several complaints from the community, but it has not been documented / recorded, for example Replanting <ul style="list-style-type: none">- Replanting activities which cause the attack of horn beetle pests on community-owned plantations (Questionnaire from Manu Tengah Village and Paritokan Village)- Lack of coordination between the company and the village government around the company, so that the village government does not know about the company's programs related to environmental development, for example in Pabatu 1 Village, paritokan and Kedai Damar.			

Non-Conformance Description (filled by auditor):

Has not provided evidence that any complaint to the company have been addressed and Responded

Root Cause Analysis (filled by organization audited):

- The lack of understanding of the officers in conducting recapitulation and documentation of all complaints submitted by internal and external stakeholders.
- Lack of commitment in carrying out complaints handling procedures

Reward and punishment has not been implemented related to the implementation of the RSPO certification system, with the implementation of the reward and punishment system, it is hoped that in the future the commitment in carrying out RSPO certification will be better and these findings will not be repeated at the next audit.

Correction (filled by organization audited):

Every communication with Stakeholders both in the form of questionnaires and public consultations must be documented so as to facilitate the determination of needs and complaints in the preparation of programs for social impacts around the plantations, follow-up and monitoring of these social impacts.

Corrective Action (filled by organization audited):

- Conduct socialization of SPO number 03 Revision dated January 2, 2017 to employees of HR and General Affairs
- Evaluate understanding of SPO Number 06 Revision on August 1, 2017 at a maximum of one month after socialization
- Communication and consultation to Stakeholders is not only carried out based on questionnaires, but can also be through direct visits or documented public consultations and in accordance with SPO Number 06 Revision dated August 1, 2017, General and Security Human Resources Assistants must exercise control over responses and follow-up of all complaint

the implementation of the reward and punishment system is expected to be better in the future in carrying out RSPO certification and these findings will not be repeated at the next audit

Assessor Evaluation and Conclusion (filled by auditor):
Verification August 30 2018

The company shows, among others:

- Circular No. Manager. PAB / SE / 64 / VIII / 2018 dated August 28, 2018 regarding the Mechanism of Information Response and Stakeholder Complaints, in the circular described the stages in the resolution of complaints where the completion of these answers can essentially accommodate the expectations of stakeholders without harming the company by maintaining a code of ethics and not causing conflict later; the outcome of the settlement must be archived in accordance with the existing procedures and re-checked; and if the complaint is in the form of a questionnaire and minutes of Meeting must be adjusted to the procedure.
- Operations of the above manager's circular letter are carried out by the Secretary Manager Unit, under the supervision of the HR and General Assistant, in accordance with procedure No. SPO 06 Revision 3 dated August 1, 2017.

Regarding the corrective evidence that sent by the auditor team, this discrepancy is declared as not yet fulfilled because the Certificate Holder needs to make clarifications related to the identification of the root cause of the problem, corrective actions and precautions.

Verification September 09 2018

The company can show additional proof of improvement in the form of:

- Clarification related to the root of the problem, corrective action and precautionary measures
- Commitment to monitoring clauses 1.1.2 / 6.1.3 / 6.3.2 and 8.1.1 from General and Security Human

Resources Assistant (No BAO / RSPO-ISPO / KOMITMEN / 01 / IX / 2018, September 2018)

In relation to the evidence of repairs that have been sent as well as clarification of the root of the problem, corrective actions and precautions, **the Non-Conformities in this indicator are stated to have been fulfilled and will be verified again in the next assessment.**

Verified by : MOh Arif Yusni

NCR No.	: 2018.07	Issued by	: Moh Arif Yusni
Date Issued	: 27 August 2018	Time Limit	: 25 November 2018
NC Grade	: Major	Date of Closing	: 12 November 2018
Standard Ref. & Requirement	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.		
Evidence observed (filled by auditor): Based on the summary of the results of non-conformities identified during the assessment of the RSPO (ASA 2 - ASA 3), the team of auditors assess that there is a commitment of continuous improvement that has not been fully implemented related to recurrence appearing on the activities of ASA-3 today. such as: <ul style="list-style-type: none">- the repetition Non-conformity of the previous assessment, for indicator Major 1.1.2, Major 14.4.2 and Major 6.1.3- Evaluation and follow-up of the RSPO internal audit results against repetition of non-conformities that arise. In connection with this there is a systematic failure in the implementation of the standard, due to the repetition of nonconformity from the previous assessment Non-Conformance Description (filled by auditor): Systematic failure in the implementation of the standard, due to the repetition of nonconformity from the previous assessment			
Root Cause Analysis (filled by organization audited): <ul style="list-style-type: none">- Insufficient understanding of employees in implementing and implementing RSPO principles and criteria- Commitment in implementing the system in RSPO standards and principles is still low and there is no sanction if it is not consistent in implementing RSPO standards and principles Reward and punishment has not been implemented related to the implementation of the RSPO certification system, with the implementation of the reward and punishment system, it is expected that in the future the commitment in carrying out RSPO certification will be better and these findings will not be repeated at the next audit			
Correction (filled by organization audited): <ul style="list-style-type: none">- Complete / correct the findings of the major major nonconformities			
Corrective Action (filled by organization audited): <ul style="list-style-type: none">- Making NC history of all nonconformity findings that have appeared so that they can be anticipated from the beginning before the next audit activity- Provide information on the implementation of the new RSPO system so that it can add insight and commitment in the application of RSPO principles and criteria			

The implementation of the reward and punishment system is expected to be better in the future in carrying out RSPO certification and these findings will not be repeated at the next audit

Assessor Evaluation and Conclusion (filled by auditor):

Auditor's response

Pabatu management unit can show proof of improvement in the form of dissemination activities on the concept of sustainability in palm oil management and understanding of RSPO principles and criteria in relation to documents and infrastructure that must be prepared in carrying out RSPO certification on September 7, 2018

related to the proof of improvement sent by the auditor team assessing that the non-conformity on this indicator is declared not fulfilled, because

- At the time of the ASA-2 assessment, the proof of improvement on the 8.1.1 NCR indicator sent was with the dissemination of the RSPO held on October 9, 2017, so that the auditor team considered that this did not effectively influence sustainable improvement,
- Clarification of the root cause analysis

Verification September 09 2018

The company can show additional proof of improvement in the form of:

- Clarification related to the root of the problem, corrective action and precautionary measures
- Commitment to monitoring clauses 1.1.2 / 6.1.3 / 6.3.2 and 8.1.1 from General and Security Human Resources Assistant (No BAO / RSPO-ISPO / KOMITMEN / 01 / IX / 2018, September 2018)

In Criterion 8.1, the planters and palm oil mills regularly monitor and review their activities and develop and implement action plans that enable real and sustainable improvements in key operations, while the indicators regulate that action plans for continuous improvement must be implemented, based on consideration of the main social and environmental impacts and opportunities of the plantation / palm oil millers, and must cover a number of varied indicators which are covered by these Principles and Criteria.

- Reduction of pesticide use (Criterion 4.6); (criterion 4.6)
- Environmental impacts (Criteria 4.3, 5.1 and 5.2)
- Waste reduction (Criterion 5.3)
- Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8)
- Social impact (criterion 6.1) "
- Optimizing the results of the supply base.

Regarding the reward and punishment commitment is already represented based on the BAO / RSPO-ISPO / KOMITMEN / 01 / IX / 2018 Commitment, September 2018 from the General and Security HR Assistant, due to the 8.1.1 indicator covering the entire RSPO certification process flow with consider various aspects.

Verification November 12 2018

The Unit of Units can show additional proof of improvement in the form of:

- The Unit Manager has also issued SE BAO / RSPO-ISPO / Commitment / 01 / VII / 2018 dated 28 August 2018 which contains commitments to provide sanctions and even class delays if there are similar findings on river border management and the obligation to use PPE and have been signed by all Assistants
- Letter of reprimand for Afd VII and Division IV Assistants dated September 6 2018 on behalf of Maizur because of negligence in supervising the implementation of the RSPO certification system
- Memorandum from Operational Director No. 14.03 / Kol / M-234 / VII / 2018 dated July 18, 2018 concerning Implementation Commitments of RSPO and ISPO Principles and Criteria addressed to palm oil managers. The memorandum explained that all plantation managers were committed to implementing the RSPO Principles and Criteria. In the memorandum also explained the consequences that the certificate will be revoked.

In relation to the evidence of repairs that have been sent as well as clarification of the root of the problem, corrective actions and precautions, **the Non-Conformities in this indicator are stated to have been fulfilled and will be**

verified again in the next assessment.	
Verified by	: Moh Arif Yusni

NCR No.	: 2018.08	Issued by	: Moh Arif Yusni
Date Issued	: 27 August 2018	Time Limit	: 25 November 2018
NC Grade	: Major	Date of Closing	: 08 September 2018
Standard Ref. & Requirement	General chain of custody requirements for the supply chain 5.4.2 The site shall have a mechanism in place for handling non-conforming oil palm products and/or documents		

Evidence observed (filled by auditor):

The CH has procedures regarding to ensure the implementation of all the elements mentioned in the terms of SCCS for Mill, which listed in:

3. SOP No 07A Rev 03 dated 02 January 2017 about "Penanganan TBS Bersertifikasi (Certified FFB Handling) This procedure is intended as a guide in handling certified FFB from the Estate to reception in Mill
4. SOP No 07B Rev 03 dated 02 January 2017 about "Penanganan CPO / Bersertifikasi (Certified CPO/PK Handling) This procedure is intended as a guide in handling certified CPO /PK in Mill, in the procedure mentioned if Mill uses the Mass Balance (MB) model with the Fixed system Inventory Periods which means RSPO stock may be negative in period 3 month, must be balanced

But in such procedures have not yet explained the mechanism or procedure in place for handling non-conforming oil palm products and/or documents

Non-Conformance Description (filled by auditor):

There is no mechanism or procedure in place for handling non-conforming oil palm products and/or documents

Root Cause Analysis (filled by organization audited):

The lack of understanding of the officers in the implementation of the latest supply chain system and evaluation of the training has been carried out and there are still employees who do not understand the latest supply chain system implementation so it needs to be re-disseminated so that all employees directly related to the SCCS can understand the system properly, retraining will be implemented by the end of 2018.

Correction (filled by organization audited):

Revise the existing SCCS procedures by entering a mechanism or procedure for handling if there is a discrepancy / error in product identification (MB) either physically or document

Corrective Action (filled by organization audited):

Doing socialization for latest implementation of supply chain system.

Assessor Evaluation and Conclusion (filled by auditor):
Verification September 03 2018

The certificate holder can show proof of improvement in the form of a Procedure for Handling Certified Palm Oil Products (NO 04.03 / KS / SUS / P / 003 dated August 1, 2018 related to Control of CSPO, CSPK, CSPKO and CSPKE certified products that are not suitable.) In the procedure explains about handling if:

- The validity period of the RSPO certificate has expired
- Volume exceeds the Mass Balance limit

- Supporting information is incomplete
- Quality that is not in accordance with the standard and / or volume difference

Verification September 08 2018

In relation to the evidence of repairs that have been sent and clarification of the root of the problem, corrective actions and preventive measures, **the Non-Conformities in this indicator are stated to have been fulfilled.**

Verified by : **Moh Arif Yusni**

NCR No.	: 2018.09	Issued by	: Moh Arif Yusni
Date Issued	: 27 August 2018	Time Limit	: 25 November 2018
NC Grade	: Major	Date of Closing	: 08 September 2018
Standard Ref. & Requirement	<p>General chain of custody requirements for the supply chain</p> <p>5.7.2</p> <p>The involved supply chain actors mentioned in 5.7.1 shall do the following actions in the RSPO IT Platform:</p> <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.		
<p>Evidence observed (filled by auditor):</p> <p>Based on CPO sales data for the certification period 16 September 2017 - 15 September 2018 there were 11,319,792 tons of certified CPO products sold conventionally, but this has not been removed from Palm Trace</p>			
<p>Non-Conformance Description (filled by auditor):</p> <p>Remove stock has not performed for certified palm oil products are sold conventionally.</p>			
<p>Root Cause Analysis (filled by organization audited):</p> <p>Lack of coordination with Marketing Office who responsible for doing CPO product selling through Palm Trace.</p>			
<p>Correction (filled by organization audited):</p> <p>Remove stock certified palm oil products are sold conventionally.</p>			

Corrective Action (filled by organization audited):

Doing intens coordination with Marketing Office for providing CPO product selling through Palm Trace.

Assessor Evaluation and Conclusion (filled by auditor):
Verification September 08 2018

The company can show information in the form of information about the CPO sold, namely

Product	Program	Certified Volume	Volume Sold/removed	Volume Allocated as Credits*	Remaining Volume
CPK	MB	3,536	3,536	0	0
CSPO	MB	17,267	8,287	9,000	0

In relation to the evidence of repairs that have been sent and clarification of the root of the problem, corrective actions and preventive measures, **the Non-Conformities in this indicator are stated to have been fulfilled.**

Verified by : **Moh Arif Yusni**

3.5.3 Opportunity for Improvement

No	Ref. Std.	Description
1	2.1.1	Monitoring and compliance with the period of validity of licenses owned
2	4.1.3	The company was encouraged to inventory documents related to evidence of follow-up, as described in the "Explanation of the Part / Follow-up Plan" table from the "Overview of Examinations and Recommendations", as part of the effort to monitor the improvement plan that had been made.
3	5.2	Companies are encouraged to put up HCV area information boards in the designated areas
4	5.3.3	Consistency and management of domestic waste in accordance with procedures



1.5.4 Noteworthy Positive Components

No	Ref Std	Descriptions
1		Presentation of the document were quite good
2		Cooperation and communication during the audit

3.6 Summary of Arising Issues from Public and Auditor Verification

Public Issues (Institution/ NGO/Community)	Auditor Verification
(Gender Committee member) <ul style="list-style-type: none"> • Routine Gender Committe meetings are conducted regularly • There has never been harassment for women in the company's area • Pregnancy checks are carried out every month at the estate clinic • Female workers get full rights in the form of menstruation leave and maternity leave • Female workers have received socialization related to halrides • All spray team workers are permanent employees • Employee complaints convey to direct superiors or through Gender Committee members 	<p>Has been verified on indicators 6.9.1.</p>
(Chairperson of SP-BUN) <ul style="list-style-type: none"> • There is only one labor union for all PT PN IV • Regular union meetings are held regularly • Up to now there have been no work relationship disputes between employees and companies • The mechanism for submitting complaints is submitted periodically to the company • The business code of ethics has been socialized to the level of workers • Assessment of the increase in working class is carried out transparently - • The company has a joint labor agreement that has just been approved by the relevant agency 	<p>Has been verified on indicators 6.5, .6.6, .6.7, 6.8, 6.9, 6.12 and 6.13 (related to worker welfare)</p>
Manpower Agency, Serdang Bedagai Regent <ul style="list-style-type: none"> • Compulsory report have been submitted for regular basis • Company has implemented local workers utilization for operational activities • There is no issues regarding under age workers <p>Workers wages has been paid based on minimum wage standard</p>	<p>There is no negative issues from the government agency. CH has demonstrated compliance with the RSPO criteria 2.1, 4.7, 6.3, 6.5, 6.6, 6.7, 6.11 and 6.12</p>
Plantation Agency, Serdang Bedagai Regent <ul style="list-style-type: none"> • Compulsory report have been submitted for regular basis • During 2017-2018 there is no landfire incident • There is no issues for land conflict with communities • There's no smallholder scheme on the company operational area. <p>Company use registered pesticide.</p>	<p>This is in accordance with the explanation in indicators 2.1, 2.2, 6.11</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
National Land Agency, Serdang Bedagai Regent <ul style="list-style-type: none"> Current plantations activities are not overlapping with mining operational There is no issues for land conflict with communities Land use title (HGU) fo PT PN IV – Pabatu unit are still on issuance progress	The Company has demonstrated compliance with the operational legal obligations relating to ownership of plantation land in accordance with the explanation in criterion 2.2
Environmental Agency, Serdang Bedagai Regent <ul style="list-style-type: none"> Company has permit regarding environmental for examples : toxic & hazardous waste storage permit, environmental permit, mill effluent disposal permit, and etc Compulsory report has been submitted for regular basis There is no issues regarding landfires during 2017-2018 There is no issues regarding pollution caused by company	There is no negative issues from the government agency. CH has demonstrated compliance with the RSPO criteria 2.1, 4.4, 4.6, 5.1, 5.3 and 5.5
Contractor local <ul style="list-style-type: none"> Work agreement has been agreed upon by both parties. Payments paid in timely manner Has been received some sozialitaion such as code of conducet, human rights and etc 	It has been complied with criteria 6.10; 1.3
Village Of Kedai Damar <ul style="list-style-type: none"> There were no reports from the community related to land / land disputes but based on information from the Mainu Village officers stating that there was still a land dispute between Kedai damar Village Community and PTPN IV (Unit Pabatu). The community has understood the boundaries of PTPN IV (Pabatu) land ownership With the boundary of a trench and boundaries pole. There are no reports from communities related to environmental pollution caused by plantation and POM including the impact of replanting. Request information/complaints always responded by the company well and quickly. There are no reports of community members related to the practice of intimidation by the company to the public. The Company has undertaken social activities in the form of providing health facilities, improving public facilities but not yet knowing the overall social program that will be conducted by CH every year. Social activities on request (Proposal) of local residents. 	There is no negative issues from villager CH has demonstrated compliance with the RSPO criteria 2.1, 2.2; 2.3 and 2.3

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-between; align-items: flex-end; padding-top: 20px;"> <div style="width: 45%;"> <p>PT Perkebunan Nusantara IV, Pabatu Unit Vice President Strategic Planning</p>  <p><u>Khayamuddin Panjaitan</u> Monday, 12 November 2018</p> </div> <div style="width: 45%;"> <p>Mutuagung Lestari Lead Auditor</p>  <p><u>Moh. Arif Yusni</u> Monday, 12 November 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	Environmental Agency	Serdang Bedagai District, North Sumatera	-	Interview	24 August 2018	√	
2	National Land Agency	Serdang Bedagai District, North Sumatera	-	Interview	24 August 2018	√	
3	Labor Agency	Serdang Bedagai District, North Sumatera	-	Interview	24 August 2018	√	
4	Plantation Agency	Serdang Bedagai District, North Sumatera	-	Interview	24 August 2018	√	
5	Aliansi Masyarakat Adat Nusantara	Indonesia	rumahaman@cbn.net.id	Questionnaire by Email	16 August 2018	-	√
6	Sawit Watch Indonesia	Indonesia	info@sawitwatch.or.id	Questionnaire by Email	16 August 2018	-	√
7	Wahana Lingkungan Hidup Indonesia	Indonesia	informasi@walhi.or.id ; info@walhi.or.id	Questionnaire by Email	16 August 2018	-	√
8	WWF	Indonesia	wwf-indonesia@wwf.or.id	Questionnaire by Email	16 August 2018	-	√
9	Gender Commite	Sub District of Tebing Tinggi, District of Serdang Bedagai	-	Interview	25 August 2018	√	-
10	Labour union	Sub District of Tebing Tinggi, District of Serdang Bedagai	-	Interview	25 August 2018	√	-
11	Kedai Damar Village	Sub District of Tebing Tinggi, District of Serdang Bedagai	-	Interview	25 August 2018	√	-
12	EFB Transporter	Sub District of Tebing Tinggi, District of Serdang Bedagai	-	Interview	25 August 2018	√	-
14	FFB Supplier	District of Serdang Bedagai	-	Interview	25 August 2018	√	-
15	Pabatu 1 Village	Sub District of Tebing Tinggi, District of Serdang Bedagai	-	Interview	25 August 2018	-	√
16	12 Mill Station Workers	Sub District of Tebing Tinggi, District of Serdang Bedagai	-	Interview	23 August 2018	√	-
17	3 Female Spraying Workers and 1 Foreman	Sub District of Tebing Tinggi, District of Serdang Bedagai	-	Interview	24 August 2018	√	-
18	6 Harvester and 1 Foreman	Sub District of Tebing Tinggi, District of Serdang Bedagai	-	Interview	24 August 2018	√	-

Appendix 2. Assessment Program

DATE		23 to 27 August 2018	
PLANNED TIME	ACTUAL DURATION	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
Thursday, 23 August 2018			
06.00 – 08.00	06.00 – 08.00	JAKARTA → Medan	• All Auditor
09.00 – 10.30	09.00 – 10.30	Medan → PT. PN IV - Pabatu Palm Oil Mill	• All Auditor
10.30 – 11.00	10.30 – 11.00	Opening meeting <ul style="list-style-type: none"> Auditee Speech (Introduction of PIC, Profile of Certified Management Unit) Auditor Team Speech (Introduction, Audit Objective, Audit Scope, Audit Plan Discussion, Determine of Audit Sample, Transparency and Confidentiality Clarification) 	• All Auditor
11.00 – 12.00	11.00 – 12.00	Documents Review <ul style="list-style-type: none"> Review of previous (Initial assessment) findings Verification of Basic Information Mill and Estate Confirmation of Time Bound Plan Review of Partial Certification 	• All Auditor
12.00 – 14.00	12.00 – 14.00	Break	
14.00 – 17.00	14.00 – 17.00	Field observation to Pabatu Palm Mill: <ul style="list-style-type: none"> Supply Chain verification (FFB Receiving, Weighbridge, FFB Sorting, Processing Activity, Despatch CPO) Occupational Health & Safety Aspect (Inspection to Chemical Storage, Hazardous Waste Storage, Fire Control Simulation, POME Pond) Implementation of Employment Procedure and Mechanism Aspect 	• MAY • SMM / AMR • BSH
Friday, 24 August 2018			
08.00 – 12.00	08.00 – 12.00	Stakeholders consultation to related agencies in Serdang Bedagai Regency	• BSH
08.00 – 12.00	08.00 – 12.00	Field Observation to Pabatu Estate Aspect to be verified : <ul style="list-style-type: none"> Implementation of Legal Aspect (Land Ownership, Legal Boundaries); Implementation of Agronomy Aspect (Harvesting & Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application) Implementation of Environmental, Conservation/HCV and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management) Implementation of Occupational Health & Safety Aspect Implementation of Employment Procedure and Mechanism Aspect Observation of Workers Facilities (Housing, School, Worship Place). 	• MAY • AMR • MAY • AMR • SMM • SMM

DATE		23 to 27 August 2018	
PLANNED TIME	ACTUAL DURATION	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
12.00 – 14.00	12.00 – 14.00	Break	
14.00 – 17.00	14.00 – 17.00	<ul style="list-style-type: none"> • Verification of stakeholder consultation result and field visit. • Document review and completing audit checklist. 	All Auditor
Saturday, 25 August 2018			
08.00 – 10.00	08.00 – 10.00	Interview with Gender Committee, Worker's Union, Worker's Cooperative (if any), Local Contractor (for Mill and Estate), Third Party Supplier Stakeholder consultation to affected communities surrounding the plantations.	<ul style="list-style-type: none"> • MAY • AMR / SMM
10.00 – 12.00	10.00 – 12.00	Document review and completing audit checklist.	
Sunday, 26 August 2018			
		<ul style="list-style-type: none"> • Preparation for audit checklist and related document Checklist Completion 	All Auditor
Monday, 27 August 2018			
07.00 – 08.00	07.00 – 08.00	Internal discussion by auditor team preparing for Closing Meeting	All Auditor
08.30 – 10.30	08.30 – 10.30	Closing Meeting: <ul style="list-style-type: none"> • Presentation of audit findings (Noteworthy Positive Component, Non Conformities, OFI, Timelie of CAR's, Conclusion)/ • Comments, Responses and Questions 	
10.30 – 13.00	10.30 – 13.00	PT. PN IV – Pabatu Palm Oil Mil → PT. PN IV – Dolok Ilir Mill	