

***Roundtable on Sustainable Palm Oil Certification
RSPO***

[✓] Initial Certification

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

Plantation Name : Ajamu Estate and Meranti Paham Estate

Location : Village of Perkebunan Ajamu, Sub-District of Panai Hulu, District of Labuhanbatu, Province of Sumatera Utara, Indonesia

Certificate Code : **MUTU-RSPO/134**

Date of Certificate Issue : 06 September 2019

Date of License Issue : 06 September 2019

Date of Certificate Expiry : 05 September 2024

Date of License Expiry : 05 September 2020

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
Initial Certification	04 to 07 September 2018	Octo H.P.N. Nainggolan (Lead Auditor), Syarip Lambaga, Rizliani Aprianita	Ganapathy Ramasamy	Ardiansyah

Assessment	Approved by MUTUAGUNG LESTARI on
Initial Certification	06 September 2019

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TABLE OF CONTENT
FIGURE

Figure 1. Location Map of PTPN IV - Ajamu	1
Figure 2. Operational Map of Ajamu Estate	2
Figure 3. Operational Map of Meranti Paham Estate	3

Abbreviations Used	4
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1.0 SCOPE of the CERTIFICATION ASSESSMENT

1.1 Assessment Standard Used	5
1.2 Organisation Information	5
1.3 Type of Assessment	5
1.4 Location of Mill and Plantations	5
1.5 Description of Area Statement	6
1.6 Planting Year and Cycles	6
1.7 Description of Mill and Supply Base	7
1.8 Estimate Tonnage of Certified Product	7
1.9 Other Certifications	8
1.10 Time-Bound Plan	8

2.0 ASSESSMENT PROCESS

2.1 Assessment Team	11
2.2 Assessment Methodology, Assessment Process and Locations of Assessment	11
2.3 Stakeholder Consultation and Stakeholders Contacted	14
2.4 Determining Next Assessment	14

3.0 ASSESSMENT FINDINGS

3.1 Summary of Assessment Report of the RSPO Certification	15
3.2 Summary of Assessment Report of Supply Chain Requirement	44
3.3 Conformity Checklist of Certificate and Logo Use	55
3.4 Summary of RSPO Partial Certification	56
3.5 Identification of Findings, Corrective Actions, Observations, Opportunity for Improvement and Noteworthy Positive Components	58
3.6 Summary of Arising Issues from Public, Management and Auditor Responses	79

4.0 CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY

4.1 Formal Signing of Assessment Findings	81
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APPENDICES

1. List of Stakeholders Contacted in the RSPO Certification Process	82
2. Assessment Program	83

Figure 1. Location Map of Ajamu POM

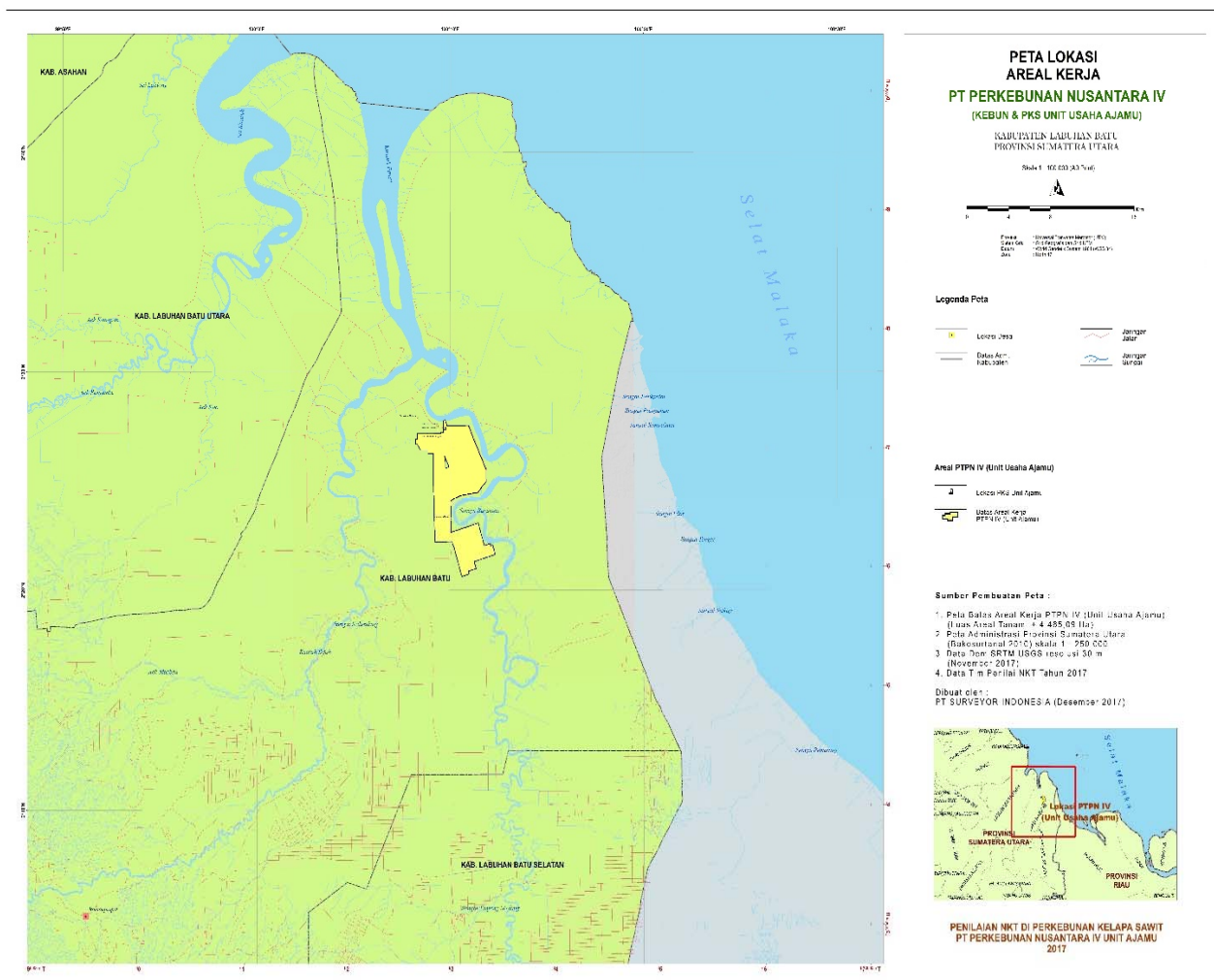
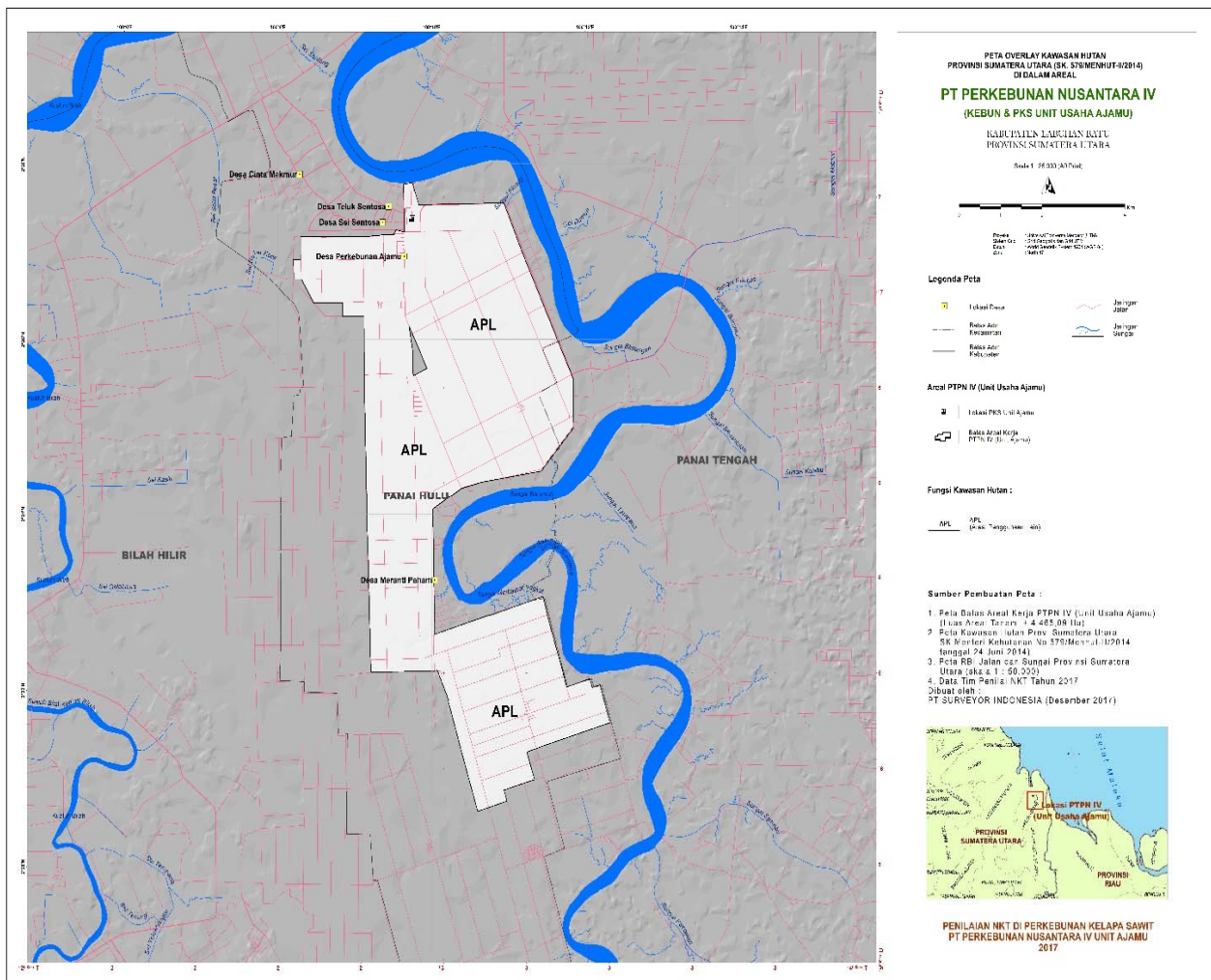


Figure 2. Operational Map of Ajamu Estate



Abbreviations Used

ALS	: Assessor Lincense Scheme	NGO	: Non Goverment Organization
AMAN	: <i>Aliansi masyarakat Adat Nusantara</i>	OER	: Oil Extraction Rate
APAR	: <i>Alat Pemadam Api Ringan</i> (Fire Extinguisher)	OHS	: Occupational Health and Safety
BOD	: Biologycal Oxygen Demand	P2K3	: OHS Committee
BPJS	: Worker Social Insurance Agency	PPKS	: <i>Pusat Penelitian Kelapa Sawit</i> (Palm Oil Research Center)
BPJN	: <i>Badan Pertanahan Nasional</i> (National Land Agency)	PIC	: Personal In Charge
CPO	: Crude Palm Oil	PKO	: Palm Kernel Oil
CSPK	: Certified Sustainable Palm Kernel	POM	: Palm Oil Mill
CSPO	: Certified Sustainable Palm Oil	POME	: Palm Oil Mill Effluent
CSPK	: Certified Sustainable Palm Kernel	PPE	: Personal Protective Equipment
CSR	: Corporate Social Responsibility	PTPN	: <i>Perseroan Terbatas Perkebunan Nusantara</i>
EFB	: Empty Fruit Bunch	RJP	: <i>Rencana Jangka Panjang</i> (Long-term Plan)
FFB	: Fresh Fruit Bunch	RKAP	: <i>Rencana kerja dan anggaran perusahaan</i> (Work plan and company budget)
FPIC	: Free Prior Informed Concern	RKL/RPL	: <i>Rencana Kelola Lingkungan/ Rencana Pemantauan Lingkungan</i> (Environmental Management and Monitoring Plan)
GHG	: Green House Gas	SCCS	: Supply Chain Certification System
HCV	: High Conservation Value	SIA	: Social Impact Assessment
HGU	: <i>Hak Guna Usaha</i> (Land Use Permit)	SMK3	: <i>Sistem Manajemen Keselamatan dan Kesehatan Kerja</i> (Occupational Health and Safety Management System)
HIRARC	: Hazard Identification Risk Assessment and Risk Control	SOP	: Standard Operational Procedures
HR	: Human Resources	SPI	: <i>Satuan Pengawas Internal</i> (The Internal Audit Unit)
IPM	: Integrated Pest Management	TJSL	: <i>Tanggung Jawab Sosial dan Lingkungan</i> (social and environment responsibility)
ISPO	: Indonesian Sustainable Palm Oil	UU	: <i>Undang-Undang</i> (Goverment Law)
IUP	: <i>Izin Usaha Perkebunan</i> (Plantation Business Permit)	WALHI	: <i>Wahana Lingkungan Hidup Indonesia</i>
KAN	: <i>Komite Akreditasi Nasional</i> (National Accreditation Committee)	WWF	: World Wildlife Fund
LPUP	: <i>Laporan Perkembangan Usaha Perkebunan</i> (Plantation Business Report)	WTP	: Water Treatment Plant
MSDS	: Material Safety Data Sheet	WWTP	: Waste Water Treatment Plant

1.0	SCOPE of the CERTIFICATION ASSESSMENT		
1.1	Assessment Standard Used <ul style="list-style-type: none">Indonesian National Interpretation of RSPO P&C 2013 by INA-NITF (Indonesian National Interpretation Task Force) July 2016, endorsed by the RSPO BoG 30th September 2016.RSPO Supply Chain Certification Standard for organizations seeking or holding certification Adopted by the RSPO BoG on 21st November 2014, revised on 14 June 2017 (Module D / E for CPO Mill)RSPO Certification System for P&C, June 2017 endorsed by the RSPO BOG 14 June 2017)		
1.2	Organisation Information		
1.2.1	Organisation name listed in the certificate	PT Perkebunan Nusantara IV – Ajamu POM	
1.2.2	Contact person	Dhanny Hermawan	
1.2.3	Organisation address and site address	Head Office: Jln Letjen Suprpto No.2, 20151, Medan, Sumatera Utara, Indonesia	
1.2.4	Telephone	(+62-61) 415 4666	
1.2.5	Fax	(+62-61) 457 3117	
1.2.6	E-mail	perencanaan@ptpn4.co.id	
1.2.7	Web page address	www.ptpn4.co.id	
1.2.8	Management Representative who completed the application for certification	Khayamuddin Panjaitan	
1.2.9	Registered as RSPO member	1-0082-09-000-00 29 June 2009	
1.3	Type of Assessment		
1.3.1	Scope of Assessment and Number of Management Unit	Palm Oil Mill and supply base Ajamu Mill; Ajamu Estate and Meranti Paham 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
	Ajamu POM	Village of Perkebunan Ajamu, Sub-District of Panai Hulu, District of Labuhanbatu, Province of Sumatera Utara, Indonesia	N 02° 27' 25"E 100° 09' 40"
1.4.2	Location of Certification Scope of Supply Base		
	Name of Supply Base	Location	Coordinate
			Latitude Longitude
	Ajamu Estate	Village of Perkebunan Ajamu, Sub-District of Panai Hulu, District of Labuhanbatu, Province of Sumatera Utara, Indonesia	N 02° 27' 25"E 100° 09' 40"
	Meranti Paham Estate	Village of Meranti Paham, Sub-District of Panai Tengah, District of Labuhanbatu, Province of Sumatera Utara, Indonesia	N 02° 20' 05"E 100° 11' 15"

1.5	Description of Area Statement			
1.5.1	Tenure			
	• State	9,458.49 Ha		
	• Community	Ha		
1.5.2	Area Statement	Ajamu Estate (Ha)	Meranti Paham Estate (Ha)	Total (Ha)
	• Total area	4,465.09	4,993.40	9,458.49
	• Mature area	3,744.00	3,813.00	7,557.00
	• Immature area	176.00	838.00	1,014.00
	• Replanting Area	353.00	-	353.00
	• Mill	5.80	-	5.80
	• Emplishment	60.20	39.00	99.20
	• Water Treatment Plant	3.00	-	3.00
	• Division Housing Complex	54.67	-	54.67
	• Road & Bridges	68.00	176.40	244.40
	• Nursery	-	10.00	10.00
	• HCV area	0.42	0.00*)	0.42
	• Others area	-	117.00	117.00
*)There are 15.47 Ha HCV Area in Meranti Paham include in planted area				
1.6	Planting Year and Cycles			
1.6.1	Age profile of planting year			
	Planting Year	Hectarage (Ha)		
		Ajamu	Meranti Paham	Total
	1994	417.00	0.00	417.00
	1995	480.00	177.00	657.00
	1996	118.00	349.00	467.00
	1997	0.00	306.00	306.00
	1998	0.00	279.00	279.00
	1999	0.00	303.00	303.00
	2000	593.00	0.00	593.00
	2001	428.00	0.00	428.00
	2002	0.00	0.00	0.00
	2003	0.00	0.00	0.00
	2004	0.00	0.00	0.00
	2005	390.00	0.00	390.00
	2006	479.00	0.00	479.00
	2007	0.00	118.00	118.00
	2008	0.00	0.00	0.00
	2009	287.00	904.00	1,191.00
	2010	92.00	0.00	92.00

	2011	110.00	193.00	303.00			
	2012	237.00	374.00	611.00			
	2013	0.00	810.00	810.00			
	2014	113.00	0.00	113.00			
	Sub Total Mature Area	3,744.00	3,813.00	7,557.00			
	2015	120.00	276.00	396.00			
	2016	56.00	562.00	618.00			
	Sub Total Immature Area	176.00	838.00	1,014.00			
	TOTAL	3,920.00	4,651.00	8,571.00			
1.6.2	New Planting area after January 2010		- Ha				
1.6.3	Planting Cycle		2 nd Cycle				
1.7	Description of Mill and Supply Base						
1.7.1	Description of Mill						
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel	
				Out put (tonnes)	Extracti on (%)	Out put (tonnes)	Extraction (%)
	Ajamu	30	146,668.43	30,769.60	20.98	4,049.07	2.76
	<i>*Production data September 2017 to August 2018</i>						
1.7.2	Description of Certification Scope of Supply Base						
	Name of Estate	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ ha/year)	Supplied to Mill	
						FFB (tonnes/year)	%
	Ajamu	4.465,09	3,920.00	70,980.48	18.1	70,980.48	100
	Meranti Paham	4.993,40	4,651.00	71,656.42	15.4	32,376.68	45.2
	TOTAL	9,463.49	8,571.00	142,636.90	16.6	103,357.16	72.5
	<i>*Production data September 2017 to August 2018</i>						
1.7.3	FFB description from other source						
	Name of sources/Organisation	Type of Organisation	number of smallholders	Production Area (Ha)	Supplied to Mill		
					FFB (tonnes/year)		
	Panai Jaya estate (non-certified)	PTPN IV	-	3,228.89	43,579.06		
	TOTAL						
	<i>*Production data September 2017 to August 2018</i>						
1.7.4	Product categories			FFB, CPO, PK			
1.8	Estimate Tonnage of Certified Product						
1.8.1	Past Annual Claim Certified Product		Previous Certificate Claim to (tonnes/year)		Actual certified product to (tonnes/year)		
	• FFB Production		-		-		

	<ul style="list-style-type: none">CPO ProductionPalm Kernel (PK) Production	-	-																																
	<i>*Will be verified during the first surveillance assessment</i>																																		
1.8.2	Product selling																																		
	Tonnage of selling product	Actual selling product																																	
	<ul style="list-style-type: none">CSPO sold as RSPO certified product	-																																	
	<ul style="list-style-type: none">CSPK sold as RSPO certified product	-																																	
	<ul style="list-style-type: none">CSPO sold under other scheme	-																																	
	<ul style="list-style-type: none">CSPK sold under other scheme	-																																	
	<ul style="list-style-type: none">CSPO sold as conventional	-																																	
	<ul style="list-style-type: none">CSPK sold as conventional	-																																	
	<i>*Will be verified during the first surveillance assessment</i>																																		
1.8.3	Estimate of Certified FFB Claim																																		
	<table><tr><th>Name of Estates</th><th>Total Area (Ha)</th><th>Planted Area (Ha)</th><th>FFB (tonnes/year)</th><th>Yield (tonnes/ha/year)</th></tr><tr><td>Ajamu</td><td>4,465.09</td><td>3,920.00</td><td>74,480</td><td>19.0</td></tr><tr><td>Meranti Paham</td><td>4,993.40</td><td>4,651.00</td><td>76,742</td><td>16.5</td></tr><tr><td>TOTAL</td><td>9,463.49</td><td>8,571.00</td><td>151,222</td><td>17.6</td></tr></table>	Name of Estates	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)	Ajamu	4,465.09	3,920.00	74,480	19.0	Meranti Paham	4,993.40	4,651.00	76,742	16.5	TOTAL	9,463.49	8,571.00	151,222	17.6														
Name of Estates	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)																															
Ajamu	4,465.09	3,920.00	74,480	19.0																															
Meranti Paham	4,993.40	4,651.00	76,742	16.5																															
TOTAL	9,463.49	8,571.00	151,222	17.6																															
	<i>*Projected FFB production for 06 September 2019 to 05 September 2020</i>																																		
1.8.4	Estimate of Certified Palm Product Claim																																		
	<table><tr><th rowspan="2">Name of Mill</th><th rowspan="2">Capacity (tonnes/ hour)</th><th rowspan="2">FFB Processed (tonnes/year)</th><th colspan="2">CPO</th><th colspan="2">Palm Kernel</th><th rowspan="2">Supply Chain Model</th></tr><tr><th>Out put (tonnes)</th><th>Extraction (%)</th><th>Out put (tonnes)</th><th>Extraction (%)</th></tr><tr><td>AJAMU</td><td>30</td><td>151,222</td><td>31,757</td><td>21.0</td><td>4,537</td><td>3.0</td><td>Mass Balance</td></tr></table>	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel		Supply Chain Model	Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)	AJAMU	30	151,222	31,757	21.0	4,537	3.0	Mass Balance														
Name of Mill	Capacity (tonnes/ hour)				FFB Processed (tonnes/year)	CPO		Palm Kernel		Supply Chain Model																									
		Out put (tonnes)	Extraction (%)	Out put (tonnes)		Extraction (%)																													
AJAMU	30	151,222	31,757	21.0	4,537	3.0	Mass Balance																												
	<i>*Projected CSPO and CSPK production for 06 September 2019 to 05 September 2020</i>																																		
1.9	Other Certifications																																		
	ISO 9001:2008		ISO 9001:2008 No. 1600K17182 dated 21 November 2017																																
	ISO 14001: 2004		ISO 14001:2004 No. 1600K17181 dated 21 November 2017																																
	OHSAS 18001:2007		SMK3 No. REG.SMK3.2018.SUC.SK-873 dated 30 July 2018																																
	ISCC		-																																
	Others		-																																
1.10	Time Bound Plan																																		
1.10.1	Time Bound Plan for Other Management Units																																		
	<table><tr><th colspan="2">Management Unit</th><th rowspan="2">Estate (Supply Base)</th><th rowspan="2">Time Bound</th><th rowspan="2">Location</th><th rowspan="2">Status</th></tr><tr><th>Mill</th><th>Time Bound</th></tr><tr><td>Pabatu</td><td>2015</td><td>Pabatu</td><td>2015</td><td>Serdang Bedagai, Sumatera Utara</td><td>Certified</td></tr><tr><td rowspan="2">Dolok Ilir</td><td rowspan="2">2015</td><td>Dolok Ilir</td><td>2015</td><td>Simalungun, Sumatera Utara</td><td>Certified</td></tr><tr><td>Laras</td><td>2018</td><td>Simalungun, Sumatera Utara</td><td>Certified</td></tr><tr><td>Pulu Raja</td><td>2015</td><td>Pulu Raja</td><td>2015</td><td>Asahan, Sumatera Utara</td><td>Certified</td></tr></table>	Management Unit		Estate (Supply Base)	Time Bound	Location	Status	Mill	Time Bound	Pabatu	2015	Pabatu	2015	Serdang Bedagai, Sumatera Utara	Certified	Dolok Ilir	2015	Dolok Ilir	2015	Simalungun, Sumatera Utara	Certified	Laras	2018	Simalungun, Sumatera Utara	Certified	Pulu Raja	2015	Pulu Raja	2015	Asahan, Sumatera Utara	Certified				
Management Unit		Estate (Supply Base)	Time Bound					Location	Status																										
Mill	Time Bound																																		
Pabatu	2015	Pabatu	2015	Serdang Bedagai, Sumatera Utara	Certified																														
Dolok Ilir	2015	Dolok Ilir	2015	Simalungun, Sumatera Utara	Certified																														
		Laras	2018	Simalungun, Sumatera Utara	Certified																														
Pulu Raja	2015	Pulu Raja	2015	Asahan, Sumatera Utara	Certified																														

Adolina	2018	Adolina	2018	Serdang Bedagai dan Deli Serdang, Sumatera Utara	Certified
Bah Jambi	2018	Bah Jambi	2018	Simalungun, Sumatera Utara	Certified
		Marihat	2018	Simalungun, Sumatera Utara	Certified
		Bah Birung Ulu	2021	Simalungun, Sumatera Utara	Stage-1 Audit
		Marjandi	2019	Simalungun, Sumatera Utara	Certified
		Marjandi (30 Ha)	2021	Simalungun, Sumatera Utara	-
Dolok Sinumbah	2018	Dolok Sinumbah	2018	Simalungun, Sumatera Utara	Certified
		Dolok Sinumbah (35.94 Ha)	2021	Simalungun, Sumatera Utara	-
		Balimbingan	2018	Simalungun, Sumatera Utara	Certified
Mayang	2019	Mayang	2019	Simalungun, Sumatera Utara	Certified
		Bukit Lima	2019	Simalungun, Sumatera Utara	-
Gunung Bayu	2019	Gunung Bayu	2019	Simalungun, Sumatera Utara	IC
		Tanah Itam Ulu	2019	Simalungun, Sumatera Utara	IC
Tinjowan	2018	Tinjowan	2018	Simalungun, Sumatera Utara	Certified
		Aek Nauli	2018	Simalungun, Sumatera Utara	Certified
		Padang Matinggi	2018	Simalungun, Sumatera Utara	Certified
Air Batu	2018	Air Batu	2018	Asahan, Sumatera Utara	Certified
		Air Batu (459.02 Ha)	2021	Asahan, Sumatera Utara	-
Berangir	2018	Berangir	2018	Labuhan Batu Utara, Sumatera Utara	Certified
		Berangir (10 Ha)	2021	Labuhan Batu Utara, Sumatera Utara	-
Sawit Langkat	2018	Sawit Langkat	2018	Langkat, Sumatera Utara	Certified
		Sawit Langkat (301.50 Ha)	2019	Langkat, Sumatera Utara	-
Pasir Mandoge	2021	Pasir Mandoge	2021	Asahan, Sumatera Utara	Stage-1 Audit
		Sei Kopas	2021	Asahan, Sumatera Utara	Stage-1 Audit
		Tonduhan	2021	Simalungun, Sumatera Utara	Stage-1 Audit
Timur	2021	Timur	2021	Mandailing Natal, Sumatera Utara	-
		Balap	2021	Mandailing Natal, Sumatera Utara	-
Ajamu	2019	Ajamu	2019	Labuhan Batu Utara, Sumatera Utara	Certified

			Meranti Pahan	2019	Labuhan Batu Utara, Sumatera Utara	Certified
			Pantai Jaya	2021	Labuhan Batu Utara, Sumatera Utara	-
	Sosa	2021	Sosa	2021	Padang Lawas, Sumatera Utara	-
	PT Agro Sinergi Nusantara	2021	PT Agro Sinergi Nusantara	2021	Aceh Barat, Aceh	-
	PT Sinergi Perkebunan Nusantara	2021	PT Sinergi Perkebunan Nusantara	2021	Morowali Utara, Sulawesi	-
1.10.2	Progress of Associated Smallholders and Outgrowers for Certifiable Standard					
	PTPN IV-Ajamu does not have scheme smallholders.					

2.0	ASSESSMENT PROCESS
2.1	Assessment Team
Initial Certification	<p>1. Octo HPN Nainggolan (Lead Auditor). Indonesian citizen, Bachelor of Agriculture, majoring of Social Economics of Agriculture (Agribusiness). Seven years working experience since 2004 at oil palm Plantation Company in Indonesia and followed several trainings namely: Training of Conservation of Natural and Biological Resources in supporting HCV, Basic Plantation Management Program, Plantation Integrated Pest Management training, Management System Certification (ISO 9001-2008/SNI 19011-9001:2008), Environment Management System (ISO 14001:2004), SMK3 based on OHSAS, RSPO Lead Auditors Training Course endorsed by Proforest and Wildasia, Indonesian Sustainable Palm Oil (ISPO) Lead Auditor training course, supply chain certification system training and RSPO Renewable Energy Directive Lead Auditor training. Currently he worked as an auditor at Certification Body. During this assessment he assessed on Legal requirements, Land Tenure, OHS, worker welfare aspect and Supply Chain.</p> <p>2. M. Syarip Lambaga (Auditor). Indonesian citizen, Bachelor of Agriculture from UNHAS, Master of Science Program Post Harvest Technology of IPB, trainings have been followed among others, Lead auditor training RSPO, In House Training for ISO 9000 and 14001 Lead Auditor Training SFM as Social Expert, ISO 22000 Lead Auditor Training, ISPO Lead Auditor Training, and Malcolm Baldrige Training. Having experience in the plantation of more than 5 years, and experience as a food safety auditor for more than 5 years, team members evaluator SNI BSN Awards, and as a team member for socialization RSPO smallholder and large estates conducted by DMSI 2006-2009. During this audit, he verified aspect of long term management plan and BMP.</p> <p>3. Rizliani Aprianita Hsb (Auditor). Indonesian Citizen. Bachelor and Magister of Agribusiness, Faculty of Agriculture. She had followed training such as RSPO Lead Auditor Training, SCCS training, lead Auditor ISO 9001:2008, ISO 14001:2004, OHSAS 18001, ISPO Auditor training, SA 8000 and followed several IHT related to environment, BMP etc. She has been involved in several audit activities related to sustainable palm oil certification since 2015 covering social aspect, health and safety aspect, worker welfare and waste management aspect. During the assessment she assigned to verified environmental management, HCV, social aspect and Transparency.</p>
Major Verification	<p>1. M. Rinaldi (Lead Auditor). Indonesian citizen, Diploma of Oil Palm Plantation. He has experience 4 years working as Assistant Agronomy since 2007. He has attended training RSPO Lead Auditor, SCCS training, training of Auditor ISPO, training of Lead Auditor ISO 9001-2008, training of ISO 14000, training of HCV identification, training of OHS system management, training of potential and conflict resolution. Experienced in auditing in relevant scheme (ISPO) since 2014 with the aspects of land legality, environmental, social, occupational health and safety, Best Management Practices, Conservation and worker welfare.</p>
2.2	Assessment Methodology, Assessment Process and Locations of Assessment
2.2.1	Figure of person days to implement assessment
Initial Certification	<p>Number of auditors : 3 auditors</p> <p>Number of days for Initial Certification at site : 4 days</p> <p>Number of working days for Initial Certification at site : 12 Working days</p>
Major Verification	<p>Number of auditors : 1 auditors</p> <p>Number of days for Major Verification at site : 4 days</p> <p>Number of working days for Major Verification at site : 4 Working days</p>
2.2.2	Assessment Process
Initial Certification	The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT Perkebunan Nusantara IV Ajamu Business Unit to the requirements of RSPO Principles and Criteria for

	<p>Sustainable Palm Oil Production and Supply Chain Requirement for CPO Mill Ajamu POM.</p> <p>The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) <i>interview</i>, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site.</p> <p>Some opportunities for improvement of the results <i>ST-2</i> delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (<i>ASA-1</i>).</p> <p>Improvement of findings from main assesment findings were observed by auditors at this <i>ST-2</i> assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of <i>ST-2</i>.</p> <p>The opening meeting held on 4 September 2018 and attended by 54 representatives from Ajamu business Unit consist of: estate manager, mill manager, standardization and certification staff, field staff, etc.</p> <p>The opening closing held on 7 September 2018 and attended by 54 representatives from Ajamu business Unit consist of: estate manager, mill manager, standardization and certification staff, field staff, etc.</p> <p>The assessment program please find Appendix 2.</p>
2.2.3	Locations of Assessment
Initial Assessment	<p>Number of units in this certification activity is Ajamu estate and Meranti Paham estate which supply the raw material (FFB) to Ajamu palm oil mill. In conducting the assessment, the team of auditors sampled all the estates of management units and also considered the issues raised by stakeholder.</p> <p>Ajamu Oil Mill.</p> <ul style="list-style-type: none"> • FFB Receiving / weighbridge. Observation and interview with the PIC of SCCS related the process and procedure of supply chain. • Grading Area : Observation of grading mechanism and interview of related personnel in charge (Grading Foreman and their staff), OHS aspect and worker welfare • Process Station, Observations and interviews with operators regarding the fulfillment of Operator License, periodic health checks, PPE provision, HIRAC socialization, wage payment, Labor Insurance membership. • Boiler Station. Observation and interview with Operator towards technical, maintenance, manpower, OHS aspect and worker welfare • Engine Room. Observation and interview with Operator towards technical, maintenance, manpower, OHS aspect and worker welfare • Workshop. Observation about workshop condition and interview with workshop foreman about worker welfare, OHS implementation, and understanding about work risk. • Hazardous Waste Storage. Observation about storage condition, hazardous waste stock, OHS implementation (alarm, shower, first aid box), firefighting facilities, oil trap and interview with the worker about worker welfare, training for worker, employee cooperative, and OHS implementation. • Chemical storage. Observation and interviews related to chemical and pesticide storage area, hazardous waste management, employment, and implementation OHS. • Firefighting simulation. Hydrant simulation in kernel station and fire extinguishers. • Waste Water Treatment Plant. Field observations and interviews with WWTP operators regarding waste water management. • Outlet waste water. Observation related to waste water management. • Fatpit area. Observation related to waste water management. • WTP. Observation of water treatment activities and the use of chemicals. Interview related to wages, implementation OHS and complaint mechanism. <p>Ajamu Estate:</p> <ul style="list-style-type: none"> • Boundary Pole No. 45, Afdeling IV (block O1-AA), located in adjacent with Meranti Paham Village. To

- verify pole existence, position and ensure no overlap operations area
- **Boundary Pole No. 56, Afdeling IV (block O1-T)**, located in adjacent with Meranti Paham Village. To verify pole existence, position and ensure no overlap operations area
 - **Boundary Pole No. 27, Afdeling V (block O9-O)**, located in adjacent with Sei Pelancang Hamlet. To verify pole existence, position and ensure no overlap operations area
 - **Conservation area**, Cemetery Afdeling III. Observation of the conservation management area implementation
 - **Workers Housing, Division 1**. Observation related to workers facility, complain mechanism, domestic waste management
 - **Polibun**. Observation and interview with paramedic about first aid mechanism, medical waste management and work accident record monitoring.
 - **Fertilizer Storage**. Observation and interview regarding to OSH, waste management and labour
 - **PPE Store**. Observation and interview regarding to OSH, waste management and labour
 - **Chemical Mixing & Washing Facilities**. Observation and interview regarding to OSH, waste management and facilities.
 - **Domestic Waste Landfill**. Observation and interview regarding to domestic waste management
 - **Chemical Storage**. Observation and interview regarding to OSH, waste management and labour
 - **Block 95L Division 3** for interview with worker, clerk and field observation
 - **Block 11D and 14D Division 3** for interview with worker, clerk and field observation
 - **Block 06F Division 1** for interview with worker, clerk and field observation

Meranti Paham Estate:

- **Boundary Pole No. 8, Afdeling VI (block 97-O)**, located in adjacent with Meranti Paham Village. To verify pole existence, position and ensure no overlap operations area
- **Boundary Pole No. 3, Afdeling II (block 12-N)**, located in adjacent with Meranti Paham Village. To verify pole existence, position and ensure no overlap operations area
- **Boundary Pole No. 25, Afdeling II (block 12-F)**, located in adjacent with Meranti Paham Village. To verify pole existence, position and ensure no overlap operations area.
- **Material Warehouse**. Observation related to storage of material of plantation.
- **Chemical storage**. Observation and interviews related to chemical and pesticide storage area, hazardous waste management, employment, and implementation OHS.
- **Fertilizer storage**. Observation and interviews related to waste management and implementation OHS.
- **Hazardous Waste Storage**. Observation and interviews related to hazardous waste management, OHS implementation and warehouse condition.
- **Housing complex**. Observation of the availability of infrastructure such as employee housing facilities, water facilities, educational facilities, religious facilities, health facilities, sports facilities and domestic waste management.
- **Polibun**. Observation and interview with paramedic about first aid mechanism, medical waste management and work accident record monitoring.
- **Barumbun river** for interview and field observation relating HCV.
- **Block 95O and 16V Div 4**, for interview with worker, clerk and field observation for water gate and water management system.
- **Block 13W Div IV** for interview with worker, clerk and field observation

Internal Stakeholders

- Labor Union / *SPBun*
- Gender Committee
- Harvesters
- Chemical sprayers
- Mill & Estate workers

	External Stakeholders <ul style="list-style-type: none"> Local Villagers Local Contractor of FFB Transportation Environment Agency of Labuhanbatu District Manpower Agency of Labuhanbatu District Agriculture Agency, Plantation Department of Labuhanbatu District Non-Government Organization
Major Verification	<p>Ajamu (POM and Estate)</p> <ul style="list-style-type: none"> Chemical store. Observation and interview related to condition of warehouse, mixing process, OHS implementation and emergency facilities. Fuel tank in mill. Observation and interview related to second containment, hazardous management and OHS implementation. Processing station. Observation and interview related to OHS implementation, medical surveillance and emergency facilities. Engine room. Interview related medical surveillance and observation related to OHS implementation Rinse house. Observation and interview related to pesticide management, mixing process, PPE storage and rinse process after working. Afd 2. Observation and interview with pesticide operator related to spraying activities, mixing process, safe working practices. <p>Meranti Paham Estate</p> <ul style="list-style-type: none"> Chemical store. Observation and interview related to condition of warehouse, mixing process, OHS implementation and emergency facilities. Fuel tank. Observation and interview related to second containment, hazardous management and OHS implementation. Afd 3. Observation and interview with pesticide operator related to spraying activities, mixing process, safe working practices. Rinse house. Observation and interview related to pesticide management, mixing process, PPE storage and rinse process after working.
2.3	Stakeholder Consultation and Stakeholders Contacted
2.3.1	Summary of stakeholder consultation process.
	<p>Consultation of stakeholders for PT Perkebunan Nusantara IV Ajamu Business Unit was held by:</p> <ul style="list-style-type: none"> Public Notification on RSPO website 30 days prior the assessment conducted. Public Notification at Certification body website (www.mutucertification.com) on 27th July 2018. Consultation with NGO such as AMAN, WALHI, Sawit Watch and WWF via email on 31st August 2018. Consultation with government Agencies of Labuhanbatu District , i.e. Environment Agency, Manpower and Industrial Agency, Agriculture Agency and National Land Agency on September 5th 2018 Public consultation meeting with internal stakeholders by interviews and local stakeholders conducted by visits to villages and interviews with local peoples on September 4th and 5th 2018. <p>Numbers of input from stakeholders were clarified by PT Perkebunan Nusantara IV Ajamu Business</p>
2.3.2	Stakeholder contacted
	<i>Please find appendix 1</i>

2.4	Determining Next Assessment
	The next visit <i>ASA-1</i> will be determined 8 to 12 month after certificate issued.

3.0. ASSESSMENT FINDINGS

3.1. Summary of Assessment Report of the RSPO Certification

MUTUAGUNG LESTARI has conducted an assessment of Ajamu POM – PT Perkebunan Nusantara IV. Operation consisting of one (1) mill and two (2) oil palm estates.

During the assessment, there were ten (10) Nonconformities were assigned against Major Compliance Indicator; ten (10) nonconformities were assigned against Minor Compliance Indicators; and seven (7) 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 Auditors in form of documentation evidences e.g. document record, photographic, etc. Those corrective actions taken that consist of ten (10) Major non-conformities and ten (10) Minor non-conformities had been closed out shall be verified during next assessment.

MUTUAGUNG LESTARI found that Ajamu POM – PT Perkebunan Nusantara IV complied with the requirements of RSPO Principles & Criteria and National Interpretation, RSPO Principles and Criteria (P&C) for Sustainable Palm Oil Production, Republic of Indonesia - RSPO INA-NIWG, 2013 by INA-NITF July 2016, endorsed by the RSPO Board of Governors on September 30th 2016 and RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Module D/E for CPO Mill) – Revised on June 2017.

Therefore MUTUAGUNG LESTARI Recommends RSPO Certification of compliance is issued.

Ref Std.	VERIFICATION RESULT of MUTU-Certification	
PRINCIPLE #1 COMMITMENT TO TRANSPARENCY		
1.1	Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.	
Indicator 1.1.1 ; 1.1.2	<p>The company has a SOP <i>Masa Simpan Permintaan Informasi dan Tanggapan SPO</i> No.6 Revision 03 effective date August 1, 2017. In the SOP, the mechanism for requesting information and responses is divided into 2 parts, namely requests for information and responses at the head office and Business Unit. In the SOP it is explained that the control of requests for information and responses is managed by HR and General Assistants. Based on the SOP, it was explained that the time period for giving responses to information requests was a maximum of 30 working days.</p> <p>The company has records of incoming and outgoing mail that are contained in the Logbook Letter in and out for Internal and logbook letters in and out for external. Based on the results of the document verification, known that the company has responded to each incoming letter in the form of an information request. For example: Letter No. 660/274/DLH/P&PKL/2018 on May 30 2018 from Environmental Agency and has been responded on June 4, 2018 with Letter No. MEP/04.13/04/VI/2018</p> <p>The results of interview with stakeholders such as government agencies were known that they know the type of information provided, for example information related to company obligations. In addition, stakeholder or government agencies can also request other information related to the company's operations. They also know that PICs are communicating related to information requests, namely HR and General.</p>	
	Status: Comply	

1.2		
Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.		
1.2.1		
<p>The company has a policy regarding public and nonpublic documents with Policy No. 01 no. revision. 02 with the effective date of January 2, 2015. The public document including general corporate information such as mission vision, balance sheet, productivity, assets, CSR and others. Whereas nonpublic documents such as management reports, minutes of meetings, employment agreements and other confidential documents are not accessible to the public. Policy documents, Code of conduct, or those related to reporting must be accessible with management permission.</p> <p>The results of interviews with stakeholders such as government agencies were known that they know the type of information provided, for example information related to company obligations. In addition, stakeholder or government agencies can also request other information related to the company's operations.</p>		
	Status: Comply	
1.3		
Growers and millers commit to ethical conduct in all business operations and transactions.		
1.3.1		
<p>The company has corporate policy relating integrity code and culture of work ethics as stated in Chapter V Code of Conduct (<i>Pedoman Prilaku</i>). This corporate policy can be accessed through : www.ptpn4.co.id by email to pengaduan@ptpn4.co.id.</p> <p>Corporate policy have socialized to all stakeholders, for example:</p> <ul style="list-style-type: none"> - Socialization to contractors on August 6, 2018. - Socialization of the Code of Ethics to Ajamu staff on July 30, 2018 and Meranti Paham Estate on August 12, 2016. <p>Based on interview with assistant, clerk and employee, they can demonstrate the company's code of conduct including work culture (<i>Jujur, Tulus, Ikhlas</i>).</p>		
	Status: Comply	
PRINCIPLE #2 COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS		
2.1		
There is compliance with all applicable local, national and ratified international laws and regulations.		
Indicator 2.1.1; 2.1.2; 2.1.3		
<p>The Certification Unit able to show evidence of compliance with relevant laws and regulations such as:</p> <p>Legal Aspect</p> <ul style="list-style-type: none"> • Obtained Land Title (<i>Hak Guna Usaha / HGU</i>) according to Act (<i>Undang-Undang</i>) No. 39 year 2014. • Obtained Plantation Business Permit (<i>Izin Usaha Perkebunan / IUP</i>) according to Government Regulation (<i>Peraturan Pemerintah</i>) No. 40 year 1996. <p>Environment Aspect</p> <p>The company already has environmental documents, among others :</p> <ul style="list-style-type: none"> • Revised Ajamu Unit Environmental Management and Monitoring Plan (RKL-RPL) approved on September 26, 2008 accordance with letter No. 660/29 / SET-KOMISI / IX / 2008 signed by the Head of the Bapedalda of Labuhan Batu Regency. The area covers an area of 4,465.09 ha and a mill with a capacity of 30 tons / hour in Ajamu Village, Panai Tengah District, Labuhan Batu Regency. • Revised Meranti Paham Unit Environmental Management and Monitoring Plan (RKL-RPL) 2006 which was approved based on Letter no. 660/361 / BPDL-LB / Set / 2006 and signed by the Head of the Bapedalda of Labuhan Batu Regency on July 19, 2006. Based on the response table and improvement of the Revised RKL-RPL of Ajamu II Plantation (now Meranti Paham) PTPN IV Panai Tengah District on June 28, 2006 it was stated that the area of the plantation was 4,993.4 ha. <p>OHS & Worker Welfare Aspect</p>		

- The company has endeavored to protect workers from hazards and risks by providing PPE for high noise areas such as earplugs and earmuffs, and for areas with potential dangers of dust, smoke and ash in the form of masks. In addition to the provision of PPE, protection for workers is done by performing regular health checks in the form of audiometry and spirometry. As well as testing the air quality in the factory environment to ensure that the working environment in a safe condition in accordance with requirement
- The company shows the recapitulation of machine production licenses for all Mill stations. In the recapitulation it is stated that the period of inspection and testing of machines production is carried out every 2 years. Based on the results of testing and inspection by the labor agency in January 2018 for example a boiler is declared to be in a condition worthy of operation.
- Already has an organizational structure of P2K3 (OHS Committee) and reporting regularly every three months (refer to indicator 4.7.4).
- Fulfillment of minimum wages, payroll systems such as overtime provisions, and worker protection (BPJS Ketenagakerjaan and BPJS Kesehatan).

During the assessment auditor has sighted the list of regulation provided by the certification unit consist of 59 Act (*Undang-Undang*), 51 Government Regulation (*Peraturan Pemerintah*), 3 Presidential Instruction, 8 Presidential Decree, 6 Presidential Regulation, 98 Ministry Regulation, 31 Ministry Decree and 24 other related regulations. SMPN-4 (*Sistem Manajemen Perkebunan Nusantara-4*) Division staff is responsible for update the regulations and circulate to each management unit. The regulation also can be reach by the certification unit at the company group portal website [Http://10.10.5.55/share](http://10.10.5.55/share)

To ensure the certification unit has followed and subservient to the national legislation, certification unit showed to the auditor that they has been conducted the internal audit regularly every once a year. The last internal audit conducted on 1 July 2018.

Indicator 2.1.4

Certification unit procedure of Environment and Other Regulation Allegiance Evaluation No. Dok PL-MR-07 Revision 01, dated 1 April 2018 available in the each unit offices; however in the procedure did not explained the methodology of information sources use to trace the change or update the regulations.

This raised as a non-conformity NC.2018.01 with minor category.

2.1.4	Status: NC.2018.01 with minor category
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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.

Indicator 2.2.1

During the Initial Assessment Certification Unit has able to shows several Legal ownership evidence, as follows:

- Forest Release Decree dated 18 May 1990 no. 272/KPTS-II/90 for 3,934.37 Ha at Meranti Paham estate. For Ajamu estate the land formerly from the Indonesian Government Foreign Company Nationalisation since 1961.
- Ajamu Plantation Busines Permit (IUP) is presented in Decree (SK) of Labuhanbatu District Head No. 180/318/Huk/2012 mentioned that informed that PTPN 4 Ajamu location on Village of Perkebunan Ajamu, Sub-District of Panai Hulu, District of Labuhanbatu, Province of Sumatera Utara has oil palm cultivation and processing permit which has covers 5,737.09 ha with mill capacity 30 ton FFB/hours.
- Meranti Paham Plantation Busines Permit (IUP) is presented in Decree (SK) of Labuhanbatu District Head No. 180/317/Huk/2012 dated 11 December 2012 mentioned that informed that PTPN 4 Mernati Paham location on Village of Selat Beting, Sub-District of Panai Tengah, District of Labuhanbatu, Province of Sumatera Utara has oil palm cultivation and processing permit which has covers 3,721.40 ha.
- Land Title for Ajamu Estate is (HGU) No. 5 mentioned that PTPN IV Ajamu is located in the Village of Perkebunan Ajamu, Sub-District of Panai Hulu, District of Labuhanbatu, Province of Sumatera Utara. The HGU has issued on 5 August 2003 and valid until 31 December 2026. Letter of Measurement No. 1/Perkebunan Ajamu/2003 mentioned that total area of HGU coverage 5,737.09 Ha for oil palm plantation purposes.
- Land Title for Meranti Estate is (HGU) No. 1 mentioned that PTPN IV Meranti Paham is located in the Village of Selat Beting, Sub-District of Panai Tengah, District of Labuhanbatu, Province of Sumatera Utara. The HGU has issued on 16 January 1996 and valid until 31 December 2031. Letter of Measurement No. 32 mentioned that total area of HGU

coverage 3,721.40 Ha for oil palm plantation purposes.

According to hectare statement data in 2018, document mentioned above, as well as information from National Land Agency (BPN) and Plantation Agency of Labuhanbatu District, it could be concluded that there are no significant contradiction towards actual Ajamu and Meranti Paham estates operational areas.

Indicator 2.2.2

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

Physically the boundary have been well demarcated with other plantation company, community land. The boundary poles were available in the field. All the poles coordinate that taken as sample have been verified using the GPS. Document review during the initial assessment it showed non-conformity regarding the monitoring and inventarisasi of land title boundary poles:

1. From operational area boundary monitoring has not informed the main pole according to the Land Title Map (KADASTERAL). The monitoring only informed the additional poles.
2. the poles number at the boundary monitoring map showed to the auditor are different from the pole number during the field observation

This raised a non conformity 2018.02 with minor category.

Indicator 2.2.3; 2.2.4; 2.2.5

Based on interview with local Agencies at Labuhanbatu District (BPN and Plantation agency) as well as local villager, it was informed that there were no presence of land conflict between PTPN IV (Ajamu and Meranti Paham estates) and surrounding Villages. Legal ownership evidence (e.g. IUP and HGU) is explained in Indicator 2.2.1. Certification unit was not derived from indemnity land, but ex-concession from foreign Government Company that taken by the Indonesian government in year 1961, as mentioned and described in Government Law (UU) No. 86/1958 dated December 27th 1958, Government Regulation (PP) No. 19/1959 dated May 2nd 1959 and Land Book (on the 1st Land Title Certificate) dated July 1st 1982.

Certification unit has procedure of conflict resolution which presented in document No. SPO 04.revision 3, issued in 2 January 2017.

Indicator 2.2.6

Certification unit has showed the company group code of conduct which mentioned to circumvent insitigated violence to maintain peace within company operational activities. Based on information from head of villagers, Labor Union Committee it was informed that the CH never adopt confrontation and intimidation to maintain peace and order and there is no use of paramilitary in the plantation.

2.2.2	Status: NC.2018.02 with minor category
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2.3

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

Indicator 2.3.1; 2.3.2; 2.3.3; 2.3.4

Procedure of land conflict handling was presented in document SPO 04 revision.3 dated 2 January 2017. Procedure mentioned that resolution of land conflict was carried out though stakeholder meeting (*Musyawarah Mufakat*) as priority and legal evidence should be showed by the claimnant. The CH has conducting FPIC approach for example as shows in HCV study report dan SIA study report which conducted. The report mentioned that data collection from surrounding communities has carried out through several method such as interview and focus group discussion (FGD). Record of discussion process, attendant list during data collection were presented in the reports. Both report informed that there is no other indigenous people, as well as tribes areas in certification unit operational areas.

Certification unit of Ajamu and Meranti Paham estates (PTPN 4) operational areas were not derived from indemnity land, but ex concession from foreign (Japan) Government Company, as explained in Indicator 2.2.1. Operational, Location and Legal Boundary maps are available at certification unit Offices.

General Administration and Human Resources staff at each estate has appointed to be as company representative for any negotiation related with local communities. Based on interview with village representatives, it was stated that village communities has know the contact person who's appointed by the certification unit.

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

Certificate Holder has a Projection of PTP Nusantara IV PKS Ajamu Work Plan and Budget for the period 2018 – 2022 which have explained the statement area, plant projections, factory extraction rates, production costs, price estimates, and financial indicators. For example, in 2023 it targets production of FFB of 83,934 tons and processing 83,934 tons of FFB with OER 24.26% and CPO production of 97,476 tons.

3.1.2

Based on the Estate Head monthly report it is known that the distribution of planting years in the Certificate Holder operational area is between 2005 and 2012. Thus the replanting will not be implemented for the next five years. In accordance with procedures owned by Certificate Holder, replanting will be carried out when the oil palm are 25-30 years old.

The unit management already has a replanting procedure (SOP No. 02.0), dated August 1, 2017 explaining consideration for replanting. The unit management already has planning and realization of replanting period 2016 to 2021 both Ajamu Estate and Meranti Paham Estate. Ajamu Estate has been starting since 2016 for 56 ha while the Meranti Paham estate will begin replanting in 2019.

The implementation of the replanting program is evaluated annually through RJP (Long-term Plan) and RKAP. Evaluation meetings are conducted at the end of the third quarter / beginning of the fourth quarter for the preparation of the following year's RKAP which starts from the district discussion (pre RKAP), followed by the functional field and the final discussion with the directors while approving all the following year's RKAP.

The replanting plan in 2019 is under review by PPKS. PTP IV uses PPKS as a consultant in determining the feasibility of replanting, even though it has been determined in the program but the replanting decision will be determined based on the recommendations of the PPKS. There is a director's letter no. 04.04 / X / 91 / VIII / 2018 dated August 13, 2018 concerning the application for review and study of replanting plans in 2019, among which will be studied are AJA covering an area of 502 ha and MEP covering 213 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

The unit management has developed a procedure covered estate and factory operations. Estate procedure are covering land clearing, maintenance, pest handling, harvesting, transportation of FFB, replanting, delivery to POM, Hazardous and Poisoning Material Management, riparian zone management. Mill procedure are covering processing of FFB and quality control, product traceability, waste management and safe working practices.

Based on interviews with weed control teams, harvest workers, ganoderma census workers and factory workers, they understood the technical specifications contained in the SOP. Interviews with employees were conducted at Block 95L Afd III Ajamu Estate, Block 11D, Afd III Ajamu Estate, Block 06F Afd I Ajamu Estate, Block 13W Afd IV Meranti Paham Estate, SP No. 6 Meranti Paham Estate and Ajamu Palm Oil Mill.

4.1.2 & 4.1.3

The company has a mechanism to monitor the consistency of implementing procedures through:

1. RSPO Internal Audit by the ISPO Secretariat - RSPO, PTP Nusantara IV Headquarters - Medan. Example, fulfillment of RSPO Principles and Criteria indicators.
2. The Internal Audit Unit (SPI) verifies compliance with the implementation of plantation and mill operations every 6 months (semester).
3. Morning direction by the Afdeling Assistant, Processing Assistant, and Mandor to workers before the activity begins.
4. Supervision of Overseers on Employee Performance.
5. SOP Training / Dissemination and Work Instruction (IK) for Estate and Factory activities.

The company can show documentary evidence related to the monitoring records of each activity. Example:

1. Audit of operational activities for second semester of 2017 that has carried out at Ajamu Business Unit on 2 - 3 May 2018 and at Meranti Paham Business Unit on 4 - 5 May 2018.
2. Verification of field operational work by the Verification Team at Afdeling I to IV Ajamu Business Unit on March 1, 2018 and Meranti Paham Business Unit on August 1, 2018, covering harvesting activities, maintenance of mature and immature plants.
3. In accordance with letter No.04.03 / Kol / Facs / 39 / IV / 2018, on 30 April 2018, the RSPO Stage-1 Internal Audit was carried out on 12 to 14 March 2018 at Ajamu Palm Oil Mill and 04 to 05 May 2018 at Ajamu Estate and Meranti Paham Estate. The Based on the document review, all the clauses of the indicators of the RSPO Principles and Criteria have identified and improved.
4. The Internal Audit Unit (SPI) has verified the fulfillment of the implementation of plantation and mill operations in the second semester of 2017 according to letter No.04.Dirut/AJA/R/04/II/2018, dated February 28, 2018. Verification covers the financial sector, fields of plant, engineering / processing, administration, HR, and General, and Compliance. The audit results have been improved according to letter No. AJA/04.Dirut/01/IV/2018, April 1, 2018. Evidence of SPI audit at Ajamu Business Unit in semester II / 2017 conducted on November 4-9 2017. A total of 16 non-conformities were issued and completed by the unit. The SPI assessment in semester I / 2018 has been conducted on July 16-27 2018. There are 6 non-compliance raised for the estate and 8 non-conformities raised for the mill. Corrective actions are in process. Evidence of the SPI audit at Meranti Paham Business Unit dated on May 7-12, 2018 which includes financial and technical audits in the field. There are 2 non-conformities raised in the financial sector and 4 non-conformities raised in the operational field. Corrective actions are in process.
5. Operational Internal Audit has been carried out by the Verification Team for the estate and mill operations. Available Ajamu Estate and Ajamu POM verification work report in April 2018. Corrective actions are in process.

Records of the results of monitoring activities are available and can be accessed at the time of the audit.

4.1.4

Ajamu Palm Oil Mill does not accept FFB from third parties/outside suppliers. All FFBs processed are from their own gestate (Ajamu Estate, Meranti Paham Estate and Panai Jaya Estate).

	Status: Comply	
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4.2

Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.

4.2.1

The management unit has the following procedures:

1. Fertilization procedure in immature planting area No. 04.1 Rev 00 dated 1 August 2007 which describes fertilization procedures in mineral soils and peat soils.
2. Fertilization Procedure in mature planting area, No. 05.2 Rev 00 dated August 1, 2007 and No. Fertilization Organization SOP 05.3 Rev 00 dated August 1, 2007.
3. Analysis of leaves and soils samples procedure, No. 05.4 Rev 00 dated August 1, 2007 which explains that leaf analysis is conducted regularly every year and the soil every 3-5 years.

4.2.2

The management unit has been able to show evidence that fertilization, both on mature plants and new plants, has been

carried out in accordance with fertilizer recommendations issued by PPKS.

During the audit, the progress of the first semester of fertilization was on going. For example: fertilizing dolomite (mature planting) at Aja estate has reached 85% and NPK has reached 46% while NPK and Dolomite fertilization (immature planting) has reached 100%. For example: fertilizing dolomite (mature planting) at Ajamu Estate has reached 85% and NPK has reached 46% while NPK and Dolomite fertilization (immature planting) has reached 100%. Fertilizing dolomite (mature planting) at Meranti Paham Estate has reached 98% and NPK has reached 36%.

NPK fertilization has been delayed because the arrival of fertilizers is not in accordance with the set time. Management already conducted evaluation related this fertilizer delivery on April 10, 2018. Ajamu Estate and Meranti Paham Estate management will be coordinated with holding relating time of delivery.

4.2.3

The management unit has a fertilize recommendation report for Ajamu Estate and Meranti Paham Estate made by the Medan Palm Oil Research Center (PPKS). Based on document review, it is ensured that leaf sampling is carried out in 2017 in accordance with facsimile No. 04.04/Fac/District/356/X/2017 dated October 19, 2017 from the Head of Plant Section to the Manager of Oil Palm Plantation. The chemical elements tested include N, P, K, Ca, Mg, and B.

For example, A total leaf sampling unit in Ajamu Estate are Afdeling I (25 samples), Afdeling II (16 samples), Afdeling III (11 samples), Afdeling IV (11 samples), and Afdeling V (31 samples). A total leaf sampling unit in Meranti Paham Estate are Afdeling I (11 samples), Afdeling II (32 samples), Afdeling III (32 samples), Afdeling IV (21 samples), Afdeling V (29 samples), dan Afdeling VI (27 samples).

4.2.4

There is a circular letter from the Operational Director No. 04.04/SE/03/II/2014 dated January 27, 2014 concerning transportation and empty fruit bunches delivering. Empty fruit bunches are applied in the replanting area of 500 kgs/palm, Immature Planting I and II is 500 kgs/palm (2 times per year) and Immature Planting III and TM is 40 tons/ha. Based on document review, a total EFB has been applying on Afd. 5 Ajamu Estate as of August 12, 2018 is 1,760 tons. Based on the results of field visits in blocks 06K, 06L, 06M and 06N, EFB has been applied to oil palm interrow.

Meranti Paham Estate does not use EFB as a nutrient recycling, they uses bunch ash. The bunch ash application on Afdeling 2 can be seen in the maintenance bar chart. The area of application of bunch ash until this audit is carried out is 73 ha. Based on field visits to blocks 12H, 12F and 12M, bunch ash has been applied on the circle.

Status: Comply

4.3

Practices minimize and control erosion and degradation of soils.

4.3.1

Ajamu and Meranti Paham Estate already have fragile land maps with a scale of 1: 25,000 and 1: 45,000 respectively which identifies fragile soils and non fragile soils, but there is no information on the fragile land area in Ajamu Estate. **Therefore a Major non-conformity no 2018.03 is raised.**

4.3.2

Based semi topography map with scale 1 : 75.000 produced by PT. Surveyor Indonesia, shown that Ajamu and meranti Paham Estate are dominated with flat slope (0 – 8%). Based on field observation during audit on both estates, it is known that the topography is relatively flat, and not required contour terrace or individual terrace.

4.3.3

Management unit shows a road maintenance program for the 2018-2019 period. Both Ajamu Estate and Meranti Paham Estate have classified roads based on their conditions (good, medium and heavy). From these data the company made priority programs in road improvement. Based on Barchart data sample, Ajamu Estate already conducted road maintenance in January 2018 (3400m), April 2018 (500m), June 2018 (1000m) and August 2018 (2000m). Meranti Paham already conducted road maintenance in February 2018 (925m), March 2018 (1500m), July 2018 (2000m).

Based on field observations throughout the audit activities, it was concluded that the road conditions on Both Ajamu Estate and Meranti Paham Estate were in good condition and could be passed.

4.3.4

Based on document review, the company has had peat soil management procedure No. 02.2 rev 00 dated on August 01, 2007 containing land clearing, planting, oil palm maintenance, fertilizing, pest control and management and production projection. This procedure are not refer to *RSPO Manual on Best Management Practices (BMPs) for existing oil palm cultivation on peat* Juni 2012.

Based on field visit, the company can not showed teh evidence as follow:

1. Peat subsidence are monitored periodically
2. Water table monitoring has been done correctly and properly.

Therefore a Major non-conformity no 2018.04 is raised.

4.3.5

Based on document review and field visit, Meranti Paham Estate has conducted replanting in 2015 (576 ha) and 2016 (562 ha). Replanting plan in 2019 has been programming for 213 ha in Meranti Paham Estate. The company cannot showed a drainability assessment before replanting in that peat area. **Therefore a Minor non-conformity no 2018.05 is raised.**

4.3.6

There are not critical soil in Ajamu Estate and Meranti Paham Estate but both estate have peat area. The company has had a a manegement program to manage the peat soil that showed in RKAP 2017 and 2018. Based on documen review and field visit, both Ajamu Estate and Meranti Paham Estate has been managing the peat soil such as:

- Prime canal draenase maintenance of 9300m and secondary canal maintenance of 4600m (Year 2017)
- Canal maintenance program in 2018 are 103,481 m (tertier canal) and 5150 m (outlet canal)

4.3.1	Status : Nonconformity No. 2019.03 with Major non-conformity	
4.3.4	Status : Nonconformity No. 2019.03 with Major non-conformity	
4.3.5	Status : Nonconformity No. 2019.03 with Minor non-conformity	

4.4

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

4.4.1; 4.4.2

The company shows water sources map. All riparian area were treated as HCV areas.. Procedure of protection and/or management on riparian and other water sources areas were presented in several documents, i.e. Riparian river management procedure no. SPO 05 rev 02 dated January 2, 2015 about guidance of save pesticide application mentioned that pesticide is prohibited to be applied on riparian zone and other water sources.

Based on field visit, the company already has:

- Boundary mark and sign for chemist application.
- Sign for vegetation deterioration in riparian are prohibited
- Washing chemist tools application in water are prohibited

Based on field visit of riparian zone of Barumun River in Afdeling 4 known company already done water source management, such as:

- Signboard prohibition chemical application on riparian.
- Signboard of HCV area, prohibition of hunting, and poisoning fish.
- Determination of riparian with a distance of 50 meters left-right of Small River Demarcation of the border is done with the installation of boundary markers river border.
- Natural vegetation.

Based on interview with pesticide operators Block 06F Afdeling 1 Ajamu Estate and Block 13W Afdeling 4 Meranti Paham Estate, it could be concluded that, operator has understood that application of agrochemicals in the riparian and other water sources areas were strongly prohibited.

4.4.3

Mill effluent produced by Ajamu POM processed at waste water treatment plant (WWTP), until it complying to standards before it discharged to water body. The company has waste water discharge permit no. 503.660/41/BLH/LB/WAS/2016 on February 15, 2016 with a validity period of up to 5 years.

The company has tested the quality of waste water every month and submitted to the relevant agency. The testing laboratory is *Balai Riset dan Standarisasi Industri Medan* with accreditation number KAN LP-521-IDN. Table test results wastewater :

Parameter	Results (2018)					Threshold
	March	April	May	June	July	
BOD	140	320	40.1	120	60.2	100

Based on the results of testing the quality of wastewater, known that BOD levels in March, April, and June exceeded threshold. The company has shown an evaluation of BOD levels that still exceed the threshold due to siltation of secondary anaerobic ponds so that it does not allow oxygen to enter the wastewater. Related to this, the company has dredged the WWTP pond which was completed on June 2018. From the results of testing the quality of wastewater on July 2018 it was found that the BOD level was under the level of the threshold. This will be observed in next assessments. Ensuring Management and Monitoring of Wastewater is not exceed the threshold (OFI).

4.4.4

Measuring water consumption for FFB processing purposes was presented in Norm and standard for technical procedure no. 00 rev 00 dated on August 1, 2007. A total water for mill is 1.6-2.0 m³/ton FFB. According to the water treatment plant (WTP) record in 2018 records, it was informed that average water consumption January to August 2018 was about 1.28-1.41- m³/ton FFB.

Based on field observation to WTP Station, it was found that flow meters for both mill and domestic measurement purposes were satisfactory works.

Status: Comply

4.5

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

4.5.1

The activity plan for integrated pest management were consist of global telling and effective telling. Global telling is carried out every week and raised to effective telling if population of pest/disease raised above critical limits. Caterpillar pest is controlled with 2 method consist of manual control and chemist control. Chemist application is only applicable if economic threshold limit more than 5 pest/frond.

Based on document review, global telling, effective telling, pest control data is available during audit. Documentations relating global telling has been review as sample on March, May and July 2018. Most of pest are caterpillar, bag caterpillar and beetle (*Oryctes sp*). On global telling period 26 – 31 of March 2018, caterpillar pest has been detected on immature area of 38 ha in Ajamu Estate with average population is 4 caterpillar pest/frond. The estate management has taken manual control by hand picking. Based on global telling period 1 – 7 May 2018, bag caterpillars were detected in Afdeling 3, immature area of 19 ha in Ajamu Estate with average population more than 5 pest/frond. The estate management has taken chemist control by root infus method.

In order to create a suitable environment and adequate food availability for caterpillar natural enemies, the company has been developing planting beneficial plants program and its realization. In 2017, a total 1,171 beneficial plant has planted and a total 2,987 beneficial plant has been programmed in 2018. Progress planting till May 2018 is 1,395 beneficial plant.

4.5.2

Management unit has conduct integrated pest management training both in Ajamu Estate and Meranti Paham Estate. Based on document review and interview, internal training for integrated pest management has conducted on February 1, 2018 and March 26, 2018 in Ajamu Estate. The event was attended by 74 and employees respectively consisting of cencus operators, supervisors, and field assistants. The training materials covered global telling, effective telling, biological control, mechanical control, chemical control, as well as beneficial plant. Based on interviews with cencus workers at Ajamu and Meranti Paham Estate, it is known that they have attended training on integrated pest management.

Meranti Paham Estate already has Integrated Pest Management training program in 2018 that consisted global telling census, effective telling census, natelling census, pest control, rat control, and rayap control but the training program are not realizing and evaluating during audit. **Therefore a Minor non-conformity no 2018.06 is raised.**

4.5.2	Status: Nonconformity No. 2019.06 with Minor Category
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4.6
Pesticides are used in ways that do not endanger health or the environment
4.6.1

The company has had some procedure related using chemist application, such as:

1. Pest and Desease Management for Immature Planted Area Procedure No. 04.3 Rev 00 dated August 1, 2007.
2. Pest and Desease Management for Mature Planted Area Procedure No. 05.11 Rev 00 dated August 1, 2007.
3. Pesticide Management and Storage Procedure No. 23 Rev 00 dated Januari 2, 2018.

Based on interview with Ajamu and Meranti Paham Estate, the have a program to prevent peast resistencies such as:

1. Implementing integrated pest management and weed management.
2. Using pesticide and/or herbicide as last alternatives
3. Do not use individual pestisice continuosly

The Managemenet also have had policy related pesticide type both Ajamu and Meranti Paham Estate that issued by Head of Plant of PTPN IV reff No. No.04.04 / FACS / UNIT/ 342 / IX / 2016, dated on September 29, 2016 containing all group are only using pesticide that allowed by government. Based on field visit and document review, the company has been using pesticide and herbiscide that allowed by government.

4.6.2

Both Ajamu Estate and Meranti Paham Estate has had a program relating pesticide application in RKAP 2018. Each afdeling has a monthly program for weed control using herbicide application. Pesticide application for pest control are depend on pest level of attack. Pesticide application are only allowed if the critical economic threshold is reached and/or exceeded.

Each estate has been documenting pesticide application quarterly including trade name, active material, oxicity ((LD₅₀), application area, FFB production etc. For example:

- **Ajamu Estate (Afdeling I):**

Pesticide toxicity in Second quarterly (2018) as follow:

- a. Trade name: Elang 480 SL,
- b. Active material: Isopropil amina glifosat,
- c. LD₅₀: 4.230 mg/kg,
- d. Material active persentation: 48%,
- e. Total application: 189.60 ltrs,
- f. Total active material: 91.008 ltrs,
- g. FFB production: 2,456,145 Kg,
- h. Pesticide (unit/Kg): 0.00370532 cc/kg,
- i. Total area: 676 ha,
- j. Pesticide unit/Ha: 0.000134627 cc/ha.

- **Kebun Meranti Paham (Afdeling IV):**

Pesticide toxicity in Second quarterly (2018) as follow:

- a. Trade name: Elang 480 SL,
- b. Active material: Isopropil amina glifosat,
- c. LD₅₀: 4.230 mg/kg,
- d. Material active persentation: 48%,
- e. Total application: 128.25 cc ltrs,
- f. Total active material: 125.12 ltrs,
- g. FFB production: 1,600,700 Kg,
- h. Pesticide (unit/Kg): 0.002 cc/kg,
- i. Total area: 492 ha,
- j. Pesticide unit/Ha: 0.08 cc/ha.

4.6.3

The company has implemented integrated pest management in order to reduce pesticide usage. Based on document review and field observation, several IPM program with biological approach has been implemented such as caterpillar control by planting beneficial plant (*Turnera subulata*). Moreover, applying selectively spraying and utilize *Nephrolepis bisserata* as the predators host of leaf eater caterpillar. The company has trend chart pesticide use from 2016 to 2018.

4.6.4

Based on document verification and field visit to pesticide storage, both Ajamu Estate and Meranti Paham Estate are used paraquat. Ajamu and Meranti Paham Estate has a commitment to reduce paraquat application. Based on pesticide record in period of 2016 – 2018, trend on using paraquat has been going down. Based on Indonesia regulation, paraquat is categorized as limited pesticides and applicators that using paraquat should well trained. Based on document review, certificate for spraying team in Meranti Paham Estate are not available during audit. **Therefore a Minor non-conformity no 2018.07 is raised.**

4.6.5; 4.6.7 & 4.6.9

Pesticide handling has been described in SPOs No. 23. SOPs in Bahasa Indonesia and have been communicated to workers. In SOP it was explained that chemical workers must use glasses, shoes, helmets, masks, rubber gloves, work clothes when working; after working, trim the tools / materials to be brought to the office warehouse. During field visit to pesticide storage, observed that chemicals are stored at a secure store with retention bunds to contain spillage, spill kit and appropriate signage indicating toxic materials were installed, as well as the PPE are provided in place.

The Company has shown the document of the Minutes of Pesticide Guidance Training Implementation conducted on March 2018. The training contains control techniques / application of pesticides, type determination and weed control, calibration methods, planning and recording of work, methods of supervision, planning and preparation tools and materials. In addition, work instructions are also conveyed related to the risks and impacts of application of pesticides.

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

4.6.6

The company has an SOP for the management of pesticides contained in the SOP for Chemical Management and Storage with No. SPO 23 Revision 01 effective date January 2 2018. The company also has an SOP for the Management of Hazardous and Toxic Materials No. 02 (revision 03) dated January 2, 2017 which explains, among others, the Procedure for Handling Chemical Spraying Equipment.

Based on field visit and interview, it was conveyed that:

- The results of the field visit to the chemical warehouse in the Ajamu Unit, known that the warehouse floor was made of soil, the position of the chemicals was stacked without any shelves, and in direct contact with the warehouse floor. In addition, there was no fire extinguisher in the warehouse.
- The results of the field visit to the chemical warehouse at the Meranti Paham Unit, it was known that chemicals were stored next to the warehouse staff's working room in the condition that there was no bulkhead between the chemical

- storage area and the officers' work space and that the fire extinguisher condition was not monitored regularly.
- The results of interviews with warehouse staff and spray foremen, said that mixing chemicals is done in the field.

The above matters were not in accordance with the SOP for the Management and Storage of Chemicals (No. SPO 23 effective date January 2 2018) and Minister of Manpower Regulation No. 3 of 1986 concerning OHS of pesticides. **This became a non-conformity no. 2018.08.**

4.6.8

Based on a review of documents and interviews with management staff, management unit did not perform the application of pesticides from the air.

4.6.10

The company has a hazardous Waste Management SOP with No. SPO 02 revision 03 effective date January 2, 2017. In the procedure explained about warehouse of hazardous waste, waste identification, hazardous waste data collection, hazardous waste packaging, hazardous Waste Placement, storage period of hazardous waste, submission of hazardous waste to licensed collectors, and equipment washing procedures spraying chemicals.

Interviews with staff of hazardous waste warehouse and chemical warehouse known that officers had understood the mechanism of hazardous waste management. Hazardous waste is stored in the hazardous waste storage area and then transported by licensed collectors / transporters. The company has shown evidence of handling of hazardous waste in the form of manifests of hazardous waste, minutes of submission of hazardous waste, logbook of hazardous waste. For example Manifest No. 0002962 dated 28 August 2018. Based on field visit in the plantation office, mill office and houseng complex known that no ex pesticides or hazardous material containers used for household purposes.

4.6.11

NCR No. 2018.09 with Major Category

Annual of Medical Check-Up (MCU) have been carried out in 2017 and 2018. Evidence of the results of 2017 and 2018 health examinations has been received by the Ajamu Management Unit and Meranti Paham. Ajamu business unit has shown follow-up results of the 2017 examination (without date information) through the recommendations of *Polibun* doctors and Meranti Paham business units that have shown follow-up checks in July 2018 through sending a letter of request for treatment to Pabatu Hospital via letter no. MEP/RS.PAB/15/VII/2018 dated 17 July 2018. In the process of submitting follow-up, MCU has been carried out in 2018 which according to the results of interviews with the strategic plan team, the results of the inspection were received on Thursday, 6 September 2018 with the results examination shows the following:

- Meranti Paham: 5 people had mild obstruction, 2 people had moderate obstruction, 2 people had mild restriction and moderate obstruction, 2 people had mild restriction and mild obstruction, and 1 person declared normal.
- Ajamu: 11 people had mild obstruction (OR), 2 people had moderate obstruction (OS), 1 person had mild restriction and moderate obstruction, 1 person had mild restriction, and 7 people were declared normal

Based on the explanation above, the company has not been able to show:

1. Evidence of follow-up from the doctor's recommendation for the Ajamu business unit.
2. Evidence of follow-up recommendations from Pabatu Hospital stating that the examination can be carried out by doctors of *Polibun* for the Meranti Paham business unit.

4.6.12

The policy of prohibiting to involve on chemical related activities is described in document No. AJA/SE/Intern/03/IV/2018 issued July 4th, 2018 stating that in compliance with the regulations and sustainability standards, each of field assistant who will appoint female workers as a pesticide handler must coordinate with the company's paramedic in identifying the condition of the female worker to ensure that the female worker is not pregnant or breastfeeding and make monitoring in each month. To early detection of pregnant / breastfeeding women, there is monitoring of H1 (menstrual leave), monitoring records can be shown to the auditor eg record of H1 of Div 2. Verified during field observations to spraying activities showed that there is no female workers were pregnant or breastfeeding, as per result of interview they are understood the policy of protection of reproductive right.

4.6.4 Status: NonConformity No. 2018.07 with Minor Category

4.6.6	Status: NonConformity No. 2018.08 with Major Category	
4.6.11	Status: NonConformity No. 2018.09 with Major Category	
4.7		
An occupational health and safety plan is documented, effectively communicated and implemented.		
4.7.1		
<p>Policies and Commitments related to the OHS of Ajamu and Meranti Paham business units have been established on March 16, 2018 and approved by the Unit Manager. In one policy point it is stated that the company prioritizes OHS in all aspects of work, in order to prevent and reduce workplace accidents. The auditor team before conducting field visits at the Mill and Estate has not been given a safety induction / briefing by the management unit. The results of the visit to Mill are known to have not available line visitors to ensure that guests/visitors are on a safe track during visits at Mill. Referring to this, the two business units that have not effectively implemented OHS related to the importance of OHS in all aspects of work have been applied to guests/visitors who are allowed to visit the company's work environment. NCR No.2018.10 with Major Category</p>		
4.7.2		
<p>a. Risk Management</p> <p>The company shows a Risk Management document (Doc No. FM-4.2.1-01, Rev.02) HIRAC in 2018 for the operational activities of Ajamu POM, Ajamu and Meranti Paham Estate. As explained in the Risk Management OSH Procedure that all work activities, work implementers, work tools and workplaces are identified and an assessment of risk is carried out.</p> <p>However, based on document review and field visits, it is known that there are still operational (routine, non-routine, and emergency) activities that have not identified hazards and risk control in Mill (eg tanks for CPO, WTP, cleaning tanks, etc.) in the Estate (eg replanting, house rinse, warehouse of hazardous waste, IPM control, etc.) by referring to the procedures established by the company.</p> <p>b. Risk Control for fuel storage</p> <p>From the results of the internal audit in July 2018, it was found that there were nonconformity related to the secondary containment of the fuel tank, and corrective actions determined to make secondary containment. However, the results of the field visit revealed that the fuel tank had not yet referred to the conditions required under <i>Permenaker</i> No. 37 of 2016 concerning <i>K3 Bejana Tekan dan Tangki Timbun</i> (Articles 24 and 58)</p> <p>c. Medical Check Up for workers on high noise workplace</p> <p>The results of the 2017 and 2018 audiometric examination revealed that workers examined by audiometry in 2017 included 1 HR staff, 1 laboratory foreman, 1 mill employee, 10 processing, 4 sterilizer, 1 boiler, 1 loading ramp, while in 2018 workers which was examined included 8 laboratories, 2 WTPs, 1 processing, 1 engine room, 3 warehouses, 1 HR staff, 1 OHS officer. From the review, there is no explanation regarding the basis / identification of the analysis of the type of health examination of the workers examined according to the risk of their work.</p> <p>The certification units of Ajamu and Meranti Paham have not shown the overall risk identification of their operational activities and the type of health examination (MCU) of the workers examined is in accordance with the risk of their work. NCR No. 2018.11 with Major Category</p>		
4.7.3		
<p>The company has a certified operator in accordance with applicable regulations such as heavy equipment operator, welder, boiler man, electric technician, turbine operator etc. They also conducted OHS training for all level of employee to maintain their competency.</p> <p>Based on field visit during the audit known that pesticide applicator or another high-risk worker such as processing operator in mill (sterilizer operator, boilerman, electrical officer, mechanics, welder etc) has been equipped with appropriate PPE's in accordance with hazard identification and risk analysis. Each area in mill has been provided with signboard of PPE's needed.</p> <p>According to the interview with related stakeholders (workers, labor union and contractors) known that the company committed to the OHS implementation in estates and mill. Safe working procedure always brief before start working and all company's workers equipped with appropriate PPE's. Auditor has been verify the record of PPE's granted to all workers. For example, PPE's for pesticide operator's receipt on 17 January 2018.</p>		

4.7.4

The company has identified those responsible for implementation of OHS program formed in *P2K3* structure. Based on interview with Labour Agency Labuhan Batu District, company has *P2K3* and OHS Officer in accordance with the regulations.

Besides that, meeting related OHS has been done by P2K3, example meeting on March and June 2018 with an agenda of discussion on the suggestions/recommendations from OHS Experts.

Decree of the Head of the Sumatra Utara Province Manpower Office No. KEP.120-7/DTK/SU/2018 dated June 29, 2018 concerning Ratification of *P2K3* at the Company, said medical teams are doctors and nurses. The field visit to *Polibun Ajamu* revealed that medical personnel who performed health services included 1 doctor, 6 nurses and 3 midwives, and *Polibun Meranti Paham* with 1 nurse medical staff. Interviews with doctors and nurses said that currently the *Hiperkes* doctor and 1 Meranti Paham nurse had certificates, while the paramedics at Polibun Ajamu did not yet have a *Hiperkes* certificate. Referring to the explanation above, there is not enough evidence that the company has shown compliance with *Permenakertranskop* No. 01 of 1979 concerning *Hiperkes Paramedis Perusahaan*. **NCR No. 2018.12 with Major Category**

4.7.5**NCR No. 2018.13 with Minor Category**

- a. The results of the hydrant inspection in the Mill for the period January to March 2018 and April to June 2018 are known hydrants on damaged condition. Furthermore, from the results of the inspection a follow-up was carried out with recommendations for improvement, namely "that the proposed cost of hydrant repairs in RKO/RKPA of 2018 with the standard must be able to function properly according to the applicable rules" with a target repairs of April 10, 2018.
- b. The results of field visits at the Meranti Paham Estate are fire extinguisher in non-pressurized conditions and refilling schedules should be carried out in 2017.
- c. The company shows a certificate issued by a doctor (PT Prima Medica Nusantara - Polikbun Ajamu) on 02 January 2018 regarding recommendations for the contents of a first aid kit (11 items: betadine, alcohol, scissors, plaster, safety pins, aquades, bandages, gauze, cotton, tweezers, *insto* (eye medication)) which can be used in the field, based on investigation and monitoring field visit for harvest work, field maintenance and loading of FFB. The results of field visits in the operational activities of the estate (harvest and chemist) are known to have foreman who have and have not brought first aid kit while working in the field. As for the contents of the first aid carried by the foreman in the Ajamu Estate, namely betadine and cotton, the foreman at the Meranti Paham Estate, among others, betadine, cotton, safety pins, scissors, tape, tweezers, gauze, mitela, and rivanol.

Based on the explanation above, then:

- a. Not yet available evidence of hydrant repair has been carried out in accordance with the set time target, by ensuring the condition of the hydrant is ready to use.
- b. Not enough evidence that the company has provided fire extinguisher in a ready-to-use condition
- c. Not enough evidence that the company has provided first aid kits in all operational activities in accordance with the rules and recommendations of doctors and evidence that officers carrying first aid kits have received first aid training.

4.7.6

The company has provided the employees with insurance to cover work 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 Worker Union, explained that all employees have been registered in accident insurance. In the employee salary slip is clearly written the existence of deductions and assistance from the company to pay contributions BPJS. Based on interview with local contractor of FFB transportation, it is known that accident insurance and health services for contractor worker is provided by the contractor.

There is any work accident at Meranti Paham which need claim of work accident insurance. Documents related to work accident cases for security at Meranti Paham have been reported to the labor agency and the BPJS and progress is still awaiting a statement from the head office that workers have died due to workplace accidents. So that the new document can be shown is the reporting document for phase I and phase II.

4.7.7		
Company shows documents related to work accident records using LTA metric for 2017/2018. LTA record showed the frequency rate and severity rate.		
4.7.1	Status: NCR No.2018.10 with Major Category	
4.7.2	Status: NCR No.2018.11 with Major Category	
4.7.4	Status: NCR No.2018.12 with Major Category	
4.7.5	Status: NCR No.2018.13 with Minor Category	
4.8		
All staff, workers, smallholders and contractors are appropriately trained.		
The Ajamu Business Unit shows the document External and Internal Training Program for 2018 with 13 training activities. The results of the review of the recording of the realization of training up to August 2018 revealed that the training had been realized, namely the training of pesticide handlers held in March. Based on the explanation above, there was not enough evidence that the company had conducted an evaluation of the training program in accordance with the prepared plan. NCR No. 2018.14 with Major Category.		
4.8.1	Status: NCR No. 2018.14 with Major Category	
PRINCIPLE #5 Environmental responsibility and conservation of natural resources and biodiversity		
5.1		
Aspects of plantation and mill management, including replanting, that have environmental impacts are identified, and plans to negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continuous improvement.		
5.1.1		
The company already has environmental documents, among others :		
<ul style="list-style-type: none"> - Revised Ajamu Unit Environmental Management and Monitoring Plan (RKL-RPL) approved on September 26, 2008 accordance with letter No. 660/29 / SET-KOMISI / IX / 2008 signed by the Head of the <i>Bapedalda</i> of Labuhan Batu Regency. The area covers an area of 4,465.09 ha and a mill with a capacity of 30 tons / hour in Ajamu Village, Panai Tengah District, Labuhan Batu Regency. - Revised Meranti Paham Unit Environmental Management and Monitoring Plan (RKL-RPL) 2006 which was approved based on Letter no. 660/361 / BPD-LB / Set / 2006 and signed by the Head of the Bapedalda of Labuhan Batu Regency on July 19, 2006. Based on the response table and improvement of the Revised RKL-RPL of Ajamu II Plantation (now Meranti Paham) PTPN IV Panai Tengah District on June 28, 2006 it was stated that the area of the plantation was 4,993.4 ha. 		
Based on the results of interviews with the Labuhan Batu Regency Environmental Agency, it was stated that the company already had environmental documents. The environmental document is in accordance with the applicable requirements and has been approved by the authorized agency.		
5.1.2 ; 5.1.3		
Ajamu Unit		
The revised Environmental Management and Monitoring Plan (RKL-RPL) was approved on September 26, 2008. The sources of impact that are managed and monitoring based on the RKL-RPL document as follows:		
<ul style="list-style-type: none"> - Decreased air quality (ambient / dust, odor and emissions) - Increased noise. - Decreasing river water quality - Waste water management (WWTP) - Hazardous waste warehouse - Decrease in abundance, diversity and uniformity of aquatic biota - Increased regional economy - Increased employment opportunities - Improvement of public and social facilities - Public perception - Prevalence of disease / public health 		

Meranti Paham Unit

The revised Environmental Management and Monitoring Plan (RKL-RPL) was approved on July 19, 2006. The sources of impact that are managed and monitoring based on the RKL-RPL document as follows:

- Decreased air quality (ambient air quality)
- Increased noise
- Decreased water quality
- Increased soil fertility
- Decrease in abundance, diversity and uniformity of aquatic biota
- Increased employment opportunities
- Public perception

The results of the review of the RKL-RPL Matrix document and its implementation, known that:

- a. The Ajamu Unit has submitted the first semester of Environmental Management Implementation Report 2018, but there is not enough evidence that the implementation of environmental impact management is in accordance with the directions of the RKL-RPL Matrix. For example, haven't discussed about:
 - Management for the impact of Decreasing air Quality
 - Increased noise
 - Decrease in water quality management and etc in accordance with Minister of Environment Decree no. 45 of 2005 concerning Guidelines for Preparing the Implementation of RKL-RPL.
- b. Meranti Paham Unit has submitted an Environmental Management Implementation Report each semester. However, there are still unmanaged impacts, namely:
 - Impact of Increasing Soil Fertility.

The Ajamu and Meranti Paham business units have not yet carried out complete environmental management in accordance with the documents that become the reference (RKL-RPL matrix). **This became a non-conformity. 2018.15**

The results of the review of the RKL-RPL Matrix document and its implementation, known that:

- a. The Ajamu Unit has submitted a Report on the Implementation of the first semester of RKL-RPL in 2018, but there is not enough evidence that the implementation of Environmental Impact Monitoring is in accordance with the directions of the RKL-RPL Matrix. For example:
 - has not discussed monitoring for the impact of the Decreasing air quality
 - Increased noise.
 - Decrease in water quality management and etc in accordance with Minister of Environment Decree no. 45 of 2005 concerning Guidelines for Preparing the Implementation of RKL-RPL.
- b. Meranti Paham Unit has submitted the RKL-RPL Implementation Report every semester. However, there are still impacts that have not been monitored according to the direction of the RKL-RPL matrix, for example:
 - Increased Soil Fertility and Monitoring of employment Opportunities.
 - not all the results of the management and monitoring of impacts have been evaluated according to the direction of Minister of Environment Decree No. 45 of 2005.

The Ajamu and Meranti Paham business units have not carried out complete environmental monitoring in accordance with the documents that become the reference (RKL-RPL matrix). **This became a nonconformity no. 2018.16**

5.1.2 Status: NonConformity No. 2018.15 with Minor Category

5.1.3 Status: NonConformity No. 2018.16 with Minor Category

5.2

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

5.2.1

The company has carried out HCV identification carried out by the consultant. HCV assessment in the Ajamu unit has been carried out with the assessment period of 29 November - 3 December 2017 carried out by Surveyor Indonesia. The head of the HCV assessment team was: Iksal Yanuarsyah (ALS 15038IY). The peer review report was carried out on May 24, 2018. HCV identification was carried out at a location of $\pm 5,732.09$ ha. As for the Meranti Paham unit, HCV

assessment was carried out in January 2018 with an area of 4,993.40 ha. The assessment was carried out by PT Kompasiasia with team leader Henry Marpaung (ALS 16007M. The peer review report was carried out on March 2018. The assessment was carried out in a participatory manner. Participatory evidence was contained in the annex to the HCV report of each unit. Based on the results of the HCV assessment, there was HCV 6 covering an area of 0.42 ha in the Ajamu Unit. While in the Meranti Paham unit, there were HCV 4 covering an area of 15.47 ha and HCV 6 covering an area of 0.09 ha.

5.2.2; 5.2.3; 5.2.4

The company has a procedure for identifying Flora and Fauna Protection No. 09 (revision 2) dated January 2, 2015 in point 5.5 concerning protection in the form of prevention :

- Socialization to the employees and contractors which working in the company.
- Not allowed to catch, keep, or kill animals that are protected by state regulations or protected without company permission.
- Not allowed to trade wild animals whether protected or not.
- Make sanctions to be given if proven to catch, keep, or kill animals.
- Making bans and sanctions if they violate
- Involving all ranks in each department to participate in socializing.
- etc.

In the SOP it has been explained if there are still employees or non-employees who catch, keep or kill animals protected or unprotected by state without permission from the company, they will be reported to the competent authorities according to the law.

The company has an HCV management and monitoring program, for example:

- Monitoring the presence of flora and fauna around the plantation.
- Checking and maintenance of warning signboard conditions that prohibit hunting animals and cutting down trees within the HCV area.
- Monitoring the disturbance and destruction of habitat of flora and fauna around the plantation.
- etc.

The company showed example of HCV 6 management and monitoring conditions on July 20, 2018. Based on monitoring activities, known that the HCV 6 condition in block 00X and 06J and also the signboard was in good condition. In addition, management activities have been carried out to maintain HCV in the form of plank / signboard installation, fencing of graveyard locations to protect or avoid damage, as well as inventory of types and numbers of trees that have been planted. The company has also disseminated HCV as indicated by the recording of HCV socialization on July 31, 2018. The company has shown records of attendance along with implementation photos.

5.2.5

Based on the results of HCV identification, field visits, and interviews with stakeholders it is known that there are no HCV areas that overlap with the rights of local communities.

	Status: Comply	
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5.3

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

5.3.1

The company has a Waste Identification contained in the List of Waste Identification Documents produced which includes the name of the waste, type / characteristics of waste, source of waste, management procedures and storage period, including: ex-fertilizer gunny, ex chemical packaging, used oil, used oil filters, used batteries / batteries, POME, empty bunch ash, fiber, shell, domestic waste etc.

5.3.2; 5.3.3

The company has a hazardous Waste Management SOP with No. SPO 02 revision 03 effective date January 2, 2017. In the procedure explained about warehouse of hazardous waste, waste identification, hazardous waste data collection, hazardous waste packaging, hazardous Waste Placement, storage period of hazardous waste, submission of hazardous

waste to licensed collectors, and equipment washing procedures spraying chemicals.

For handling hazardous waste, the company carries out an inventory of chemical containers including other hazardous waste which are recorded in the logbook / warehouse card and stored in the hazardous Waste warehouse. Evidence of the implementation of waste disposal by the company in the form of minutes of handover of hazardous waste and hazardous waste manifests. Based on field visits in hazardous waste warehouse, known that hazardous waste has been stored in accordance with best practice, which is stored in flood-free areas, there are first aid box, APAR, eyewash, hazardous waste label and symbols etc.

Based on document verification and management interviews, known that the third party transporting hazardous waste has transported hazardous waste from Ajamu unit and Meranti Paham Unit. However, there is not enough evidence that there is a Work Agreement between the company and PT Jaguar Prima Nusantara for the transportation and collection of hazardous waste. The company only showed letter of order to start working addressed to PT Jaguar Prima Nusantara for the transportation and collection of hazardous Waste No. 04.14 / SPMK / 012 / VIII / 2018 dated August 6, 2018.

Ajamu and Meranti Paham business units have not yet shown evidence of agreement in managing hazardous waste with third party. **This became nonconformity no. 2018.17**

The company has carried out several waste management activities, including:

- **Liquid waste:** Management of wastewater is carried out by means of wastewater treatment in WWTP before being channeled into rivers / water bodies. Liquid waste disposal permit according to Regent of Labuhan Batu Decree No. 503,660 / 41 / BLH / LB / WAS / 2016 concerning Permit for Disposal of Wastewater to Water or Water Sources to the Ajamu PTPN IV Unit dated February 15, 2016. The permit is valid for 5 years.
- **Solid Waste:** Waste produced due to plant operations (fiber, shells and empty bunch). Fiber and shells are used to fuel boilers for turbine power plants. While the empty bunch are partially applied to the soil as organic fertilizer and some are burned. The remaining ash from solid waste combustion from boilers and incinerators is used to hoard roads / road hardening.
- **Hazardous waste:** submitted to third party which manage hazardous waste. Evidence of the implementation of waste disposal by the company in the form of minutes of handover of hazardous waste and hazardous waste manifest.

Based on the results of field visit, known that:

- Meranti Paham unit stored hazardous waste in a place that does not yet have a hazardous waste warehouse permit.
- The results of field visit at mill, the auditor team found that the Fat Pit was in a leaky condition and there was runoff of liquid waste into the environment around the area.
- Domestic waste was burned at Afdeling I housing and there was no place for garbage collection in accordance with the SOP of domestic waste management owned.
- Medical waste was placed on the front porch of the Meranti Paham Unit polyclinic. In addition, the Meranti Paham Unit has not been able to show records of medical waste management.

Based on the explanation above, it was concluded that the company had not been able to demonstrate the implementation of environmental management plans to avoid and reduce pollution. **This became a nonconformity no. 2018.18.**

5.3.2 Status: Nonconformity No. 2018.17 with Major Category

5.3.3 Status: Nonconformity No. 2018.18 with Minor Category

5.4

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

5.4.1

Based on the Monthly Report document PTPN IV - Ajamu Business Unit, the company uses solid waste in the form of empty bunches, fiber, and shells as boiler fuel. The company has recordings of the use of shells, fiber and empty bunches used for boiler fuel. Examples of the recording of utilization of empty bunches, fibers and shells include:

Month	FFB Process (ton)	Empty Bunch (ton)	EFB/ton FFB	Fiber	Fiber/ton FFB	Shell	Shell/ton FFB
February	10,865	2,390	0.22	2,933	0.27	543	0.05

March	12,207.5	2,685	0.22	3,296	0.27	610	0.05
April	13,055	2,872	0.22	3,524	0.27	652	0.05

The company has also shown documentation of utilization of empty bunches, fiber and shells contained in the Monthly Fuel Report document for the period of May, June, July with the total energy used each 42,292 cal/kg/FFB, 32,220 cal/kg/FFB, 44,059 cal/kg/FFB.

Status: Comply	
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5.5
Use of fire for waste disposal and for preparing land for replanting is avoided except in specific situations, as identified in the ASEAN guidelines or other regional best practice.

5.5.1 ; 5.5.2
 SPO of Oil Palm Plant section Land clearing with number 01.3 dated August 1, 2007 explains that explained that land clearing was carried out by manual, mechanical and chemical systems (for shrub areas), work was carried out by overlaying and stacking.

Based on document review of Agreement Letter for replanting activity in the afdeling V with no agreement 04.04/S.PERJ/014/VII/2018, afdeling III with no. agreement 04.04/S.PERJ/015/VII/2018 known that in the clause 15 points J states that the second party (contractor) is prohibited from burning at the location of the work area.

Status: Comply	
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5.6
Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.

5.6.1; 5.6.2
 Company has identified sources of pollution and emissions generated from all operational activities of the plantation and factory. The company also has plans to reduce or minimize these emissions. This is contained in the Mitigation document and efforts to reduce GHG emissions, such as:

- Implement a zero burning policy on replanting activities
- Planting, monitoring and managing protected areas
- Monitoring of spraying applications has been carried out effectively and efficiently
- Making a management policy about the commitment to use renewable energy in the supply of energy in the factory and implementing it
- Perform leaf analysis to determine the type and dosage of fertilizer.
- etc

Company has also conducted an assessment of activities that cause pollution or emissions, for example:

- Liquid Waste quality testing
- air quality testing
- testing of emissions of boilers and generators
- noise testing
- odor testing

Based on the results of testing of emissions, air quality, noise and odor, known that there are test results that exceed the threshold, namely the results of noise testing in the boiler area. The company has designated the area as an area with high noise potential, so the company provides PPE in the form of earplug / earmuff for workers with high noise potential area.

5.6.3
 Ajamu POM conduct GHG calculation and its monitoring using RSPO palm GHG calculator v 3.0.1 . Summary of GHG emission for Ajamu POM are listed as follows :

Summary of Net GHG Emissions

Emission per product	tCO ₂ e/tProduct
CPO	14.55
PK	14.55

Production	t/yr
FFB processed	181874.4
CPO produced	16068.501
PK produced	2511.792

Extraction	%
OER	17.3
KER	4.23

Land use	Ha
Planted area	8925
Planted on peat	3853.11
Conservation Area	17.79

Summary of field emission and Sinks

Description	Own crop		Group		3 rd party	
Emissions Sources	tCO ₂ e	tCO ₂ e/tFFB	tCO ₂ e	tCO ₂ e/tFFB	tCO ₂ e	tCO ₂ e/tFFB
Land conversion	39909.07	0.55	43541.42	0.64	9.36	0
CO ₂ emissions from fertilizer	1159.71	0.02	271.34	0	7.08	0
NO ₂ emissions	2112.12	0.03	28725.44	0.42	15.62	0
Fuel consumption	964.61	0.01	941.78	0.01	0.04	0
Peat oxidation	1410.32	0.02	208969.49	3.09	0	0
Sinks						
Crop sequestration	-39909.07	-0.55	-43541.42	-0.64	-9.36	0
Sequestration in Conservation area	0	0	0	0	0	0
Total	5646.76	0.08	238908.05	3.53	22.74	0

Summary Oil Mill Emissions and Credits

Remarks	tCO ₂ e	tCO ₂ e/t FFB
Emissions sources		
POME	24339.19	0.13
Fuel consumption	1701.02	0.01
Grid electricity	0	0
Credits		
Export of grid electricity	0	0
Sales of PKS	-316.51	0
Sales of EFB	0	0
Total	25723.7	0.14

Palm Oil Mill Effluent (POME) Treatment

Divert to compost (%)	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	
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, 6.1.2, 6.1.3, 6.1.4 <p>Company has conducted a social impact assessment which carried out within 3 months starting in November 2017. The assessment was carried out by the consultant Surveyor Indonesia for Ajamu Unit and Meranti Paham Unit carried out within 3 months starting in January 2018. The assessment was carried out by the consultant Kompasia.</p> <p>The social impact assessment carried out has involved affected parties. The impact assessment evidence has involved affected parties including:</p> <ul style="list-style-type: none"> - Meranti Paham: examples of consultation attendance on January 30, 2018 along with photo of implementation with representatives of Sei Tampang Village, Perkebunan Ajamu Village, Meranti Paham Village, and Selat Belting Village. - Ajamu : photograph of the implementation of the Social Impact Assessment with representatives of Ajamu Village, Meranti Paham Village, Sei Sentosa Village, Cinta Makmur Village, Perkebunan Ajamu Village. <p>Evidence of participatory involvement of affected parties was also shown in the form of questionnaires given to affected parties. The questionnaire format developed can be used as a guide for conducting interview methods if needed. The company has shown the sample questionnaire that has been given to the respondent. The contents of the questionnaire explained the identity and background of the respondents, socio-economic aspects, accessibility of economic infrastructure, community income sources, opportunities to become company partners, social aspects, health, socio-cultural aspects, customs, corporate communication patterns with the community, social responsibility, community perception of the impact of the plantation.</p> <p>The company has arranged plan for management and monitoring of social impacts in 2018 based on social impact assessments which began in November 2017 (Ajamu) and January 2018 (Meranti Paham). The social impact management activities are divided into 3 parameters, including:</p> <ul style="list-style-type: none"> - Public facilities and social facilities - Employment Opportunity - Business opportunity. <p>For example: impact management activities for employment opportunity parameter carried out by:</p> <ul style="list-style-type: none"> - Socialize if there is recruitment of workers to villages, equal access for all job applicants. - Directing the contractor / third party companies to prioritize local residents around the plantation if they fulfill the qualifications needed as workers. <p>While the impact monitoring activities for the employment opportunities parameter are carried out by:</p> <ul style="list-style-type: none"> - Acceptance of local workforce - Monitoring the list of local workers <p>The frequency of monitoring activities is carried out every 1 year.</p> <p>Examples of implementation of social impact management:</p> <ul style="list-style-type: none"> - Records of socialization of policies on employment opportunities, opportunities as wide as possible without discrimination for all employees, the business transformation policy held on August 6, 2018 was attended by 23 participants including 5 surrounding villages, NGOs and other stakeholders. 		

Ensuring a Management Plan and Monitoring of Social Impacts and their Implementation (OFI)

The company has not yet reviewed the Social Impact Management and Monitoring Plan, because the Company has just conducted a social impact assessment which began in November 2017 (Ajamu) and January 2018 (Meranti Paham).

6.1.5

There is no plasma scheme in the company.

Status: Comply

6.2

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

6.2.1, 6.2.2, and 6.2.3

The company has a SOP for Communication and Consultation with the Community No SPO.03 revision 03, effective date January 2, 2017. The SOP states that Communication and consultation with the communities in the plantation unit and factory are directly managed by the HR assistant and general, represent manager to communicate with stakeholders. It has been shown list of stakeholder of company which is consists of surrounding villages, district offices, contactors, NGOs etc.

The Company (Ajamu Unit) has a record of recording the request for assistance contained in the logbook of the incoming mail. Based on the logbook, there is a request for assistance for the mosque on January 9, 2018 and requests for assistance for the construction of the school on February 17, 2018. However, the company has not been able to show a response from the letter. This is not in accordance with the SOP of Communication and consultation with the community with No. SPO 03 which states that the handling of communication and consultation results is informed to the public no later than 3 months after the information is received by the manager. **This becomes a non-conformity. 2018. 19.**

The company also has a PIC appointed to communicate and consult with stakeholders, among others:

Ajamu Unit:

PICs that communicate and consult with stakeholder in accordance with Decree No. AJA / S.Kep / 01 / VII / 2018 dated July 23, 2018, namely the General and Security HR Assistant.

Meranti Paham Unit :

Decree of the manager of the Meranti Paham unit No.MEP / MU / Kpts / 01 / V / 2018 dated 5 May 2018 concerning Special Officers who are responsible for conducting consultations and communication namely general and security HR Assistant

The results of interview with stakeholder for example government agencies, conveyed that the agency knows the officers who carry out communication and consultation with stakeholders namely public relations / HR staff.

6.2.1	Status: Nonconformity No. 2018.19 with Major Category
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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.

Indicator 6.3.1

The system to deal with complaints and grievances for stakeholders has showed by the certification unit in several procedures:

- Internal Communication and Employee Complaint Handling Procedure No. 19 dated 2 January 2015
- Environmental and Costumer Complaint Handling Procedure No. 13 dated 2 January 2015
- Communication and Consultation with Community Procedure No. 03 dated 2 January 2015.

The procedures had socialized on 6 July 2018 to each of the level company worker representatives. From the procedures informed the personnel responsible to handling the complaint from internal are estate manager and worker union representative; as for the external complaint handle by the General Affair and Human Resources staff.

In code of conduct book Chapter VII and PTPN IV Whistle Blowing System year 2013 Chapter 10, it was stated that anonymity of reporter was guaranteed and have right to receive protection. If the problem cannot resolved in the unit level, it will be continue at the Board of Director level or use the law enforcement or other handling for example RSPO complain system.

6.3.2

Interview with workers and Labuhanbatu District Agencies, it was informed that there were no grievances reported in the past one year. Moreover, The workers was informed that there were suggestion box which could be used to propose any grievances.

However the auditor visited to local villagers and informed there was an issue regarding the air quality produced by the Ajamu Oil Mill that allegedly resulted one of the local villager have to be hospitalized.

The certification unit has showed the documentation of the issue have been processed. Local NGO (Aliansi Setrata Rakyat Nasional / ASTRAN) on 10 June 2018 addressed to Head of Labuhanbatu Environmental Agency that request for conducting the air quality testing at Ajamu oil Mill. This issue has been followed up by the Labuhanbatu Environmental Agency by sending 5 staffs on 30 January 2018 to verify and conducted the air quality testing and the result still according to the threshold. The documentation of the meeting between certification unit, NGO and the Labuhanbatu Environmental Agency available and sighted by the auditor.

	Status: Comply	
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6.4

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

Indicator 6.4.1; 6.4.2 and 6.4.3

Certification unit has procedure of conflict resolution which presented in document No. SPO 04.revision 3, issued in 2 January 2017. The absence of legal, customary or user rights in the certification unit operational area (Ajamu and Meranti Paham estates) showed from HCV and Social Impact Assessment conducted; The assessment followed the Focus Group Discussion (FGD) and interview with local villagers.

Based on interview with local Agencies at Labuhanbatu District (Plantation agency) as well as local villager, it was informed that there were no presence of land conflict between PTPN IV (Ajamu and Meranti Paham estates) and surrounding Villages. Legal ownership evidence (e.g. IUP and HGU) is explained in Indicator 2.2.1. Certification unit was not derived from indemnity land, but ex-concession from foreign Government Company that taken by the Indonesian government in year 1961.

	Status: Comply	
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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 showed wage documentation for estate and mill worker, for example operator processing in mill, basic wage and overtime payment is paid in accordance with applicable regulation.

Minimum wage that applied in PTPN IV Ajamu and Meranti Paham is based on Decree of Sumatera Utara Governor No 188.44/575/KPTS/2017 about minimum wage for Sumatera Utara Province of 2018. Follow up of this decree, management of PTPN IV issued circular letter No 04.11/SE/11/III/2018 about adjustment of basic wage and special allowances. Based on interview with worker union representative, it is known that there is an agreement between worker union and management of PTPN IV regarding minimum wage.

Based on interview with worker in estate and mill, company has paid wages and overtime payment in accordance with applicable regulation. Based on interview with harvesters, it is known that there is no force labor. If they've got the target, they will get the premium pay.

6.5.2

Company has Collective Labor Agreement period of 2018 – 2019 that has been ratified by Manpower Agency of Sumatera Utara Province No.KEP.22-6/DTK/2018 dated 09 February 2019. The validity period of the Collective Labor Agreement is 2 years from 1 January 2018 to 31 December 2019 which is registered with Number 3/DFT/PKB/6/SU/II/2018. It explains about company and workers duty and rights, such as wage system, assessment of worker performance, promotion, demotion, leave rights, etc.

Based on interview with worker, they understand contain of collective labor agreement in general. They understand their rights and obligation as worker.

6.5.3 & 6.5.4

The results of visits to housing in Afdeling 2 Ajamu Estate and Afdeling 1 and 2 Meranti Paham are known to have poorly maintained drainage and damaged homes, for example on the ceiling, floors, walls and toilets in the daycare. Furthermore, the company shows a letter of application from the Ajamu Estate workers for home repairs in 2016 and a letter requesting repairs to the landfill and the house of the Meranti Paham Estate on August 4, 2018. In addition, the management of the Meranti Paham Estate unit shows a record of budget in 2019 home improvement plans for Afdeling 1 and daycare Afdeling 2. And based on interviews with workers, it was conveyed that complaints if there was damage had been conveyed to the unit, but due to the length of realization of repairs so that the workers themselves repaired the damage themselves.

Based on the explanation above, there is not enough evidence that the company has attempted to provide adequate housing, referring to complaints submitted by workers. **NCR No. 2018.20 with Minor Category**

6.5.4

Company also facilitates all workers to access adequate food supply by there are some kiosk in housing complex. And also there is weekly market near the plantation. Personnel can get the staple food with reasonable price. The Company also provides rice support to all permanent worker.

6.5.3	Status: NCR No. 2018.20 with Minor Category
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6.6

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

6.6.1 and 6.6.2

In the company's collective agreement, article 5 states that the company recognizes the employee organization that is formed does not interfere with or obstruct everything that is connected with the organization, does not make direct or indirect pressure to employees who are members and/or boards. The cross-check are done through interview to organization representative.

Sighted the organization chart of Ajamu's union workers for 2014-2019 which approved by head of union of Sumatra Utara through decree No. 04/Kpts/SP.BUN-PTPN-IV/VII/2016 dated 31 August 2016 and Meranti Paham's union workers for 2014-2019 which approved by head of union of Sumatra Utara through decree No 26/Kpts/SP.BUN-PTPN-IV/V/2014 dated 28 May 2014. Has been recorded in the Labor Agency.

Based on interviews with union boards, explained that meetings with management representatives can be done at the

unit and Head Office level. Can be shown the example evidence of meeting with management related to collective agreement of 2018 on August 14, 2018.

Status: Comply

6.7

Children are not employed or exploited.

6.7.1

The company has a policy for minimum working age. It was stated that company committed to not employ underage workers required by national legislation, namely in the document of policy and operation of Child Labor Number 03 Revision 02 dated January 2, 2015 approved by Director.

Based on field observation, there were no child laborers and family members (children) who helped work in the field. In addition, based on document review of worker data, it is known that there are no workers under the age of 18. Also, auditor team did not sighted any harvesters accompanied by the wife or children during the field observation.

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

The Company has an Employment Opportunity Equality Policy Number 04 Revision 02 dated January 2nd, 2015. The policy states that PTPN IV removes all forms of discriminatory practices of ethnicity, religion, race, gender, age, and disability in work, period and inter-group control in the entire business process of the company. The policy is available in Bahasa.

The Policy has been socialized to employees in every muster morning and has been displayed in each office of mill and estates. Based on interviews with employees in the field known that workers understand the company policy regarding equal opportunity to get a job without distinction of race, religion and gender.

Interviews with worker union stated that no intimidation by the company against union officers. It also conducted interviews with Committee Gender of Ajamu and Meranti Paham, submitted that there was no reporting of discrimination, especially women workers conducted by the company. The Company has provided the opportunity and the chance to work without distinction of sex.

6.8.3

Appointment for new worker is consider education, skills, conduct, work experience, character, working period and class of employees concerned. Recruitment also done in accordance with the available procedure. There are no migrant workers in estate/mill of Ajamu and Meranti Paham. In accordance with company policy and collective agreement, recruitment and operational activities are conducted based on skill and ability of employees. There were no complaints from employees associated with this at the time of the interview.

Status: Comply

6.9

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

6.9.1

Organization has a policy regarding to sexual harassment as set forth in the policy and procedure of Sexual Harassment policy revised 02 dated January 2nd, 2015. The policy states "PTPN IV is committed to providing opportunities for all employees to work in an environment free of sexual harassment".

Based on interviews with worker in estate and mill, it is known that the worker is know and understand about this policy and the workers are aware regarding to the policy including the mechanism of reporting. There is no grievance and complaint against sexual harrasment as well as violence to female during 2017/2018.

The company has formed the gender committee under union worker chart, consist of 1 chairman and 2 members. Based on interviews with the gender committee (chairman and members) mentioned that socialization has been conducted regularly to employees during informal gathering activities, based on interviews with female workers i mentioned that communication is done routinely by committee.

6.9.2

A Company policy on reproductive rights was documented in collective agreement chapter VI, which mentioned that female workers have the right free from work (leave) 3 months for giving birth and 2 days for menstrual. During interviews with female workers mentioned that they are aware to the policy. It is said that policy has been applied. Besides that, workers who are pregnant and breastfeeding is prohibited to involve in chemical activities. In addition, the company provide daycare facilities; assurance that women can breastfeed up to 6 months before being assigned to use or spray chemicals; and providing special break times for female worker to be able to breastfeed effectively.

6.9.3

In the company's mechanism states that employees who experienced or witnessed sexual harassment in the workplace may report immediately to the Director of Human Resources and General Affairs. All allegations against sexual harassment will be promptly investigated. To the extent possible, the confidentiality of employees, witnesses and perpetrators will be protected from unnecessary disclosure. When the investigation is completed, the employee will be notified of the results of investigation. It is also known that there is no issue or complaint related to sexual harassment on the workplace, and there is no complaint from them during 2017/2018.

	Status: Comply	
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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

The company are not received FFB from outside and also do not have a smallholders scheme.

	Status: Comply	
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6.11

Growers and millers contribute to local sustainable development wherever appropriate.

6.11.1, 6.11.2

The company already programmed 28 program for corporate social and environment responsibility (TJSL) in 2018 The TJSL activities focused on infrastructure, social culture, community empowerment and education. Documents relating TJSL are available during audit including TJSL implementation, such as GNL card people, education, FFB delivering and road maintenance.

The company are not have smallholders scheme and/or collaboration with independent smallholders and/or FFB suppliers.

	Status: Comply	
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6.12

No forms of forced or trafficked labour are used.

6.12.1; 6.12.2; 6.12.3

Based on document review, field observation, and interviews with worker and stakeholders, it is known that there is no migrant labor, including forced labor and illegal labor. The recruitment is done according to the company's procedure. All workers have work agreement that explain about the obligation and rights of the worker, and other provision. They work based on the contract and work order. Based on field observation and interviews with the workers in Estate and Mill, it is known that there is no discrimination among them.

The company has implemented work time provisions in accordance with applicable regulations, six (6) working days forty (40) hours a week. If the worker to work overtime (in accordance with the work order) the provisions for working overtime will apply, this applies to workers, for example in the Mill, security, etc. Calculation of overtime wages has been applied according to KepMenaker No. 102 of 2004.

Based on field observation in estate, auditors did not sighted any harvester accompanied by their wife or children. Based on interview with board of worker union, there is no issue related to force labour. And there is no inter area workers.

Interviews with district Labor Agency of District Labuhanbatu explained that Ajamu and Meranti Paham for period 2017/2018 does not hire workers with AKAD system (Inter-City Inter-regional), but the workers themselves must come to apply for jobs at companies both local workers and migrant workers from outside the area.

Status: Comply

6.13

Growers and millers respect human rights

6.13.1

The company has policy on human rights authorized by company management on January 2, 2015. The policy covering community right protection, respect to company employee human right and how to handle human right issue. The human policy has been socialized to the company for example for employee in Ajamu Estate dated on July 30, 2018 and Meranti Paham Estate dated on June 8, 2018.

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.

During the initial assessment auditor team has verified through interview and document review that in the certification unit operational area (Ajamu and Meranti Paham estate) there was no new planting due to the certification unit was not derived from indemnity land, but ex-concession from foreign Government Company that taken by the Indonesian government in year 1961.

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.

During the initial assessment auditor team has verified through interview and document review that in the certification unit operational area (Ajamu and Meranti Paham estates) there was no new planting due to the certification unit was not derived from indemnity land, but ex-concession from foreign Government Company that taken by the Indonesian government in year 1961.

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.

During the initial assessment auditor team has verified through interview and document review that in the certification unit operational area (Ajamu and Meranti Paham estates) there was no new planting due to the certification unit was not derived from indemnity land, but ex-concession from foreign Government Company that taken by the Indonesian government in year 1961.

According to the RSPO secretariat e-mail on 18 July 2018 the certification unit through the company group (PTPN IV) has disclosed zero liability i.e. no land clearing after Nov 2005 without prior HCV assessment. Therefore, the certification unit do not need to undergo the remediation and compensation procedure.

Status: Comply

7.4

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

During the initial assessment auditor team has verified through interview and document review that in the certification unit operational area (Ajamu and Meranti Paham estates) there was no new planting due to the certification unit was not derived from indemnity land, but ex-concession from foreign Government Company that taken by the Indonesian government in year 1961.

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.

During the initial assessment auditor team has verified through interview and document review that in the certification unit operational area (Ajamu and Meranti Paham estates) there was no new planting due to the certification unit was not derived from indemnity land, but ex-concession from foreign Government Company that taken by the Indonesian government in year 1961.

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.

During the initial assessment auditor team has verified through interview and document review that in the certification unit operational area (Ajamu and Meranti Paham estates) there was no new planting due to the certification unit was not derived from indemnity land, but ex-concession from foreign Government Company that taken by the Indonesian government in year 1961.

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.

During the initial assessment auditor team has verified through interview and document review that in the certification unit operational area (Ajamu and Meranti Paham estates) there was no new planting due to the certification unit was not derived from indemnity land, but ex-concession from foreign Government Company that taken by the Indonesian government in year 1961.

Status: Comply

7.8

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

During the initial assessment auditor team has verified through interview and document review that in the certification unit operational area (Ajamu and Meranti Paham estates) there was no new planting due to the certification unit was not derived from indemnity land, but ex-concession from foreign Government Company that taken by the Indonesian government in year 1961.

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.

The Company has carried out the RSPO Internal Audit on 12-14 March 2018 in the POM and Ajamu estate and also dated 04-05 May 2018 at the Meranti Paham according to letter No.04.03 / Kol / Facs / 39 / IV / 2018 dated 30 April 2018. Based on the results of the document review, all the fulfillment progress of the indicators of the RSPO Principles and Criteria has been identified.

The company has the opportunity to improve empty bunch arrangement, sanitation of mill and work environment in a sustainable manner.

	Status: Comply	
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3.2 Summary of Assessment Report of Supply Chain Requirements
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 are Certificate Holder of Ajamu POM and transporter.</p> <p>Ajamu Mill is used RSPO supply chain of Mass Balance module because they still received FFB from the source 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 are Certificate Holder of Ajamu POM and transporter.</p> <p>Ajamu Mill is used RSPO supply chain of Mass Balance module because they still received FFB from the source 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>Ajamu Palm Oil Mill - PTPN IV has registered RSPO-certified products are CSPO and CSPK through IT Platform RSPO with registration number: ID: RSPO_PO1000004202.</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 at Ajamu 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>Ajamu Mill is used RSPO supply chain of Mass Balance module because they still received FFB from the source which has not been certified with RSPO that is Panai Jaya Estate (subsidiary of PTPN IV). The implementation of the RSPO Supply Chain model will be verified after the mill certified</p>
	Status: Comply
5.2.2	

The site can use one (1) or a combination of supply chain models as audited and certified by the CB.	
Ajamu Mill is used RSPO supply chain of Mass Balance module because they still received FFB from the source which has not been certified with RSPO that is Panai Jaya Estate (subsidiary of PTPN IV). The implementation of the RSPO Supply Chain model will be verified after the mill certified	
	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: Procedure of <i>"Penanganan Produk Kelapa Sawit Bersertifikat (Certified Oil Palm Product Handling)</i> This procedure is intended as a guide in handling certified FFB, CPO, Palm Kernel, Palm Kernel Expeller, Palm Kernel Oil in the Estate and Mill In that's procedure mentioned if <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. The people in charge of the supply chain system are: <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 company has written procedure to conducted annual internal audit, the internal audit will be conducted every year before external audit visited.	
	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	
The implementation of the RSPO Supply Chain model will be verified after the mill certified.	
	Status: Comply
5.4.2	
The site shall have a mechanism in place for handling non-conforming oil palm products and/or documents	
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 (Certified FFB Handling)</i> 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 (Certified CPO/PK Handling)</i> 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	
Available at the clause 7.5 Oil Palm Certified Product Handling Procedure No.04.03/KS/SUS/P/003 dated 1 August 2018 approved by Strategic Planning Department Head of PTPN-IV, that if there an issue about Quality that not accordance with the standard and/or volume deviation, it will be inform to marketing department and fulfill according to the contract or Term of Reference.	
	Status: Comply
5.5	Outsourcing activities
5.5.1 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.	
The mill not yet certified, the outsource activity will be verified during surveillance.	
	Status: Comply
5.5.2 Sites which include outsourcing within the scope of their RSPO Supply Chain certificate shall ensure the following: <ol style="list-style-type: none"> The site has legal ownership of all input material to be included in outsourced processes; 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. The site has a documented control system with explicit procedures for the outsourced process which is communicated to the relevant contractor. d) The site seeking or holding certification shall furthermore ensure (e.g. through contractual arrangements) that independent third parties engaged provide relevant access for duly accredited CBs to their respective operations, systems, and any and all information, when this is announced in advance 	
The mill not yet certified, the outsource activity will be verified during surveillance.	
	Status: Comply
5.5.3 The site shall record the names and contact details of all contractors used for the processing or physical handling of RSPO certified oil palm products.	
The mill not yet certified, the outsource activity will be verified during surveillance.	
	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	
The change or update of the new contractor used by the mill for physical handling will be verified in the first surveillance assessment after the mill certified.	
	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	

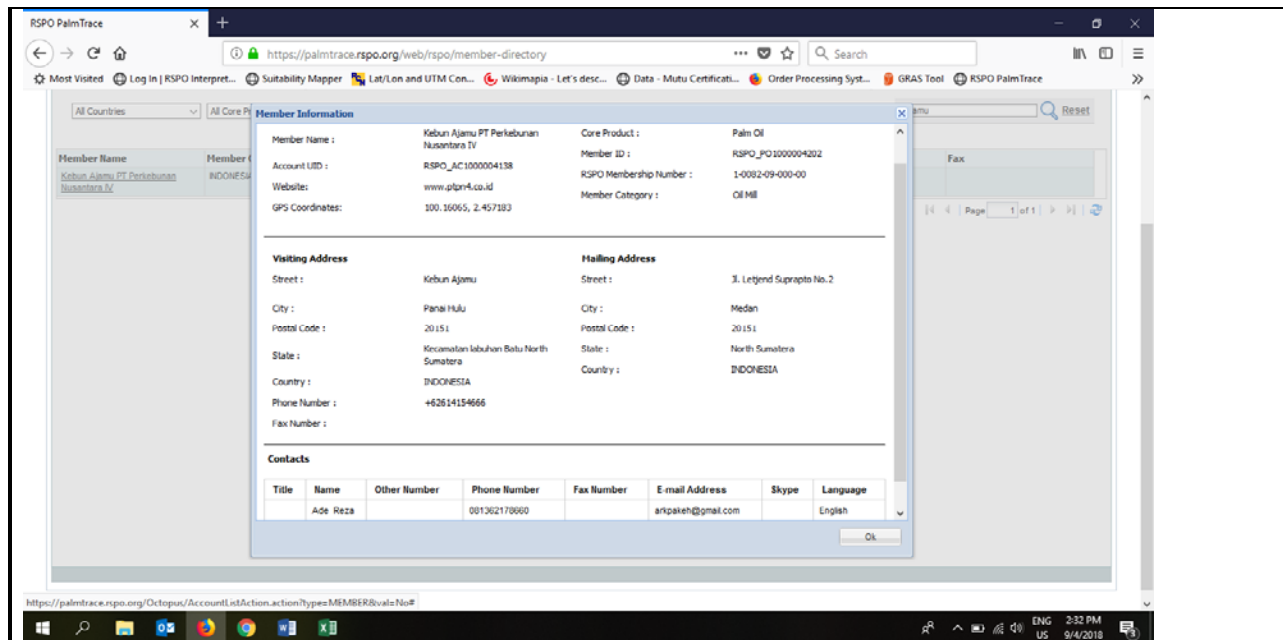
The minimum information for certified product in the document form will be verified in the first surveillance assessment after the mill certified.	
	Status: Comply
5.7	Registration of transactions
5.7.1 Supply chain actors who: <ul style="list-style-type: none"> are mills, traders, crushers and refineries; 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 	
The transaction in the RSPO IT Platform (Palm Trace) by the mill will be verified during the first surveillance.	
	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. 	
The implementation in the RSPO IT Platform (Palm Trace) by the organization will be verified during the first surveillance.	
	Status: Comply
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	
SCCS training are planned annually, for example training on 22 to 23 February 2018.	
	Status: Comply
5.8.2 Appropriate training shall be provided by the organization for personnel carrying out the tasks critical to the effective implementation of the supply chain certification standard requirements. Training shall be specific and relevant to the task(s) performed	
The company has provided training at 22 to 23 February 2018 for personnel carrying out the tasks critical to the effective implementation of the supply chain certification standard requirements, such as: mill process assistant, security, weighbridge operator, etc. Based on interview at weighbridge station is known that the weighbridge operator and SCCS person in charge have understand the RSPO supply chain procedures.	
	Status: Comply
5.9	Record keeping

5.9.1	<p>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</p> <p>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</p> <p>The implementation in the RSPO IT Platform by the organization will be verified during the first surveillance.</p>
	Status: Comply
5.9.2	<p>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</p> <p>Available information regarding the record keeping in Certified Oil Palm Product Handling Procedure No.04.03/KS/SUS/P/003 clause 7.2.3. Document and report retention period minimum two years and have to following the legal requirement.</p>
	Status: Comply
5.9.3	<p>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.</p> <p>Has been set the projected certified products that will be produced by Ajamu POM, for one year license period are:</p> <ul style="list-style-type: none"> • FFB projected 147,362 MT • CPO projected 31,683 MT • PK projected 4,421 MT
	Status: Comply
5.10	Conversion factors
5.10.1	<p>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</p> <p>The implementation of the conversion rate will be verified during the first surveillance.</p>
	Status: Comply
5.10.2	<p>Conversion rates shall be periodically updated to ensure accuracy against actual performance or industry average if appropriate.</p> <p>The implementation of the conversion rate will be verified during the first surveillance.</p>
	Status: Comply
5.11	Claims
5.11.1	<p>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.</p> <p>The implementation accordance with RSPO Rules on Market Communications and Claims will be verified during the first surveillance.</p>

	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	The organization is required to hold management reviews annually at planned intervals, appropriate to the scale and nature of the activities undertaken
	The mill not yet certified, the management review will be verified during surveillance.
	Status: Comply
5.13.2	The input to management review shall include information on: <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	The output from the management review shall include any decisions and actions related to: <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

3.2.2 (Module E) CPO Mills - Mass Balance Requirements

Clause	(Module E) CPO Mills - Mass Balance Requirements
E.1	Definition
E.1.1	<p>Certification for CPO mills is necessary to verify the volumes of certified and uncertified FFB entering the mill and volume sales of RSPO certified producers. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. In that scenario, the mill can claim only the volume of oil palm products produced from processing of the certified FFB as MB.</p> <p>Ajamu 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 Panai Jaya (subsidiary of PTPN IV).</p>
	Status: Comply
E.2	Explanation
E.2.1	<p>The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the CB in the public summary of the P&C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced should then be recorded in each subsequent annual surveillance report.</p> <p>Has been set the projected certified products that will be produced by Ajamu POM, for one year license period are:</p> <ul style="list-style-type: none"> • FFB projected 147,362 MT • Crude Palm Oil (CPO) projected 31,683 MT • Palm Kernel (PK) projected 4,421 MT
	Status: Comply
E.2.2	<p>The mill shall also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform).</p> <p>Ajamu Palm Oil Mill - PTPN IV has registered RSPO-certified products are CSPO and CSPK through IT Platform RSPO with registration number: ID: RSPO_PO1000004202.</p>



The screenshot shows the RSPO PalmTrace member directory page. The member information for PT. Perkebunan Nusantara IV is displayed. The member name is PT. Perkebunan Nusantara IV, and the account UID is RSPO_AC1000004138. The core product is Palm Oil. The member ID is RSPO_PO1000004202. The RSPO membership number is 1-0092-09-000-00. The member category is Oil Mill. The visiting address is PT. Perkebunan Nusantara IV, Jalan Raya, Medan, North Sumatra, Indonesia. The mailing address is PT. Perkebunan Nusantara IV, Jalan Raya, Medan, North Sumatra, Indonesia. The phone number is +62614154666. The fax number is +62614154666. The contacts table shows one contact, Ade Reza, with phone number 081362170660, email address adepakeh@gmail.com, and language English.

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:

- Complete and up to date procedures covering the implementation of all the elements in these requirements;
- 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:

Procedure of "Penanganan Produk Kelapa Sawit Bersertifikat (Certified Oil Palm Product Handling) This procedure is intended as a guide in handling certified FFB, CPO, Palm Kernel, Palm Kernel Expeller, Palm Kernel Oil in the Estate and Mill

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).
- 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.

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.

Status: Comply

E.3.2

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

During the assessment conducted, Ajamu Mill (by Production Supervisor) can demonstrated the calculation methodology in the excel sheet for **receiving and processing certified and non-certified FFBs**.

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.

During the assessment Ajamu POM can showed the monitoring form of **the volumes of certified and non-certified FFBs received**. The monitoring will be verified by the mill Assistant and Mill Manager.

Status: Comply

E.4.2

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

Ajamu POM will inform the CB immediately if there is a projected overproduction of certified tonnage. This statement is available within the procedure applied. The implementation will be verified during the first surveillance.

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 real-time basis and / or 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 (3) months. However, a site is allowed to sell short. (i.e. product can be sold before it is in stock.)

The mill not yet certified, record keeping will be verified during surveillance

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 for palm kernel crush.

Status: Comply

3.3. Conformity Checklist of Certificate and Trademark Use

1.	Evidence of permission or approval certificate and Trademark from Certification Body which submitted by Client	X or√
IC	The certification unit not yet certified and not yet used RSPO trademark.	√
	Status: Comply	
2.	Implementation of certificate and Trademark used by Client comply with size and type (shape) against Guideline of Logo Use	X or√
IC	The certification unit not yet certified and not yet used RSPO trademark.	√
	Status: Comply	
3.	Implementation of Certificate and Trademark is not used on product	X or√
IC	The certification unit not yet certified and not yet used RSPO trademark.	√
	Status: Comply	
4.	Controlling of Certificate and Trademark, including withdrawing inappropriate logo.	X or√
IC	The certification unit not yet certified and not yet used RSPO trademark.	√
	Status: Comply	

Only apply for Surveillance Assessment Report

3.4. Summary of RSPO Partial Certification.

Compliance of the uncertified management units of PTPN IV against the rules for partial certification was determined through Self-Assessment in accordance with RSPO Certification System Clause 4.2.4. A summary of findings is presented as follows:

- a. PTPN IV Time Bound Plan (TBP) is explain in Table Section 1. Currently PTPN IV has runs 18 Mills and 32 Estates, which all were operated in Indonesia. PTPN IV has informed the TBP progress through Head Office in Indonesia. Based on the information from PTPN IV management unit in March 2018, there are acknowledge that majority shareholder owned by PTPN IV, i.e. PT Agro Sinergi Nusantara (PT ASN) and PT Sinergi Perkebunan Nusantara (PT SPN) were now included on the TBP. The former and the later were in cooperation with PTPN I in Aceh Barat District, Province of Aceh and PTPN XIV in Morowali District, Province of Sulawesi Tengah.
- b. MUTU has verified partial certification for un-certified unit's subsidiary of PTPN IV based on their Time Bound Plan. PTPN IV gives the positive assurance based on the partial certification declaration only. Supporting document such as internal audit of partial certification report for Unit (Mill/Estate) Ajamu, Mayang, Gunung Bayu, Tinjowan, PT ASN, PT SPN, Sawit Langkat, Sosa, Timur, Tanah Itam Ulu and Pasir Mandoge, were available.
- c. MUTU Auditor has verified company partial certification and concludes that:
 - The company has conducting internal audit for partial certification.
 - The time bound plan has covers all subsidiaries under PTPN IV.
 - There is no written documentation for time bound plan which is isolated lapses.

2.1 Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
2.2.1	Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	<p>Company statement: The company conduct internal audit of partial certification for the uncertified unit on its group.</p> <p>Auditor verification: The company shows latest internal audit for six units, with summary as follows:</p> <ul style="list-style-type: none"> • Gunung Bayu comply for all Indicator verified. • PT ASN: not comply for Criteria 2.1 and several documents were need to be compiled. • PT SPN: only Criteria 6.4 has identified as comply, while last were noted to be evaluated by management. • Sosa: comply for all Indicator verified. • Timur: comply for all Indicator verified. • Tanah Itam Ulu and Pasir Mandoge: comply for all Indicator verified.
2.1.2	No replacement after dates defined in NIS Criterion 7.3 of: <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>company statement: There are no replacement in primary forest and HCV.</p> <p>Auditor Verification : Land use change analysis (LUCA) for PT SPN was still ongoing. However, this matter has noted on internal audit of partial certification.</p>
2.1.3	Any new plantings since January 1 st 2010 must comply with the RSPO New Plantings Procedure.	<p>company statement: There is no new planting after January 2010</p> <p>Auditor Verification : This matter has verified on internal audit of partial certification with conclusion that there is no new</p>

		planting after January 2010. Furthermore, based on information from annual communication of progress (ACOP) and internet browsing, it could be concluded that there are no new planting conducted by PTPN IV after January 2010.
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>company statement: There is no land conflict in any subsidiaries under the company.</p> <p>Auditor verification : Based on the internet browsing and other relevant information from stakeholder, it could be concluded that there are no land conflict are being resolved by the company</p>
2.1.5	Any Labour disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.	<p>Company statement: There is no labour disputes in any subsidiaries under the company</p> <p>Auditor verification : Based on the internet browsing and other relevant information there are no land conflict which are being resolved by the company.</p>
2.1.6	Any Legal non-compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.	<p>Company statement: There is no legal non-compliance occur in all subsidiaries under the company.</p> <p>Auditor verification : Legal non-compliance were identified on PT SPN in Morowali District, Province of Sulawesi Tengah. Several legal document which not able to shows or need to be verified further during internal audit are land title and environment impact assessment.</p>

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 Initial Assessment

<i>NCR No.</i>	: 2018.01	<i>Issued by</i>	: Octo H.P.N. Nainggolan
<i>Date Issued</i>	: 7 September 2018	<i>Time Limit</i>	: Surveillance-01
<i>NC Grade</i>	: Minor	<i>Date of Closing</i>	: 7 August 2019
<i>Standard Ref. & Requirement</i>	2.1.4 A system for tracking any changes in the law shall be available and implemented.		
Evidence observed (filled by auditor): Certification unit procedure of Environment and Other Regulation Allegiance Evaluation No. Dok PL-MR-07 Revision 01, dated 1 April 2018 available in the each unit offices.			
Non-Conformance Description (filled by auditor): However in the procedure did not explained the methodology of information sources use to trace the change or update the regulations.			
Root Cause Analysis (filled by organization audited): There is no formal procedure issued by the company that can be used to track changes in the law and update regulation.			
Correction (filled by organization audited): Make procedures that contain methodologies that can explain sources of information to track legal changes and update regulation			
Corrective Action (filled by organization audited): 1. Socialize the procedures and evaluations 2. Creating a database of laws and regulations that are updated regularly that can be accessed by all unit			
Assessor Evaluation and Conclusion (filled by auditor): Verification 29 November 2018 1. The Certification Unit shows improvements in the form of the Basic Guidelines and Work Instructions Identification and Evaluation of Compliance with Regulations of Laws and Other Requirements (number 04.01 / KOL / KOL / P / 034), in point 7.1.1 it is explained that the updated laws and regulations are done not limited to browsing from the internet or information from the head of subdivision, Assistant General Human Resources and Security in the District / Unit, P2K3 Secretary or related agencies. 2. The Certification Unit shows corrective actions in the form of making a database of laws and regulations that are updated regularly which can be accessed by all units contained in electronic files of PTPN IV. Not yet demonstrated the socialization of procedures and evaluation of the Basic Guidelines and Work Instructions Identification and Evaluation of Compliance with Regulations of Laws and Other Requirements (number 04.01 / KOL / KOL / P / 034). So that the Non-conformity is not yet closed.			
Verification 13 May 2019			

The company shows evidence of improvement in the form of minutes of socialization of Basic Guidelines and Work Instructions Identification and Evaluation of Compliance with Legislation and other Requirements on 22 February 2019 which attended by 40 participants (Ajamu Unit).

However, no evaluation of the socialization procedures that have been performed has been shown (in accordance with the Corrective Action submitted).

Field Verification 7 August 2019

The results of interviews with the HR Assistants in Ajamu Estate and Meranti Paham Estate revealed that they already knew about the list of regulations and evaluations that had to be carried out. Based on these improvements, the Non-conformity is closed.

Verified by : **M. Rinaldi**

NCR No.	:	2018.02	Issued by	:	Octo H.P.N. Nainggolan
Date Issued	:	7 September 2018	Time Limit	:	Surveillance-01
NC Grade	:	Minor	Date of Closing	:	29 November 2018
Standard Ref. & Requirement	:	2.2.2 Legal boundaries are demonstrated clearly and maintained.			
Evidence observed (filled by auditor): Ajamu estate and Meranti Paham estate showed an inventory marking document for operational areas on 2 HGU certificates and their monitoring results. The auditor team conducted field observations at the Ajamu estate (Afdeling IV and V) and Meranti Paham estate (Afdeling I and II) to see the existence of HGU boundaries poles.					
Non-Conformance Description (filled by auditor): However from document review during the initial assessment it showed non-conformity regarding the monitoring and inventarisasi of land title boundary poles: <ol style="list-style-type: none">1. From operational area boundary monitoring has not informed the main pole according to the Land Title Map (KADASTERAL). The monitoring only informed the additional poles.2. the poles number at the boundary monitoring map showed to the auditor are different from the pole number during the field observation					
Root Cause Analysis (filled by organization audited): The monitoring officer lacks understanding and thoroughness in carrying out inventory and numbering of boundary poles.					
Correction (filled by organization audited): <ol style="list-style-type: none">1. Conducting an inventory of boundary poles, classified into boundary poles of BPN and additional poles.2. Monitoring boundary poles of BPN and additional poles.3. Equating data or information related boundary poles number between the map and the poles number in the field as well as recording and adding information					
Corrective Action (filled by organization audited): <ol style="list-style-type: none">1. Socialize the SOP of Boundary Monitoring and Maintenance to HR and General Section employees and Afdeling2. Verify all data monitoring of boundary poles by Field Assistants and General and Security HR Assistants					

Assessor Evaluation and Conclusion *(filled by auditor):*
Verification 15 February 2019

1. The Certification Unit shows evidence in the form of:
 - Documentation of boundary poles inventory in Ajamu unit consisting of 37 BPN Main Poles (18 BPN poles damaged and 19 missing) and 228 additional poles (145 poles in good condition, 35 poles in fallen conditions, 12 poles in damaged conditions, 36 poles missing).
 - Documentation of boundary poles inventory in Meranti Paham Unit which consists of 12 BPN Main Poles (10 poles in good condition and 2 damaged conditions) and 170 additional poles in maintained condition.
 - Main boundary poles monitoring of BPN and additional poles in the Ajamu and Meranti Paham Unit
 - Documentation of data or poles number information between maps with poles numbers in the field.
2. The Certification Unit shows evidence in the form of:
 - A socialization of Boundary Maintenance has been conducted to employees of the HR and General Section and Afdeling in Ajamu Estate on September 12, 2018 which was attended by 14 participants.
 - Socialization of Boundary Maintenance has been conducted to employees of the HR and General Section and Afdeling in the Meranti Paham estate on October 19, 2018 which was attended by 17 participants.

Based on these improvements, the Non-conformity is closed.

Verified by : **Octo H.P.N. Nainggolan**

NCR No.	: 2018.03	Issued by	: M. Syarip Lambaga
Date Issued	: 7 September 2018	Time Limit	: 06 September 2019
NC Grade	: Major	Date of Closing	: 15 February 2019
Standard Ref. & Requirement	: 4.3.1. Maps of any fragile soils shall be available		
Evidence observed & Non-Conformance Description <i>(filled by auditor):</i> Ajamu and Meranti Paham Estate already have fragile land maps with a scale of 1: 25,000 and 1: 45,000 respectively which identifies fragile soils and non fragile soils, but there is no information on the fragile land area in Ajamu Estate			
Root Cause Analysis <i>(filled by organization audited):</i> Explanation information for fragile land maps is not complete in accordance with the demand indicator.			
Correction <i>(filled by organization audited):</i> Assign the fragile land area identified in Ajamu and Meranti Paham Estate.			
Corrective Action <i>(filled by organization audited):</i> Completing document requirements in accordance with RSPO indicator requests			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> Verification 15 February 2019 The company has been able to show a fragile land map with a scale of 1: 25,000 with a fragile land area of 25.95 ha. Maps produced by PT. Surveyor Indonesia. Nonconformity no. 2018.03 is closed			

Verified by	: M. Syarip Lambaga

NCR No.	:	2018.04	Issued by	:	M. Syarip Lambaga
Date Issued	:	07 September 2018	Time Limit	:	6 September 2019
NC Grade	:	Major	Date of Closing	:	15 February 2019
Standard Ref. & Requirement	:	4.3.4. Subsidence of peat soils shall be minimised and monitored. A documented water and ground cover management programme shall be in place.			
Evidence observed & Non-Conformance Description (filled by auditor): Based on document review, the company has had peat soil management procedure No. 02.2 rev 00 dated on August 01, 2007 containing land clearing, planting, oil palm maintenance, fertilizing, pest control and management and production projection. This procedure are not refer to <i>RSPO Manual on Best Management Practices (BMPs) for existing oil palm cultivation on peat</i> June 2012. Based on field visit, the company can not showed teh evidence as follow: 1. Peat subsidence are monitored periodically 2. Water table monitoring has been done correctly and properly.					
Root Cause Analysis (filled by organization audited): <ul style="list-style-type: none">- The lack of understanding of officers in managing peatlands is in accordance with the RSPO indicator- The company's peat management procedures have not been in accordance with the RSPO Manual on Best Management Practices (BMPs) for palm cultivation peat existing oil in June 2012.- No official has been appointed to periodically monitor peat subsidence in Meranti Paham Estate- Insufficient understanding of officers in measuring water level in the Ajamu Estate					
Correction (filled by organization audited): <ul style="list-style-type: none">- Monitoring and minimizing subsidence of peat land in Meranti Paham.- Monitoring peatland subsidence Periodically.- Measuring level water in the Ajamu estate in accordance with existing procedures					
Corrective Action (filled by organization audited): <ul style="list-style-type: none">- Socialize the management of peat land in the Ajamu and Meranti estate in accordance with existing procedures- Revised peatland management procedures in accordance with the RSPO Manual on Best Management Practices (BMPs) for palm oil cultivation in June 2012.- Assign a PIC responsible for periodically monitoring peat subsidence in Meranti Paham estate.- Socialize procedures for measuring water level to officers in Ajamu estate					
Assessor Evaluation and Conclusion (filled by auditor): Verification 15 February 2019 The company has sent evidence in the form of: 1. Evidence of measuring peat subsidence and ground water level Jan - Nov / Dec 2018 (Meranti Paham Estate) 2. Socialization of measurement of peat subsidence on 1 Oct 2018 (Ajamu Estate) and 30 Oct 2018 (Meranti					

Paham Estate)	
3. Socialization of the implementation of measurement of peat subsidence on 1 Oct 2018 (Ajamu Estate) and 31 Oct 2018 (Meranti Paham Estate)	
4. Appointment of a person in charge who conducts measurements of peat subsidence on 1 Oct 2018.	
5. SOP for Management and Monitoring of Peat Areas for Oil Palm Plantation No. 04.03 / UNIT / SUS / P / 013 dated September 1, 2018.	
Nonconformity no. 2018.04 is closed.	
Verified by	: M. Syarip Lambaga

NCR No.	:	2018.05	Issued by	:	M. Syarip Lambaga
Date Issued	:	07 September 2018	Time Limit	:	Surveillance-01
NC Grade	:	Minor	Date of Closing	:	
Standard Ref. & Requirement	:	4.3.5. Drainability assessments shall be required prior to replanting on peat to determine the long-term viability of the necessary drainage for oil palm growing.			
Evidence observed & Non-Conformance Description (filled by auditor):					
Based on document review and field visit, Meranti Paham Estate has conducted replanting in 2015 (576 ha) and 2016 (562 ha). Replanting plan in 2019 has been programming for 213 ha in Meranti Paham Estate. The company cannot showed a drainability assessment before replanting in that peat area.					
Root Cause Analysis (filled by organization audited):					
The lack of understanding of management in implementing the peat area management in accordance with the request of the RSPO indicator.					
Correction (filled by organization audited):					
Conduct a study / assessment of drainage ability (accuracy) of the area that has been planned and will be replanted.					
Corrective Action (filled by organization audited):					
Make a monitoring of the implementation of a preliminary study of all areas to be replanted					
Assessor Evaluation and Conclusion (filled by auditor):					
Verification 15 February 2019					
<ul style="list-style-type: none">- The certification unit has shown a letter to the Head Office of PTPN IV no. AJA / 04.04 / 02 / 1 / 2019 dated January 25, 2019 concerning the application for the drainability assessment.- The company has also sent a monitoring form for the implementation of the drainage capability study before the replanting of the 2019 period.					
The company has not been able to show evidence of drainability assessment of all areas to be replanted.					
Verification 26 July 2019					
<ul style="list-style-type: none">• The certification unit has conducted an assessment of drainage in the area that has been planned to be					

replanted in the Meranti Paham (Meranti Paham Estate) Afdeling 5 area of 356 ha.

- An assessment of drainage capacity (overcrowding) was carried out by the Strategic Planning Section, in July 2019.
- Drainability Assessment results at Afdeling 5 Meranti Paham Estate informed that all areas to be replanted have an NRI value of ≥ 0 (still above the threshold value) so that replanting of oil palm plants can still be done on the block these blocks.

Therefore Non-conformity No. 2018.05 is closed and will be further verified in the field during surveillance-01.

Verified by : **Muhamad Syarip Lambaga**

NCR No.	:	2018.06	Issued by	:	M. Syarip Lambaga
Date Issued	:	07 September 2018	Time Limit	:	Surveillance-01
NC Grade	:	Minor	Date of Closing	:	15 February 2019
Standard Ref. & Requirement	:	4.5.2 Training records of Integrated Pest Management (IPM) shall be available.			
Evidence observed & Non-Conformance Description (filled by auditor): Meranti Paham Estate already has Integrated Pest Management training program in 2018 that consisted global telling census, effective telling census, natelling census, pest control, rat control, and rayap control but the training program are not realizing and evaluating during audit.					
Root Cause Analysis (filled by organization audited): Lack of understanding of Meranti Paham estate about the provisions for implementing internal education and training.					
Correction (filled by organization audited): Completing the evidence of realization that IPM training has been carried out in the form of attendance lists, minutes of training, photo documentation and monitoring and evaluation forms.					
Corrective Action (filled by organization audited): 1. Socialize the provisions on the implementation of internal education and training. 2. Document all programs or plans, realization, supervision and evaluation of training					
Assessor Evaluation and Conclusion (filled by auditor): Verification 15 February 2019 - The company has been able to show evidence of the implementation of IPM training in the form of attendance lists, training minutes, documentation photos and monitoring and evaluation forms. - Socialize the provisions on the implementation of internal education and training. - Document all programs or plans, realization, supervision and evaluation of training					
Nonconformity no. 2018.06 is closed.					
Verified by	:	M. Syarip Lambaga			

NCR No.	: 2018.07	Issued by	: M. Syarip Lambaga			
Date Issued	: 07 September 2018	Time Limit	: Surveillance-01			
NC Grade	: Minor	Date of Closing	: 15 February 2019			
Standard Ref. & Requirement	: 4.6.4. The evidence shall be available to demonstrate that use of Pesticides, categorized in Class 1A or 1B by World Health Organization, or those are listed in the Stockholm and Rotterdam Conventions, and paraquat are not used, except in specific situations identified in national Best Practice guidelines. The use of such pesticides shall be minimized and eliminated as part of a plan, and shall only be used in exceptional circumstances.					
Evidence observed & Non-Conformance Description (filled by auditor): Based on document verification and field visit to pesticide storage, both Ajamu Estate and Meranti Paham Estate are used paraquat. Ajamu and Meranti Paham Estate has a commitment to reduce paraquat application. Based on pesticide record in period of 2016 – 2018, trend on using paraquat has been going down. Based on Indonesia regulation, paraquat is categorized as limited pesticides and applicators that using paraquat should well trained. Based on document review, certificate for spraying team in Meranti Paham Estate are not available during audit.						
Root Cause Analysis (filled by organization audited): HR officers are not very good at filling training documents						
Correction (filled by organization audited): Show a certificate of limited pesticide training followed by the spraying team of the Meranti Paham estate issued by the Pesticide Commission						
Corrective Action (filled by organization audited): Monitoring the fulfillment of documents in accordance with RSPO principles and criteria.						
Assessor Evaluation and Conclusion (filled by auditor): Verification 15 February 2019 The company has been able to show the limited pesticide training certificate that was followed by the spraying team of the Meranti Paham estate issued by the Pesticide Commission held on 29-30 December 2016. Nonconformity no. 2018.07 is closed.						
Verified by	: M. Syarip Lambaga					

NCR No.	: 2018.08	Issued by	: Rizliani Aprianita Hsb
Date Issued	: 7 September 2018	Time Limit	: 6 September 2019
NC Grade	: Major	Date of Closing	: 7 August 2019
Standard Ref. & Requirement	: 4.6.6 Storage of pesticides shall be according to recognised best practices. All pesticides containers shall be properly managed according to the existing regulations and or instructions enclosed on the containers (see criterion 5.3).		

Evidence observed (filled by auditor):

Based on field visits and interviews, it was conveyed that:

- The results of the field visit to the chemical warehouse in the Ajamu Unit, known that the warehouse floor is made of soil, the position of the chemicals was stacked without any shelves, and in direct contact with the warehouse floor. In addition, there was no APAR in the warehouse.
- The results of the field visit to the chemical warehouse at the Meranti Paham Unit, it was known that chemicals were stored next to the warehouse staff's working room in the condition that there was no bulkhead between the chemical storage area and the officers' work space and that the APAR condition was not monitored regularly.
- The results of interviews with warehouse staff and spray foremen, said that mixing chemicals is done in the field.

Non-Conformance Description (filled by auditor):

The above matters were not in accordance with the SOP for the Management and Storage of Chemicals (No. SPO 23 effective date January 2 2018) and Minister of Manpower Regulation No. 3 of 1986 concerning OHS of pesticides.

Root Cause Analysis (filled by organization audited):

- There has been no socialization of the application of SPO No. 23 (SPO for Chemical Management and Storage) and *Permenaker* No. 3 of 1986 concerning Pesticides Safety to officers who deal directly with chemicals
- Insufficient understanding of officers and company management in implementing SPO No. 23 (SPO for Chemical Management and Storage) and *Permenaker* No. 3 of 1986 concerning Pesticides safety
- Implementation in the field is not in accordance with existing procedures
- The condition of the chemical storage warehouse is not in accordance with SOP No. 23 and *Permenaker* No. 03 in 1986

Correction (filled by organization audited):

- Make a shelf of chemicals so that the chemicals do not directly come into contact with the soil
- Placing the fire extinguisher at Pesticide's storage of the Ajamu Estate
- Move the warehouse staff's work space so that it is no longer adjacent to chemicals
- Conduct fire extinguisher inspections regularly
- Mixing chemicals at home rinse each afdeling, no longer in the field
- Adjust the condition of the warehouse in accordance with the procedures owned

Corrective Action (filled by organization audited):

- Socialize the SPO No. 23 (SPO for Chemical Management and Storage)
- Socialize the Minister of Manpower Regulation No. 03 of 1986 concerning Pesticides safety
- Make conformity identification of chemical storage with SOP No. 23 and *Permenaker* No. 3 of 1986
- Evaluate the results of socialization of SPO No. 23 and *Permenaker* No. 3 of 1986 towards officers who have received socialization

Assessor Evaluation and Conclusion (filled by auditor):
Verification 18 February 2019

The company shows evidence of improvement in the form of:

Ajamu Estate

1. Records in the form of photographs of fire extinguisher in several warehouses, but have not been shown periodic fire extinguisher inspections in chemical warehouses (in accordance with the evidence of improvements submitted) and monitoring that show that fire extinguisher is still functioning / pressurized.
2. The recording in the form of pictures / photos of mixing chemicals in the rinse house. From the SOP and the explanation in the correction it is explained that mixing is done in the chemical warehouse. However, evidence

is shown mixing at the rinse house. Please explain further.

3. Pesticide OSH Socialization and hazardous waste Management attended by 19 participants consisting of Managers, Assistant Heads, Assistants, clerk, administration, document controller and union on 22 September 2018. The information provide are definition of pesticides, requirements for workers who manage pesticides and are prohibited from managing pesticides, management of pesticides, conditions for storing pesticides, health checks for workers and labels for pesticide containers. Evaluation of training / socialization results to 11 workers consisted of clerk, warehouse officer and other workers. However, there is not enough evidence that workers who are directly related to chemicals (pesticides) have been given socialization / management / handling training including mixing chemicals (pesticides) such as spray workers and spray foremen and their evaluation.
4. Identification of the condition of the facilities of the chemical warehouse based on Permenaker No. 3 of 1989. There are 16 points for the completeness of chemical storage facilities and infrastructure. Based on the identification it was stated that the condition of the warehouse was in accordance with applicable regulations.
5. Recording in the form of photos / pictures 1 rack of chemicals. However, it has not been demonstrated the condition of the chemical warehouse which is in accordance with the Identification of the Conditions of the Chemical Warehouse Facilities and Infrastructure submitted.

Meranti Paham Estate

1. Identify the condition of the facilities and infrastructure of the Chemical Warehouse based on Permenaker No. 3 of 1989. There are 8 points of completeness of chemical storage facilities and infrastructure. Based on the identification it was stated that the condition of the warehouse was in accordance with applicable regulations. Does the company have identified all facilities and infrastructure required in Permenaker No. 3 of 1989?
2. Photo of chemical warehouse clerk's office which has been transfer. The chemical warehouse clerk's office has been given a partition / separate from the chemical storage warehouse.
3. Fire extinguisher monthly checklist in the Meranti Paham Estate on 24 August 2018, 22 July 2018, 22 June 2018. Based on the checklist, it was stated that there was no inspection label date. How to follow up on the monthly inspection results?
4. Socialization of Chemical Management and Storage on 17 September 2018 attended by 16 participants, 7 of whom were pesticide officers. Socialization on 15 September 2019, which was attended by 17 participants and there were pesticide officers who got the socialization.
5. Evaluation results of socialization chemical management and storage on 15 September 2018, with the result that workers who were given the socialization have understood and implemented the mechanism of work in accordance with what has been socialized.
6. Photograph of chemical mixing activities carried out at the rinse house. From the SOP and the explanation in the correction it is explained that mixing is done in the chemical warehouse. However, evidence is shown mixing at the rinse house. Please explain further.

Based on the explanation above, it was concluded that the Non-conformity is not closed.

Verification 7 May 2019

The company shows evidence of improvement in the form:

Ajamu Estate

- Minutes of socialization of Basic Guidance and Work Instructions Identification and Evaluation of Compliance with Laws and Other Requirements dated 22 February 2019 attended by 40 participants. The minutes explained the basic guideline procedures and work instructions for identifying and evaluating compliance with statutory regulations and other requirements with No. 04.01 / KOL / KOL / P / 034 and explain the flowchart of the process

of identifying and evaluating compliance with laws and regulations and other requirements.

- List of monthly inspection of fire extinguisher in chemical warehouse up to October 2018. From the inspection it is known that the condition of fire extinguisher has not functioned since July 2018. Please show proof of follow-up to this matter, not only the progress of the submission but up to the proof of fire extinguisher in a functioning state (responsive means emergency must be in a ready-made condition).
- Minutes of Chemical Handling Training from 22 February 2019 along with attendance and photos of activities for 41 workers related to chemicals.
- However, it has not been demonstrated the condition of the chemical warehouse which is in accordance with the Identification of the Conditions of the Chemical Warehouse Facilities and Infrastructure submitted.

Meranti Paham Estate

- Identify the condition of the facilities and infrastructure of the Chemical Warehouse based on Permenaker No. 3 of 1989. There are 16 points for the completeness of chemical storage facilities and infrastructure. Based on the identification it was stated that the condition of the warehouse was in accordance with applicable regulations.
- Documentation of fire extinguisher refill on 30 November 2018 by CV Anugerah Perkasa.
- Minutes of fire extinguisher filling by CV Anugrah Perkasa with Attachment to Job Calculation No. 01 / SDM / XI / 2018 dated 1 December 2018. The company also showed the minutes of refilling 17 fire extinguisher on 30 November 2018.
- Revised SOP on Chemical Management and Storage No. SPO 23, Revision No. 02 dated 4 March 2019. In the SOP it was explained that mixing of chemicals was only carried out in the already available rinse house.
- Please show proof of the condition of the chemical warehouse which is in accordance with the results of the identification of the Conditions of the Chemical Warehouse Facilities and Infrastructure submitted.

Based on the explanation above, it was concluded that the Non-conformity is not closed.

Verification 18 and 28 June 2019

The company shows Letter No. TKN / MU / 30 / V / 2109 regarding material requirements dated May 31, 2019 made by the General Technical Assistant, and was received by the Manager on June 18, 2019. The material is used to improve the chemical warehouse.

Based on the evidence of the improvement presented, a major field observation will be verified to ensure the condition of the warehouse and the mixing process is in accordance with SOP and Permenaker No.3 of 1986, interviews with officers related to the understanding of the SOP and the conditions of fire extinguisher.

Major verification 7 August 2019

The results of the field visit at the chemical warehouse are known that:

- Ajamu Estate chemical warehouse is located in the Ajamu POM location, the warehouse floor is in the form of cement, pesticides are arranged in accordance with the type of material and there is fire extinguisher with good condition. The interview with the warehouse officer revealed that the workers already knew about the procedures for the preparation of pesticides in the warehouse, it was also explained that during the process of preparing pesticides accompanied by document controller. The warehouse clerk also explained that there was a 1: 1 mixing process carried out in the pesticide warehouse and after that the pesticide was carried by the foreman to the rinse house to be mixed again as needed. The fire extinguisher examination results for the June and July 2019 periods show that all fire extinguisher are in good condition, including the fire extinguisher in the chemical warehouse (No. 22).

- Meranti Paham Estate chemical warehouse: warehouse office has been given a partition (including ceiling) and there is fire extinguisher in good condition. Interviews with warehouse officers reveal that fire extinguisher has been monitored every month by OHS inspection officers. The fire extinguisher examination results for the June and July 2019 periods show that all fire extinguisher are in good condition, including the fire extinguisher in the chemical warehouse (No. 16) and in the Afd II office (No. 5).

Based on field visits to the rinse house as well as interviews with foremen and spraying workers as well as pesticide mixing officers in Ajamu Estate and Meranti Paham Estate, it is known that mixing pesticides is carried out in a special place that has been provided namely in the rinse house. In this special place, there has been a secondary containment or special shelter if there is a spill when mixing pesticides. After the pesticide is mixed and put in jerry cans, the officers bring it to the field. For prevention in case of spills in the field, officers bring containers that are used to move pesticides from jerry cans to the sprayer cap.

Based on the results of the field verification, the Non-conformity is Closed.

Verified by : **M. Rinaldi**

NCR No.	: 2018.09	Issued by	: Rizliani Aprianita
Date Issued	: 07 September 2018	Time Limit	: 06 September 2019
NC Grade	: Major	Date of Closing	: 7 August 2019
Standard Ref. & Requirement	: 4.6.11 Annual medical records of pesticide operators, and follow-up treatment of medical results, shall be available		

Evidence observed (filled by auditor):

Annual of Medical Check-Up (MCU) have been carried out in 2017 and 2018. Evidence of the results of 2017 and 2018 health examinations has been received by the Ajamu Management Unit and Meranti Paham. Ajamu business unit has shown follow-up results of the 2017 examination (without date information) through the recommendations of *Polibun* doctors and Meranti Paham business units that have shown follow-up checks in July 2018 through sending a letter of request for treatment to Pabatu Hospital via letter no. MEP/RS.PAB/15/VII/2018 dated 17 July 2018. In the process of submitting follow-up, MCU has been carried out in 2018 which according to the results of interviews with the strategic plan team, the results of the inspection were received on Thursday, 6 September 2018 with the results examination shows the following:

- Meranti Paham: 5 people had mild obstruction, 2 people had moderate obstruction, 2 people had mild restriction and moderate obstruction, 2 people had mild restriction and mild obstruction, and 1 person declared normal.
- Ajamu: 11 people had mild obstruction (OR), 2 people had moderate obstruction (OS), 1 person had mild restriction and moderate obstruction, 1 person had mild restriction, and 7 people were declared normal

Non-Conformance Description (filled by auditor):

Based on the explanation above, the company has not been able to show:

- Evidence of follow-up from the doctor's recommendation for the Ajamu business unit.
- Evidence of follow-up recommendations from Pabatu Hospital stating that the examination can be carried out by doctors of *Polibun* for the Meranti Paham business unit.

Root Cause Analysis (filled by organization audited):

- Insufficient understanding of officers in following up on the results of workers' health checks

- The company does not yet have a complete health inspection mechanism/procedure that regulates the identification of high-risk workers, the type of health examination in accordance with occupational risk, the period of health checks, the time frame for follow-up of audit results, the establishment of responsible officers starting from the implementation of the MCU. monitoring up to follow up on the results of the examination or recommendations from the doctor company.

Correction *(filled by organization audited):*

- Shows Health Check Procedure
- Shows evidence of follow-up from the doctor's recommendation in the Ajamu Estate
- Shows evidence of follow-up recommendations from Pabatu Hospital stating that the examination can be carried out by doctors of Polibun for the Meranti Paham business unit

Corrective Action *(filled by organization audited):*

- Disseminate information to HR officers about health inspection procedures and follow-up after the results of the health check-up are issued.
- Monitoring the implementation of health examination procedures starting from the plan to carry out the health check up to the follow-up of the doctor's results/recommendations on the follow-up examination of workers

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

Verification 25 September 2018

Explanation of root cause analysis, correction and corrective actions can be accepted. The certification unit can complete the evidence referred to in the explanation of corrections and corrective / preventive actions.

Verification 13 & 14 February 2019

The management unit shows the following documents:

Ajamu Estate:

- File title Proposal for further medical examination. The contents of the file are Memos from the Unit Manager dated 26 January 2019 No. MU / M-07 / 1 / 2019 terms of Advanced Employee Health Check Schedule for 21 workers (6 workers suspect NHIL, 14 workers suspect light obstruction and 1 worker suspect RR and OS) on Tuesday, January 29, 2018.
 - There is a difference information in letterhead stated 2019 but in the letter inform 2018, please explain the management unit and evidence.
 - 21 workers who were examined further for MCU for the 2017 period, but no follow-up has yet been shown for the 2018 inspection.
- Document Title of employee health test (hyperkes). The document inform about medical checkup on 2017, not the last medical checkup.
- Evidence of the Ajamu Estate employee's follow-up health examination results in the form of Outpatient Card on behalf of 21 workers in accordance with the attachment to the employee's test letter (hyperkes). On the document indicated there is a written date or not, 1 document is written 2-02-2017; and 4 written documents 02-02-2018, 16 unwritten documents dated. Please the management unit provides an explanation related to the amount of time difference information written on the document shown, starting from the proposal letter, P2K3 letter, MCU examination results to the results of further examination. So it is very difficult and confusing for the auditor team when verifying evidence of improvement. Please proof that the improvement shown is the correct document for convenience when verifying the correction.
- Minutes of Socialization Procedure for the Ajamu Estate Health Check on 29 September 2018 which was attended by Administrative Assistant, General HR Assistant, Clerk, Management Secretary, and document controller.

Meranti Paham Estate:

- Letter No. RS / Pab / MEP / 164 / VII / 2018 dated July 20, 2018 regarding Recommendations for Check-Up Examination issued by PT PMN Pabatu Hospital unit. The letter stated that 19 pesticide operators were recommended for further treatment to the Ajamu Health Center. The unit can not show the result of further treatment in Ajamu Health Center.
- Minutes of Socialization Procedure for the Meranti Paham Estate Health Check on 17 October 2018 which was attended by Administrative Assistant, General HR Assistant, Clerk, Management Secretary, and document controller.
- The management unit establishes corrective action to monitor the implementation of health inspection procedures starting from the implementation of the health check up to the follow-up of the results / recommendations of the doctor for further examination of employees. Please show evidence in the form of monitoring for the 2018 period that has been carried out, with data in the form of actual conditions carried out and monitoring plans for the coming year period to ensure non-repetition of existing NCs. Please consider the appropriate and immediate timeframe for the follow-up of the results of the inspection if there are health problems experienced by workers so that they do not endanger the health of workers. It needs to be reviewed by looking at Permenakertrans No. 02 of 1980 Article 3 concerning periodic health checks.

Based on the explanation above, presumably the management unit can review the important points of the discrepancy above, related to data clarity, documents clearly in accordance with the correction and corrective set by the company, the date of the year in accordance with the actual conditions, etc., so that the auditor team can easily and quickly verify the evidence of repairs sent by the management unit and not be confused

Non-compliance No. 2018.09 is not closed.

Verification 13 May 2019**Ajamu Estate**

The company shows evidence of improvement in the form of:

- Health Check Procedure No. document 4.5.2 Revision 04 dated February 26, 2019. However, the procedure has not yet explained about Special medical examination period and timeline for the follow-up of the results of the examination.
- Attachment letter No. AJA / X / / II / 2019 which lists 19 workers with details of 3 workers with RR & OS examination results, 9 workers with OR results, 1 worker with hearing loss, 3 workers with Suspension results. NIHL and 3 workers with NIHL results.
- Letter No. AJA / X / 09 / II / 2019 dated 28 February 2019 regarding Request for Advanced Examination of Health Examination Results (based on the 2018 GMCU Results Report) addressed to the Head of Ajamu Estate Polybun. As well as Attachment Letter that contains (based on letter No. RS Pab / M / 04 / I / 2019) with a total of 22 workers who need follow-up inspection.
- Memo No. MU / M-07 / I / 2019 dated January 26, 2019 regarding the Schedule of Continuing Employee Health Examinations. Based on the memo it was stated that a follow-up examination was carried out on January 29, 2019. The memo contained employee data with abnormal health results of 21 workers.

There are some differences in employee data that require further examination between Memo No. MU / M-07 / I / 2019 dated January 26, 2019 with Letter No. AJA / X / 09 / II / 2019 dated 28 February 2019 regarding Request for Further Examination of Health Check Results. For example, there are employees. Siti Sudarmi, Sabar tampubolon etc. in Letter No. AJA / X / 09 / II / 2019 dated 28 February 2019, but the name is not found in Memo No. MU / M-07 / I / 2019 dated January 26, 2019 regarding the Schedule of Continuing Employee Health Examinations. Vice

versa, there are workers. Suroto, sunaryo, etc. in Memo No. MU / M-07 / I / 2019 dated January 26, 2019 but the name is not contained in Letter No. AJA / X / 09 / II / 2019 dated 28 February 2019. Do the two letters show the same follow-up examination or not? Please explain

Meranti Paham

The company shows evidence of improvement in the form:

- Health Check Procedure No. document 4.5.2 Revision 04 dated February 26, 2019. However, the procedure has not yet explained about Special medical examination period and timeline for the follow-up of the results of the examination.
- Memo No. RS / Pub / M / 04 / I / 2019 dated January 5, 2019 regarding the 2018 General Medical Check Up Results Reports (Ajamu units) and 51 people (Meranti Paham Units) along with the Medical Check Up Results for 51 employees of Meranti Paham Unit.
- Handover of 2018 General Medical Check Up reports to 51 employees of pesticides, toxic chemicals and periodic inspection of Meranti Paham unit as many as 51 people.
- Letter No. MEP / PT.PMN AJA / S3 / I / 2019 dated January 18, 2019 regarding the Follow-up of the results of the Health Check for Pesticide Operator. From the letter explained that from the results of health checks conducted on 51 people (MEP employees), there were some who did not meet the requirements of 11 people with information of 8 people with stagel hypotension, 1 person with pulmonary TB, 1 person with DM type 2 and 1 person with pulmonary TB duplex.
- Outpatient cards for 11 employees who not meet the medical requirements.
- Monitoring the results of employee health checks that contain names, positions, methods of inspection, results of examinations, examiners, follow-up plans, results of follow-up and the person in charge.
- Outpatient cards for 19 workers

There are inconsisten data on the results of the inspection provided:

Non-conformity during stage-2: from the results of the health examination in 2018 there were 5 people experienced Light Obstruction (OR), 2 people experienced Moderate Obstruction (OS), 2 people experienced Light Restriction and Moderate Obstruction (RR&OS), 2 people experienced Light Restriction and Light Obstruction (RR&OR), and 1 person declared normal → evidence provided previously (auditor response on 13 & 14 Feb 2019) stated that 19 pesticide operator were recommended for further treatment to the Ajamu Health Facility and the latest evidence of improvement sent on 2 May 2019 stated that there were some who did not meet the medical requirements of 11 people with the description of 8 people with stage I hypotension, 1 person with pulmonary TB, 1 type 2 DM and 1 person with duplex pulmonary TB.

Please reconfirm the evidence of corrections for non-conformities, which were provided to the auditor team. Based on the explanation above, the Non-conformity is not yet closed.

Verification 18 and 28 June 2019

Based on the evidence of the improvements shown, it is necessary to have a direct interview and clarification from the management at the time of the major verification regarding the documentation of the evidence of improvement that much of the information is not the same and inconsistent, as well as unclear data submitted.

Major verification 7 August 2019

Health checks at PT PN IV were carried out by Pabatu Hospital (General MCU) and Hyperkes Center (Special Examination). The examination by the Pabatu Hospital was carried out for general health examination and cholinesterase, while the examination by the Hyperkes Center was carried out for audiometry and spirometry. The

period of medical examination is once a year for general MCU and once a year for medical examination from Hyperkes Center.

Meranti Paham

The Inspection by Hyperkes Center was last conducted in July 2018, showing that there were workers who experienced problems, namely 12 people (10 chemists, 1 water machine officer and 1 genset machine officer) for spirometry and 8 people (3 generator engine officers, 4 water machine officers and 1 tripe officer) for audiometry. The follow up of the hyperkes health examination was carried out by sending 12 people to PT Prima Medica Nusantara (Pabatu Hospital) on March 29, 2019. The results of the follow-up recommends the use of PPE, lifestyle, using work equipment, etc.

General MCU inspection was conducted in December 2019 with 51 workers. From the results of the examination there were 11 workers who experienced health problems. The follow up to the General MCU examination was conducted on 2 February 2019 on 11 people at PT Prima Medica Nusantara (RS Pabatu).

Ajamu

The Inspection by Hyperkes Center was last conducted in July 2018 to 23 people (18 chemists, 1 lab, 3 warehouse officers, 1 HR staff) for spirometry and 17 people (9 labs, 1 processing person, 2 WTP officers, 1 engine room officers, 3 warehouse officers, 1 HR staff and 1 OHS officer) for audiometry. The results of the examination found that workers experiencing health problems were 16 workers (15 chemists and 1 warehouse officer) for spirometry and 5 people (4 lab workers and 1 warehouse worker) for audiometry. The follow up of the hyperkes health examination was carried out by sending 21 people to PT Prima Medica Nusantara (Pabatu Hospital) on January 29, 2019. The results of the follow-up examination included recommending using PPE (SNI), lifestyle, using work equipment, etc.

General MCU inspection was conducted in December 2019 with 79 workers. From the results of the examination there were 22 workers who experienced health problems. The follow-up of the General MCU examination was conducted on March 3, 2019 of the 22 people at PT Prima Medica Nusantara (RS Pabatu).

Based on the improvements, Non-conformity is closed.

Verified by	: M. Rinaldi
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NCR No.	:	2018.10	Issued by	:	M. Syarip Lambaga
Date Issued	:	07 September 2018	Time Limit		06 September 2019
NC Grade	:	Major	Date of Closing		7 August 2019
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.			
Evidence observed (filled by auditor): Policies and Commitments related to the OHS of Ajamu and Meranti Paham business units have been established on March 16, 2018 and approved by the Unit Manager. In one policy point it is stated that the company prioritizes OHS in all aspects of work, in order to prevent and reduce workplace accidents. The auditor team before conducting field visits at the Mill and Estate has not been given a safety induction / briefing by the management unit. The results					

of the visit to Mill are known to have not available line visitors to ensure that guests / visitors are on a safe track during visits at Mill.

Non-Conformance Description (filled by auditor):

Referring to this, the two business units that have not effectively implemented OHS related to the importance of OHS in all aspects of work have been applied to guests / visitors who are allowed to visit the company's work environment.

Root Cause Analysis (filled by organization audited):

- Insufficient understanding of officers in implementing policies and commitments related to OHS in the work location
- No PIC has been appointed to monitor and implement OHS at workplace
- There is still a lack of understanding of the team in the P2K3 structure regarding their duties and responsibilities according to their position in each aspect.

Correction (filled by organization audited):

- Assign officers who conduct safety briefings to all guests who will visit the Ajamu POM
- Material delivered at the safety briefing
- Documentation of PIC as a double check has the competence and ability to monitor and implement and implement OHS
- Making a line visitor as a safe path for visitors, guests who enter the mill
- Plan the line visitors that have been installed on all mill stations
- Results evaluation of understanding the duties and responsibilities of the P2K3 team in accordance with their duties and responsibilities

Corrective Action (filled by organization audited):

- Conduct socialization of the implementation of policies and commitments related to OHS issued by the company to workers, guests, contractors, or other parties
- Evaluate the understanding of the duties and responsibilities of PIC and P2K3 teams in accordance with their fields of duties and responsibilities
- Mechanisms for performance evaluation, starting from the form of evaluation, evaluation period and follow up on evaluation of PIC appointed to monitor and implement OHS at workplace
- Make monitoring of the implementation of OHS policies and commitments in the estate.
- Monitoring the condition of OHS supporting facilities and infrastructure in the area of the mill

Assessor Evaluation and Conclusion (filled by auditor):

Verification 26 September 2018

Explanation of root cause analysis, correction and corrective actions can be accepted. The certification unit can complete the evidence referred to in the explanation of corrections and corrective / preventive actions.

Verification 13 & 14 February 2019

The management unit shows the following documents:

Ajamu

- Ajamu Unit Manager Decree No. AJA / MU / Kpts / 01 / X / 2018 dated October 1, 2018 set on behalf of Yusuf Hanafiah (General OHS Expert) as the PIC responsible for conducting safety briefings to guests visiting the factory.
- Ajamu Unit Manager Decree No. AJA / MU / Kpts / 26 / X / 2018 dated October 1, 2018 set the General Human Resources and Security Assistant as the PIC responsible for monitoring and implementing OHS.
- Evaluation of Workers Understanding related to Duties and Responsibilities for the P2K3 secretary position on

11 January 2019 with the evaluator of the General HR Assistant. What about the evaluation for other positions in the P2K3 team in accordance with the correction set by the company?

- Minutes of the socialization of the implementation of OHS policy on October 1, 2018, which was attended by management staff and Ajamu Estate workers.
- Monitoring of OHS Policy and Commitment for Ajamu Unit. Please show evidence of the implementation of the monitoring.
- Ajamu POM Layout which is equipped with a line visitor.
- Monitoring of Facilities and Infrastructure for Emergency Response and OHS in Ajamu Unit for 2018 for first aid kit. But the monitoring not informed about the completeness of item in first aid kit in accordance with doctor's regulations / recommendations.
- Monitoring of OHS Supporting Facilities and Infrastructures in the POM on December 2018 including OHS policies, work instructions, OHS forms, OHS signs and posters, first aid kit, fire extinguisher, hydrant, line visitor, evacuation routes, hazardous symbol and hazardous waste symbols, and PPE. The results of monitoring hydrants are damaged. The management unit cannot show the evidence of improvement from the result of monitoring.

Meranti Paham

- Decree No. MEP / P2K3 / Kpts // IX / 2018 dated September 1, 2018 concerning Officers Conducting Monitoring and Application of Occupational Health and Safety in the Workplace, including foreman Afdeling I to Afdeling VI in Meranti Paham Estate.
- P2K3 Minutes of Meeting with the agenda of the Socialization of the Implementation of OHS Policies and Commitments to workers on September 24, 2018, completed with attendance list.
- Monitoring the Implementation of Policy and OHS Commitment, and also Evaluation and Follow Up. Please show evidence that follow-up from the monitoring results has been carried out
- Evaluate officers understanding and responsibilities of the P2K3 team (each position in P2K3) on 29 September 2018, with the OHS Expert and unit manager as evaluator. Evaluation results show that there are a number of records, for example delays in implementation, delays in reporting, delays in conducting audits, slow in the application of putting out fires, slow in providing counseling. How to follow up on the evaluation? Is the company's effort made from the results of the evaluation, so that the P2K3 team can carry out its duties and responsibilities in accordance with its position?

Other evidence cannot yet be shown in accordance with the specified correction, among others:

- The PIC to conduct safety briefing is only on the scope of the Ajamu POM, what about the Ajamu Estate and Meranti Paham Estate
- Material presented at the safety briefing is in accordance with the correction set by the company
- Mechanisms for performance evaluation, starting from the form of evaluation, the evaluation period and the follow-up to the evaluation of the PIC designated to carry out monitoring and implementation of OSH at work locations

Non-compliance No. 2018.10 is not Closed

Verification 13 May 2019

The management unit shows the following documents:

Ajamu

- Decree of the Ajamu Manager No. AJA / KPTS / 04 / III / 2019 Concerning the Appointment / Appointment of the Ajamu Business Unit Safety Briefing Officer for March 4, 2019 for the Ajamu Estate and POM.

- Document material for the OHS introduction (Safety Talk) No. documents: P2K3-05-01 effective date February 20, 2019
- Procedure for Occupational Safety and Health Management Committee No. document 4.3.1 revision 04 dated February 26, 2019. The procedure explains the P2K3 Management Performance Evaluation. Evaluation is done once a year by the Chairman of the company's P2K3 (Top Management) as outlined in the P2K3 Management Performance Evaluation Form. The results of the next evaluation are evaluated in the Management Review Meeting.
- P2K3 Management Performance Evaluation dated March 12, 2019 consisting of secretaries, chairman of internal auditors, chairman of the inspection and investigation team, chairman of evacuation team, second chairman, third chairman, chairman of risk management team, rescue & emergency response team, chairman of document control, chairman of the firefighting team, general chairman of the medical team, general chairman of the logistics & communication team, chairman I. In the evaluation the evaluation results were explained based on the function attributes of each position with a weighting achievement of 100% function implementation.
- Fire hydrant inspection for quarter I was conducted in March 2018, quarter II was carried out in July 2018, and quarter III was conducted in October 2018. Inspection, repair and review report in November 2018 related to the existing hydrant condition in POM is not good with status in progress. Please show proof of follow-up to this matter.
- Inspection of OHS signs on December 6, 2018.
- A list of monthly checks for fire extinguisher in 2018 which is located in the office of the processing assistant. Based on this monitoring it is known that until October 2018, the condition of fire extinguisher is in a damaged condition. Please show proof of follow-up to this matter.
- List of PPE recipient workers with a total of 75 workers in Afdeling 1 and 63 POM workers
- Document of proof of submission of a list of OHS laws and regulations on March 12, 2019 to the Assistant head, Chief Engineer, Head of Administration, repair engineer, assistant and security coordinator along with attendance and photos of implementation.
- Inspection Form of General Inspection Checklist in Workplace (several stations in the factory) from October to December 2018.
- The company also has not yet responded to the auditor's comment on 13 & 14 February 2019 point 8, namely monitoring of POM Emergency Response Facilities and Infrastructure and OHS in Ajamu for the 2018 period for P3K. But the monitoring not informed about the completeness of item in first aid kit in accordance with doctor's regulations / recommendations.

Meranti Paham

- Decree of Meranti Paham Business Unit Manager No. MEP / KPTS / / III / 2019 Concerning the Appointment / Appointment of the Meranti Paham Business Unit Safety Briefing Officer on March 1, 2019.
- Minutes of joint commitment No. MEP / KPTS / / III / 2019 concerning a Joint Agreement for all P2K3 management in carrying out the OHS function in the Meranti Paham Business Unit on March 5, 2019.
- Inspection Form of General Inspection Checklist in Workplace such as in harvesting activity in Afdeling I on 25 February 2019.
- Procedure for Occupational Safety and Health Management Committee No. document 4.3.1 revision 03 dated 4 March 2019. The procedure explains the P2K3 Management Performance Evaluation, but there is no additional mechanism for performance evaluation, starting from the form of evaluation, evaluation period, and follow-up to the P2K3 management evaluation.
- Performance Evaluation of P2K3 Management on March 11, 2019 consists of Chairman I. In the evaluation the evaluation results are explained based on the function attributes of each position with a weighting of achieving

100% function implementation. The company has not yet responded to the auditor's comment on February 13 & 14, 2019 in point 4, namely How was the follow-up to the evaluation conducted on September 29, 2018? Is the company's effort made from the results of the evaluation, so that the P2K3 team can carry out its duties and responsibilities in accordance with its position?

- Letter No. MEP / SE / Intrn / / III / 2019 dated March 4, 2019 regarding the Issuance of Warnings and Reprimands to employees who do not use PPE.
- Standard safety document Introduction of OHS (Safety Talk) No. P2K3-05-01 documents dated February 20, 2019.

Based on the explanation above, the Non-conformity is not yet closed

Verification 18 and 28 June 2019

Based on the evidence of improvement shown to meet the non-conformity, field verification is required as follows:

- Safety induction in POM and Estate
- Line visitors at Ajamu POM
- Interview with P2K3 related to understanding tasks and responsibilities
- Interviews with workers, guests, contractors related to understanding of OHS policies
- Availability of OHS supporting facilities and infrastructure within POM and Estate, including OHS policy, work instructions, OHS forms, OHS signs and posters, first aid kit, fire extinguisher, hydrant, line visit, evacuation route, symbol of hazardous and hazardous waste symbols, and PPE

Major verification 6 August 6 2019

Based on site visits information is known as follows:

- Before conducting a field visit to the Ajamu POM, Ajamu Estate and Meranti Paham Estate were given safety briefing by a OHS expert who explained evacuation routes, emergencies and danger signs.
- POM has a visitor line at the edge of the factory. Interview with OHS experts revealed that if an outsider wants to access several locations within the factory, a work permit from the unit leader must be given and will be accompanied by a PIC appointed by the unit leader. This is in accordance with work permit procedures owned by the company.
- Based on interviews with the P2K3 team (secretaries and members of the core firefighting team) it is known that these officers already know their duties and responsibilities related to their membership in the P2K3 team.
- Based on interviews with company contractors, it can be concluded from the results of the interview that they already know the K3 policy in general. These parties can outline the OSH policy and an example of its implementation in the field.
- Based on the visit to the afdeling 3 office of Ajamu Estate and the afdeling 2 Meranti Paham Estate, for OHS supporting facilities and infrastructure already available in the place such as OHS policy, OHS work instructions, OHS signs and posters, first aid kit, fire extinguisher, etc.

Based on the improvements made, Non-conformity is closed.

Verified by	:	M. Rinaldi
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NCR No.	:	2018.11	Issued by	:	Octo HPN Nainggolan
Date Issued	:	07 September 2018	Time Limit	:	06 September 2019

NC Grade	:	Major	Date of Closing	:	7 August 2019
Standard Ref. & Requirement	:	4.7.2 A documented risk assessment shall be available and its implementation shall be recorded.			
Evidence observed (filled by auditor): Risk Management <p>The company shows a Risk Management document (Doc No. FM-4.2.1-01, Rev.02) HIRAC in 2018 for the operational activities of Ajamu POM, Ajamu and Meranti Paham Estate. As explained in the Risk Management OSH Procedure that all work activities, work implementers, work tools and workplaces are identified and an assessment of risk is carried out.</p> <p>However, based on document review and field visits, it is known that there are still operational (routine, non-routine, and emergency) activities that have not identified hazards and risk control in Mill (eg tanks for CPO, WTP, cleaning tanks, etc.) in the Estate (eg replanting, house rinse, warehouse of hazardous waste, IPM control, etc.) by referring to the procedures established by the company.</p> <p>a. Risk Control for fuel storage From the results of the internal audit in July 2018, it was found that there were nonconformity related to the secondary containment of the fuel tank, and corrective actions determined to make secondary containment. However, the results of the field visit revealed that the fuel tank had not yet referred to the conditions required under <i>Permenaker No. 37 of 2016 concerning K3 Bejana Tekan dan Tangki Timbun</i> (Articles 24 and 58)</p> <p>b. Medical Check Up for workers on high noise workplace The results of the 2017 and 2018 audiometric examination revealed that workers examined by audiometry in 2017 included 1 HR staff, 1 laboratory foreman, 1 mill employee, 10 processing, 4 sterilizer, 1 boiler, 1 loading ramp, while in 2018 workers which was examined included 8 laboratories, 2 WTPs, 1 processing, 1 engine room, 3 warehouses, 1 HR staff, 1 OHS officer. From the review, there is no explanation regarding the basis / identification of the analysis of the type of health examination of the workers examined according to the risk of their work</p>					
Non-Conformance Description (filled by auditor): <p>The certification units of Ajamu and Meranti Paham have not shown the overall risk identification of their operational activities and the type of health examination (MCU) of the workers examined is in accordance with the risk of their work.</p>					
Root Cause Analysis (filled by organization audited): <ul style="list-style-type: none"> - Insufficient understanding of officers in identifying risks as a whole for all operational activities of mill and estate - The lack of understanding of company management in implementing regulations such as <i>Permenaker No. 37 of 2016 concerning K3 Bejana Tekan dan Tangki Timbun</i> (Articles 24 and 58) - There is no identification of the need for health checks for mill and estate employees in accordance with the risk of their work 					
Correction (filled by organization audited): <ul style="list-style-type: none"> - Compile of HIRAC operational activities for mill and estate that have not been identified with risks - Make a bund wall and secondary containment on the solar tank at the Ajamu Estate - Propose and conduct health checks for mill and estate employees in accordance with the identification of the risk of their work. 					
Corrective Action (filled by organization audited): <ul style="list-style-type: none"> - Socialization in identifying risks to all operations estate and mill - Socialization of <i>Permenaker No. 37 of 2016 concerning K3 Bejana Tekan dan Tangki Timbun</i> (Articles 24 and 58) to workers - Identification of health check needs for mill and estate employees in accordance with the risk of their work 					

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

Verification February 13 & 14 2019

Ajamu Estate

a. Evidence shown includes:

- Notification minutes of the Ajamu Estate Risk Identification socialization on September 20, 2018, which was attended by management levels up to the Clerk level.
- HIRAC of mill (Loading ramp, sterilizer, thresher, press, clarification, kernel, oil & kernel dispatch, boiler, water treatment, engine room, EFB, waste application, laboratory, warehouse, workshop (general, oxy welding, electric welding, cutting wheel, grinding wheel, jack, pulley, drilling machine, sawing machine, lathe, conveyor, hydraulic, pulley & belting, pump, electric)). Please complete the document with information on the date of manufacture, how many revisions, who made and endorsed, the date of endorsement, so that it does not become an uncontrolled document.
- Has not been shown HIRAC of Ajamu Estate

b. Documents shown include:

- Documentation of fuel tank with secondary containment. Please the management unit to review the provisions / requirements related to pressure vessels and storage tanks in accordance with Permenaker No. 37 of 2016.
- Minutes of Socialization of Permenaker No. 37 of 2016 concerning OHS Pressure Vessels and Storage Tanks on September 17, 2018 at POM attended by the Assistant General HR, Processing Assistant, P2K3, document controller and operators of each station.

c. Identification Document for Health Check in Ajamu Estate and Ajamu POM period 2019 with the type of health check in the form of spirometry, cholinesterase and audiometry for 81 workers. However, in this document there is no information on who makes / has the authority to determine the need for a health examination in accordance with occupational risks (it must be ensured that those who have competencies are related to occupational health), there is no information on document preparation time and approval from management. Besides referring to the correction set by the company, it must be able to show up to the proposal and conduct a health check for POM and Estate employees in accordance with HIRAC.

Meranti Paham Estate

a. The management unit shows documents including:

Minutes of socialization on Identification Risk on October 10, 2018, which was attended by management levels up to the Clerk level.

HIRAC 2018 (Document No.: FM-4.2.1-02, Rev 02) with plantation operations including:

- Office of estate, Afdeling and Central
- Land Clearing (felling and stacking mechanically with heavy equipment, making/ planting hole planting, grass spraying, manual weeding, planting seeds, seeding shrubs)
- Mature Area in Afdeling I to VI area (hauling, loading FFB, harvesting, IPM, fertilizing, repairing bridges / culverts, road maintenance, trench maintenance, wiping weeds, pruning, circle weeding / harvesting path / and interrow)
- Immature areas (insertion, IPM, fertilization, bridge / culverts repair, road maintenance, trenches maintenance, wooden growth, castration, circle weeding / harvesting path/ and interrow)

However, there are still operational activities in Meranti Paham Estate that have not been identified, please review again and make sure all operational activities are available in the HIRAC document

Non-compliance No. 2018.11 is not yet closed.

Verification 13 May 2019

The company shows evidence of improvements in the form of:

Ajamu:

- HIRAC Form 2018 No. document FM-4.2.1-01, Revision 02 for fertilizer extraction activities from the central warehouse to the block by vehicle. Please complete the document with information on who authorizes it, the date of approval, so it does not become an uncontrolled document.
- Has not been shown the HIRAC for Ajamu Estate.
- The unit also has not yet responded and shows evidence of improvements submitted on 13 & 14 February 2019 points a, b and c above.

Meranti Paham

HIRAC 2019 (Document No.: FM-4.2.1-02, revised 02) with plantation operations including the activities / activities that have been added include fogging activities, operation of school bus, operation of dump truck vehicles, manufacture of planting holes, repair of employee lamps, repair of electrical panels, operation of generator engines, castration, loading FFB into dump trucks, pitting holes planting, transport palm oil seedlings to the field, spraying in replanting area, pruning, filling fuel into dump trucks, loading and unloading field fertilizers, pest control by hand machine drill. However, there are still operational activities in Meranti Paham Estate that have not yet been identified, such as chemical loading and unloading activities (warehouses and fields), mixing chemicals, hazardous loading and loading, etc. Not all operational activities provide with HIRAC document.

Based on the explanation above, Non-conformity is not yet closed.

Verification 18 and 28 June 2019

The business unit shows the Minutes of making secondary containment / bund wall of diesel fuel storage tanks in the Ajamu business unit on April 10, 2019 with an explanation of the tank capacity of 20,000 liters the size of the bund wall 850 cm x 550 cm x 50 cm. Based on the evidence of the improvements shown, field verification will be carried out on the condition of the tank and secondary containment in accordance with the provisions / requirements related to pressure vessels and storage tanks in accordance with Permenaker No. 37 of 2016.

The business unit has not provided responses and other documentary evidence from the results of the previous verification team of auditors (13 & 14 Feb, 13 May) and will be observed in the major verification regarding the implementation of the HIRAC document.

Based on the explanation above, Non-conformity is not yet closed

Major verification August 7, 2019

Risk Management that have been develop consist of:

- Immature areas: spray pests
- Mature area: loading FFB into the truck; compile FFB to Fruit Collecting Point; FFB transport to Fruit Collecting Point using harvest bikes, harvesting activity; harvest under the electricity grid; pruning; manual weeding; Uprooting woody growth; collecting exfertilizer sack; manuring; electric panel repairs; maintenance of water pipes; pest control by hand / machine drill.
- Chemical warehouse: mixing chemicals; receipt, expenditure, transfer and placement of goods
- Hazardous waste warehouse: transport of chemical waste

- Fuel warehouse: diesel revenue / expenditure; the process of weighing on a storage tank
- Central warehouse: receipt, expenditure, transfer and laying of goods
- Estate area: security post in boundary area
- Roads: escort FFB transport to POM.
- Central / emplacement: repair of electricity networks
- Plant area: repairs employee lights
- Land Clearing / replanting: felling and stacking mechanically with heavy equipment, making // fertilizing planting holes, grass spraying, manual weeding, planting seeds, seeds transport to field, making planting holes with hoes.
- Estate area to POM: hauling dump trucks
- Emplacement to the city: bus transportation of school children
- CPO Tank: sounding process, tank washing, filling CPO into tank trucks.
- Burning Stoves: ash scraping, ash packaging, ash removal to trucks.
- EFB: removal and transportation of EFB
- Ajamu POM security post: vehicle inspection, patrol
- Rinse house: mixing chemicals and delivering chemicals in the field

Risk management for Ajamu POM was approved on May 1, 2019 by the Manager.

The results of the field visit in the solar tank revealed that there was a bund wall of 850 cm x 550 cm x 50 cm (= 23,375 liters). The solar tank has also been equipped with the hazardous symbol.

The health inspection mechanism is carried out based on proposals from the unit. In accordance with the medical examination procedure (No. 4.5.2 dated 26 Feb 2019) it is known that special examinations are carried out mainly for:

- Workers who have accidents experience or illnesses that require treatment for more than 2 weeks
- Aged over 40 years, or female and disabled workers and young workers who do certain jobs.
- Work in high risk areas
- Areas with noise and vibration levels above the threshold
- Dusty area
- Areas that contain radiation hazards
- Areas that are associated with many hazardous chemicals

For the 2019 health examination, registration is currently being carried out from the unit to the Medan head office for example for the Meranti Paham Estate based on a letter dated July 5, 2019 registered 83 people (60 chemists, 2 warehouse officers, 2 welders, 2 machine operators, 4 water machine operators, 2 generator sets, 1 grass machine operator, 4 workshop operators and 6 drivers. The identification of the need for a health check is made by the HR Assistant.

Based on the evidence Non-conformity is closed.

Verified by	:	M. Rinaldi
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NCR No.	:	2018.12	Issued by	:	Octo HPN Nainggolan
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Date Issued	: 07 September 2018	Time Limit	: 06 September 2019
NC Grade	: Major	Date of Closing	: 22 November 2018
Standard Ref. & Requirement	4.7.4 The responsible person(s) for occupational health and safety shall be identified and there shall be records of periodical meetings on health and safety issues		
Evidence observed (filled by auditor): Decree of the Head of the Sumatra Utara Province Manpower Office No. KEP.120-7/DTK/SU/2018 dated June 29, 2018 concerning Ratification of <i>P2K3</i> at the Company, said medical teams are doctors and nurses. The field visit to <i>Polibun Ajamu</i> revealed that medical personnel who performed health services included 1 doctor, 6 nurses and 3 midwives, and <i>Polibun Meranti Paham</i> with 1 nurse medical staff. Interviews with doctors and nurses said that currently the <i>Hiperkes</i> doctor and 1 Meranti Paham nurse had certificates, while the paramedics at <i>Polibun Ajamu</i> did not yet have a <i>Hiperkes</i> certificate.			
Non-Conformance Description (filled by auditor): Referring to the explanation above, there is not enough evidence that the company has shown compliance with <i>Permenakertranskop</i> No. 01 of 1979 concerning <i>Hiperkes Paramedis Perusahaan</i>			
Root Cause Analysis (filled by organization audited): <ul style="list-style-type: none"> - The training for Paramedic officers at the <i>Polibun Ajamu</i> is not the responsibility of the <i>Ajamu Estate</i> because the management of the <i>Polibun Ajamu</i> has all been the responsibility of <i>PT Prima Medica Nusantara (PT PMN)</i> - Not yet able to show in documentation that the management of the <i>Polibun Ajamu</i> is the responsibility of <i>PT PMN</i> - Can not show the form of cooperation between <i>PTPN IV</i> and <i>PT PMN</i> which regulates the rights and obligations of each party. 			
Correction (filled by organization audited): <ul style="list-style-type: none"> - Removing all medical personnel from <i>PT PMN</i> from the structure of <i>P2K3 Ajamu</i> and <i>Meranti Paham</i> so that there are no more ties in terms of operational and HR management between <i>PTPN IV Ajamu</i> and <i>PT PMN</i> - The medical team from <i>PT PMN</i> has been replaced by <i>PTPN IV</i> employees who have received first aid training - Minutes of transfer of hospital management, <i>Polibun Ajamu</i> from <i>PTPN IV</i> to <i>PT PMN</i> on March 2, 2015 - Showing evidence of first aid training for PIC appointed as medical team in the <i>Ajamu</i> and <i>Meranti Paham P2K3</i> structures - Shows the revision of the <i>Ajamu</i> and <i>Meranti Paham P2K3</i> structures that have been approved by the Manpower Office. 			
Corrective Action (filled by organization audited): <ul style="list-style-type: none"> - Replacing all medical personnel of <i>PT PMN</i> with <i>Ajamu</i> and <i>Meranti Paham</i> employees in the <i>P2K3</i> structure of each estate. - The medical team from <i>PT PMN</i> has been replaced by <i>PTPN IV</i> employees who have received first aid training 			
Assessor Evaluation and Conclusion (filled by auditor): Verification 22 November 2018 The management unit shows evidence of documents as follows: <ul style="list-style-type: none"> - Minutes of Meeting Transfer of Hospital Management, Puskesmas, and Polyclinic and Administrative Placement of Employees of <i>PT Perkebunan Nusantara IV</i> at <i>PT Prima Medica Nusantara</i> on March 2, 2015. In the Minutes stated that based on the AGM of <i>PT Prima Medica Nusantara</i> agreed as follows: 			

- a. Transfer of Hospital, Puskesmas management and Polyclinic of PT Perkebunan Nusantara IV to PT Prima Medica Nusantara.
- b. Transfer of employees of PT Perkebunan Nusantara IV who worked at the Hospital, Puskesmas, and Polyclinic administratively to PT Prima Medica Nusantara.
- Decree of the Head of the North Sumatra Province Manpower Office No. 02.7/DTK/SU/IX/2018 dated 26 September 2018 concerning Ratification of P2K3 PTPN IV of the Ajamu Plantation business unit and Decree of the Head of the North Sumatra Province Manpower Office No. 03.7/DTK/SU/IX/2018 dated 26 September 2018 concerning Ratification of P2K3 PTPN IV Meranti Paham business unit. In the decree, changes were made to first aider team/officers who were previously doctors and/or Polibun nurses who were workers in the business unit of the Ajamu Estate and Meranti Paham Estate.
- Certificate of OHS Development Assistance for First Aid in the Workplace issued by the Indonesian Ministry of Manpower on 01 March 2016 for Ajamu Estate (4 workers) and Meranti Paham Estate (1 worker). The worker who has a first aid certificate/license is a first aid team/officer registered in the P2K3 management structure.

Based on the explanation above, the non-conformity No. 2018.12 is closed.

Verified by : **Octo HPN Nainggolan**

NCR No.	:	2018.13	Issued by	:	Octo HPN Nainggolan
Date Issued	:	07 September 2018	Time Limit	:	Surveillance-01
NC Grade	:	Minor	Date of Closing	:	
Standard Ref. & Requirement	:	4.7.5 A procedure for emergency and work accident shall be available in Indonesian Language; and the workers, who have attended First Aids training, are available in the working areas.			
Evidence observed (filled by auditor):					
<p>a. The results of the hydrant inspection in the Mill for the period January to March 2018 and April to June 2018 are known hydrants on damaged condition. Furthermore, from the results of the inspection a follow-up was carried out with recommendations for improvement, namely "that the proposed cost of hydrant repairs in RKO/RKPA of 2018 with the standard must be able to function properly according to the applicable rules" with a target repairs of April 10, 2018.</p> <p>b. The results of field visits at the Meranti Paham Estate are fire extinguisher in non-pressurized conditions and refilling schedules should be carried out in 2017.</p> <p>c. The company shows a certificate issued by a doctor (PT Prima Medica Nusantara - Polikbun Ajamu) on 02 January 2018 regarding recommendations for the contents of a first aid kit (11 items: betadine, alcohol, scissors, plaster, safety pins, aquades, bandages, gauze, cotton, tweezers, insto (eye medication)) which can be used in the field, based on investigation and monitoring field visit for harvest work, field maintenance and loading of FFB. The results of field visits in the operational activities of the estate (harvest and chemist) are known to have foreman who have and have not brought first aid kit while working in the field. As for the contents of the first aid carried by the foreman in the Ajamu Estate, namely betadine and cotton, the foreman at the Meranti Paham Estate, among others, betadine, cotton, safety pins, scissors, tape, tweezers, gauze, mitela, and rivanol.</p>					
Non-Conformance Description (filled by auditor):					

Based on the explanation above, then:

- a. Not yet available evidence of hydrant repair has been carried out in accordance with the set time target, by ensuring the condition of the hydrant is ready to use.
- b. Not enough evidence that the company has provided fire extinguisher in a ready-to-use condition
- a. Not enough evidence that the company has provided first aid kits in all operational activities in accordance with the rules and recommendations of doctors and evidence that officers carrying first aid kits have received first aid training

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

- Monitoring and inspection of emergency response and first aid kits is not carried out regularly
- There is no determination of the PIC whose duty is to periodically monitor and inspect emergency response and first aid kit
- The absence of identification of training needs in mill and estate in accordance with their fields of work and the conditions for applying the field not in accordance with the Recommendation Letter issued by Polikbun doctors

Correction *(filled by organization audited):*

- Perform hydrant repairs and ensure that the hydrant can be used
- Refilling all fire extinguisher in the Meranti Paham Estate
- Completing the medicines brought by the foreman in accordance with the recommendations of the polikbun doctor
- Demonstrate evidence of first aid socialization conducted by first aider who have been trained by foreman

Corrective Action *(filled by organization audited):*

- Monitor and inspect emergency and first aid kits on a regular basis every 3 months.
- Establish a PIC responsible for monitoring and inspecting emergency response and first aid kits periodically
- Make identification of training needs in mill and estate in accordance with the field of work
- Training evaluation for officers carrying first aid kits

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

Verification 19 September 2018:

The certification unit can complete the evidence referred to in the explanation of corrections and corrective / preventive actions.

Verification February 13, 2019

Ajamu

- a. Letter No. AJA / 04/06/08 / I / 2019 dated January 28, 2019 from the Unit Manager addressed to the PTPN IV head office regarding the completeness of hydrants. The contents of the application letter for the provision of materials for the completeness of hydrants as many as 3 points, with the following details: hydrant hose + connecting 9 units and hydrant nozzle 3 units. At the time ST-2 became NC because it was still in the form of a proposal to repair the hydrant, and the evidence of the improvement sent was still in the form of a request, so it could not close the non-conformity.
- b. The management unit shows the following documents
 - Documentation of first aid kit handover in Afdeling III. However, the company has not yet shown first aid kit handover for all operational activities.
 - Identification of first aid kit training needs for the period 2018-2019 in Afdeling I (4 people), in Afdeling II (4 people), in Afdeling III (3 people), in Afdeling IV (3 people), in Afdeling V (3 people) and POM (2 people)
 - Decree No. AJA / MU / P2K3 / Kpts / 34 / X / 2018 dated October 1, 2018 concerning the Special Team Responsible for Monitoring Emergency Inspection of Emergency Response Equipment and First Aid in on behalf of Sampir (General HR clerk / document controller) and Syahriandi (General HR clerk)

- Documentation and attendance list of first aid training on January 8, 2019 with 2 Foreman participants from Afdeling I to V and 1 processing worker. Does the training provider (trainer) have competence related to first aid officers, show the proof.

Kebun Meranti Paham

- The management unit shows the following evidence:
 - Documentation for fire extinguisher refill for Meranti Paham Estate on 30 November 2018
 - Decree No. MEP / P2K3 / Kpts / / IX / 2018 dated September 1, 2018 concerning a Special Team Responsible for Monitoring Emergency Inspection of Emergency Equipment and first aid kit consisting of 1 chairman and 5 members.
 - Monitoring of Emergency Response Equipment Inspections in Quarter I, II and III of 2018 with PIC on behalf of Budi Darmanto with information hose at Afdeling I in damaged condition. Is there no follow up on the results of monitoring conducted on the broken hose from the inspection conducted since the first quarter to third? Please explain and add supporters if any. The Plan-Do-Check-Act principle, the company has been monitoring (Check) but there has been no follow-up (Act).
- The management unit shows the following evidence:
 - P2K3 Minutes of meeting on September 24, 2018 with agenda first aid kit socialization for workers who bring first aid kits. The participants who attended the socialization included Harvesting foreman in Afdeling II, Harvesting foreman in Afdeling III, Pest Officer in Afdeling VI, Foreman in Afdeling II, Loading clerk in Afdeling IV. However, the company has not been able to demonstrate that all officers who carry first aid kits have received first aid training.
 - First aid officers who provide socialization already have a first aid Officer Certificate at Work issued by the Ministry of Labor on March 1, 2016 on behalf of Daniel. Also available is Decree No. MEP / P2K3 / Kpts / 12 / VIII / 2018 dated August 1, 2018 about the First Aid Officer of the Meranti Paham Estate on behalf of Olives Sitorus (Medical section) and Daniel (first aid officer).
 - Reporting and Request for Improvement (No. Doc FM-4.3.5-05, No. Rev 02) dated 13 November 2018 related to first aid kits which are in the first aid kit and officers carrying first aid kits stored in waist bags (harvest foreman) in the field do not meet the standard legislation and technical guidelines (afdeling IV office and field). This was followed up on December 15, 2018. However, how about other operational activities, whether the company has provided first aid kits in all operational activities in accordance with doctor's regulations and recommendations, please show proof of their improvement.

Non-compliance No. 2018.13 is not yet closed.

Verification 13 May 2019

The company shows evidence of improvements in the form of:

Ajamu:

- Documentation of Hydrant Simulation. There is no date when the simulation was carried out and who carried out the simulation.
- Minutes of handover of the contents of the first aid kit at the Ajamu Estate afdeling I-V afdeling on 17 September 2018
- The company also has not responded and showed evidence of improvement in the auditor's response on February 13, 2019 points (a) and (b) related to Hydrant Completeness and Competency of officers who provided first aid training.
- The Ajamu Unit has not shown any response or improvement according to the explanation above.

Meranti Paham

- Documentation and record of handover the contents of the first aid kit in Meranti Paham Estate Afdeling II, III, IV, VI on January 3, 2019 and on afdeling I & V on September 24, 2018.
- Request for purchase of fire extinguisher hoses addressed to the Manager of Meranti Paham Estate on November 3, 2019. Purchasing invoice and minutes of delivery inform about material consist of 1 roll 2 inches (sunny hox), 1 set of conpter, 1 socket coupler and 1 fire stick on November 12, 2018.
- First aid socialization on November 19, 2018 to loading clerk, harvesting foreman, upkeep foreman in afdeling V, harvest foreman, upkeep foreman in afdeling I.
- Based on the explanation above, non-conformity is stated not yet closed.

Verification 18 and 28 June 2019

Based on the evidence of improvement shown to meet the non-conformity, field verification is required, including:

- Monitoring the condition and function of the hydrant
- Monitoring the condition and function of fire extinguisher
- First aid availability in all operational units
- Inspection and interview of officers carrying first aid kit
- Monitoring of emergency response equipment and first aid kit

Major Verification 7 August 2019

At the time of verification of non-conformities conducted on-site obtained information as follows:

- Monitoring the condition and function of the hydrant
The company shows evidence of a hydrant simulation conducted on May 6, 2019. Based on this evidence the hydrant works quite well.
- Monitoring the condition and function of fire extinguisher
During a visit to the Ajamu POM chemical warehouse, Afdeling 2 office of Ajamu Estate and afdeling 3 office of Meranti Paham Estate, it was learned that the existing fire extinguisher had been examined for conditions and functions. The existing fire extinguisher has been checked for condition and is still in good condition and available for use.
- First aid kit availability in all operational units
During the interview with the spraying foreman (Ajamu Estae and Meranti Paham Estate) and seeing the contents of the first aid bag, it was found that the items in the first aid bag were not 11 items. This is not in accordance with the standards set by the company.
- Inspection and interview of officers carrying first aid kit.
During the interview with the spray foreman (Ajamu Estae and Meranti Paham Estate), the personnel can explain the procedures for first aid and the function of each item carried in the first aid bag.
- Monitoring of emergency response equipment and first aid.
The company has not been able to show monitoring (both in the form of recapitulation data and partial data) related to conditions and feasibility for emergency response equipment and first aid (estate and mill).

Based on the improvements that have been given, Non-conformity is not yet closed

Verified by : **M. Rinaldi**

NCR No.	: 2018.14	Issued by	: Rizliani Aprianita
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Date Issued	: 07 September 2018	Time Limit	: 06 September 2019
NC Grade	: Major	Date of Closing	: 13 May 2019
Standard Ref. & Requirement	: 4.8.1 Records of training program related to the aspects of RSPO Principles and Criteria shall be available		
Evidence observed (filled by auditor): The Ajamu Business Unit shows the document External and Internal Training Program for 2018 with 13 training activities. The results of the review of the recording of the realization of training up to August 2018 revealed that the training had been realized, namely the training of pesticide handlers held in March.			
Non-Conformance Description (filled by auditor): Based on the explanation above, there was not enough evidence that the company had conducted an evaluation of the training program in accordance with the prepared plan.			
Root Cause Analysis (filled by organization audited): Insufficient understanding of the provisions for implementing education and training both internally and externally			
Correction (filled by organization audited): Evaluate training programs that have not been implemented			
Corrective Action (filled by organization audited): <ol style="list-style-type: none"> 1. To socialize the provisions on the implementation of education and training 2. Evaluate training programs that have been implemented and those that have not been implemented. The evaluation of the training that has been carried out aims to measure the level of understanding of the training participants, while the evaluation of the training that has not been implemented aims to determine the cause or reason for the training that has not been implemented so that it can be followed up immediately 			
Assessor Evaluation and Conclusion (filled by auditor): Verification September 14 2018: The certification unit can complete the evidence referred to in the explanation of corrections and corrective / preventive actions. Verification February 13, 2019 The management unit shows the following evidence: <ul style="list-style-type: none"> • Training Need Analysis for 2018 • Ajamu Business Unit's External and Internal Training Program in 2018 • Minutes of the Socialization of Provisions on the Implementation of Education and Internal Training of the Ajamu business unit on November 10, 2018, which was attended by management, document controller, and clerk. Proof of improvement sent is not in accordance with the specified correction. The company needs to review the evidence of improvement submitted, for example: <ul style="list-style-type: none"> • Calculate the percentage of realized training and unrealized training according to plan • Justification if the training not according to plan • Follow-up carried out by the company against plans that have not been realized • Training programs for next period 			

- What strategies the company has taken so that all training programs can be carried out according to plan
- And so forth.

Nonconformity No. 2018.14 is not yet closed.

Verification 13 May 2019

The company shows evidence of improvements in the form of:

- Letter No. AJA / 04.11 / 21B / II / 2019 dated February 25, 2019 concerning 2019 training priorities addressed to the District GM.
- Ajamu Business Unit's External and Internal Training Program in 2019
- Training need analysis for Ajamu Estate in 2019
- The results of monitoring the implementation of training activities (External / Internal) Ajamu Unit 2018. The achievement of the realization of training in 2018 amounted to 60%. The monitoring results also explained the information / justification of the training that could not be carried out as well as the follow-up plan.
- Document the request for corrective and preventive actions No. PTKP: 04 / SDM / AJA / RSPO / III / 2019. The document explains that the plantation unit will coordinate with district IV of PTPN to equalize training needs in all plantation units under district IV so that the training program is a priority because 7 estate are needed.

Based on the evidence of corrections submitted, the non-conformity is closed.

Verified by : **Rizliani Aprianita Hsb**

NCR No.	:	2018.15	Issued by	:	Rizliani Aprianita Hsb
Date Issued	:	7 September 2018	Time Limit	:	Surveillance-01
NC Grade	:	Minor	Date of Closing	:	
Standard Ref. & Requirement	:	5.1.2 Environment management plan document to prevent negative impacts, its implementation report and revision (if the identification of impact requires changes in current company's practices) shall be available. The company's management shall appoint the responsible person(s) for the implementation of the document.			
Evidence observed (filled by auditor): The results of the review of the RKL-RPL Matrix document and its implementation, known that: a. The Ajamu Unit has submitted the first semester of Environmental Management Implementation Report 2018, but there is not enough evidence that the implementation of environmental impact management is in accordance with the directions of the RKL-RPL Matrix. For example, haven't discussed about: - Management for the impact of Decreasing air Quality - Increased noise - Decrease in water quality management and etc in accordance with Minister of Environment Decree no. 45 of 2005 concerning Guidelines for Preparing the Implementation of RKL-RPL. b. Meranti Paham Unit has submitted an Environmental Management Implementation Report each semester. However, there are still unmanaged impacts, namely: - Impact of Increasing Soil Fertility.					
Non-Conformance Description (filled by auditor): The Ajamu and Meranti Paham business units have not yet carried out complete environmental management in					

accordance with the documents that become the reference (RKL-RPL matrix).

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

Lack of understanding of officers in preparing RKL RPL reports in accordance with Decree of the Minister of Environment No. 45 of 2005 concerning guidelines for preparing RKL for RPL implementation.

Correction *(filled by organization audited):*

- Identify what aspects have not been discussed in the RKL-RPL Report according to the direction of the RKL-RPL matrix
- Add management plans for aspects that have not been contained in the previous RKL-RPL.
- Giving an understanding to the Officer that the preparation of the RPL RKL report must be in accordance with the management and monitoring matrix contained in the RPL RKL document that is owned by the unit

Corrective Action *(filled by organization audited):*

- Socialize the preparation of RKL RPL reports in accordance with Decree of the Minister of Environment No. 45 of 2005 concerning guidelines for preparing RKL RPL implementation
- Evaluate the socialization provided to officers responsible for preparing RKL RPL reports that refer to the RKL RPL matrix
- Evaluate the socialization provided to officers responsible for preparing RKL RPL reports in accordance with Decree of the Minister of Environment No. 45 of 2005

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

Verification February 19, 2019.

Ajamu:

The company shows evidence of improvements in the form of:

- The socialization of the Compilation of RKL-RPL on 30 November 2018 was attended by 5 participants consisting of PKS assistants and PPD. There were also minutes of socialization on the preparation of the RKL-RPL report and the evaluation of employee training results (PPD) of 3 people on behalf of Yusuf Hanafiah, Suswanto and Sampir. However, the minutes of the preparation of the RKL-RPL have not yet discussed that the preparation of RKL-RPL must be in accordance with the RKL-RPL matrix owned and the drafting is in accordance with KepMenLH No. 45 of 2005.
- RKL-RPL report for semester 1 of 2018. The report has not yet attached evidence of the implementation of environmental management (for example photos, graphs, tables, maps of management locations etc.) in accordance with KepMenLH directive no 45 of 2005.
- Please show proof of identifying any aspects that have not been discussed in the RKL-RPL Report in accordance with the direction of the RKL-RPL matrix owned (according to the responses in the correction column above)

Meranti Paham

- RKL-RPL report for semester 2 of 2018. The report has not yet attached evidence of the implementation of environmental management (for example photos, graphs, tables, maps of management locations etc.) in accordance with KepMenLH No 45 of 2005.
- Minutes of socialization the preparation of RKL-RPL report on 26 September 2018 was attended by 9 participants. In the minutes mentioned the discussion regarding the preparation of RKL-RPL refers to the RKL-RPL Matrix and according to the format in accordance with KepMenLH No. 45 of 2005.
- Evaluation of training participants for the preparation of RKL-RPL to 7 participants.
- Please show proof of identifying aspects that have / have not been discussed in the RKL-RPL Report according to the direction of the RKL-RPL matrix that is owned (according to the responses in the correction column

above).

Based on the explanation above, it was concluded that the non-conformity is not yet closed.

Verification May 7, 2019

The company shows evidence of improvements in the form of:

Ajamu:

Training Priority Document on 2019 No. AJA / 04.11 / 21B / II / 2019 dated February 25, 2019, External and Internal Training Programs for Ajamu Business Units in 2019, Training Need Analysis for Ajamu Estate in 2019, Monitoring Implementation of Training Activities (external) in 2018.

Please be able to respond and send evidence of improvement based on the response dated 19 February 2019 above.

Based on the evidence of the improvements shown, Non-conformity is not yet closed.

Major verification August 7, 2019

The Ajamu management unit has presented the RKL-RPL report for semester 2 of 2018 which explains the management of:

- Air quality (emissions, ambient and noise)
- Surface water quality
- Groundwater quality
- Aquatic biota components
- Enhancing regional economy
- Increase employment opportunities and business opportunities
- Public and social facilities
- Community perception
- Disease prevalence / public health

Based on the improvements made, it is known that:

- The Ajamu Unit and Meranti Paham Unit have not shown evidence of identification of aspects that have / have not been discussed in the RKL-RPL Report in accordance with the direction of the RKL-RPL matrix owned.
- Kebun Meranti Paham has not shown a report on the implementation of environmental management.

Based on the explanation, Non-conformity is not yet closed.

Verified by : M. Rinaldi

NCR No.	: 2018.16	Issued by	: Rizliani Aprianita Hsb
Date Issued	: 7 September 2018	Time Limit	: Surveillance-01
NC Grade	: Minor	Date of Closing	:
Standard Ref. & Requirement	: 5.1.3 Environment monitoring plan document, its implementation report, and the corrective plan (if non-conformance arises from the monitoring result)		

	shall be available. This plan is reviewed on two-yearly basis.
<p>Evidence observed <i>(filled by auditor):</i> The results of the review of the RKL-RPL Matrix document and its implementation, known that:</p> <ol style="list-style-type: none"> The Ajamu Unit has submitted a Report on the Implementation of the first semester of RKL-RPL in 2018, but there is not enough evidence that the implementation of Environmental Impact Monitoring is in accordance with the directions of the RKL-RPL Matrix. For example: <ul style="list-style-type: none"> has not discussed monitoring for the impact of the Decreasing air quality Increased noise. Decrease in water quality management and etc in accordance with Minister of Environment Decree no. 45 of 2005 concerning Guidelines for Preparing the Implementation of RKL-RPL. Meranti Paham Unit has submitted the RKL-RPL Implementation Report every semester. However, there are still impacts that have not been monitored according to the direction of the RKL-RPL matrix, for example: <ul style="list-style-type: none"> Increased Soil Fertility and Monitoring of employment Opportunities. not all the results of the management and monitoring of impacts have been evaluated according to the direction of Minister of Environment Decree No. 45 of 2005. <p>Non-Conformance Description <i>(filled by auditor):</i> The Ajamu and Meranti Paham business units have not carried out complete environmental monitoring in accordance with the documents that become the reference (RKL-RPL matrix)</p>	
<p>Root Cause Analysis <i>(filled by organization audited):</i> Lack of understanding of officers in preparing RKL RPL reports in accordance with Decree of the Minister of Environment No. 45 of 2005 concerning guidelines for preparing RKL for RPL implementation.</p>	
<p>Correction <i>(filled by organization audited):</i></p> <ul style="list-style-type: none"> Identify what aspects have not been discussed in the RKL-RPL Report according to the direction of the RKL-RPL matrix Add monitoring plans for aspects that have not been contained in the previous RKL-RPL. Giving an understanding to the Officer that the preparation of the RPL RKL report must be in accordance with the management and monitoring matrix contained in the RPL RKL document that is owned by the unit 	
<p>Corrective Action <i>(filled by organization audited):</i></p> <ul style="list-style-type: none"> Socialize the preparation of RKL RPL reports in accordance with Decree of the Minister of Environment No. 45 of 2005 concerning guidelines for preparing RKL RPL implementation Evaluate the socialization provided to officers responsible for preparing RKL RPL reports that refer to the RKL RPL matrix Evaluate the socialization provided to officers responsible for preparing RKL RPL reports in accordance with Decree of the Minister of Environment No. 45 of 2005 	
<p>Assessor Evaluation and Conclusion <i>(filled by auditor):</i> Verification February 19, 2019 Ajamu The company shows evidence of improvements in the form of:</p> <ul style="list-style-type: none"> The socialization of the Compilation of RKL-RPL on 30 November 2018 was attended by 5 participants consisting of Mill assistants and document controller. There were also minutes of socialization on the preparation of the RKL-RPL report and the evaluation of employee training results (document controller) of 3 people on behalf of Yusuf Hanafiah, Suswanto and Sampir. However, the minutes of the preparation of the RKL-RPL have not discussed that the preparation of RKL-RPL must be in accordance with the RKL-RPL matrix owned and the preparation is in accordance with KepMenLH No. 45 of 2005. RKL-RPL report for semester 1 of 2018. The report has not explained the results of the monitoring that has 	

been carried out and the follow-up (if the monitoring results are above the standard). The results of the first semester of 2018 regarding to noise testing in the boiler area showed a figure of 91.9 dBA, the results of the water quality test (suspended residue, COD, BOD) above the standard (PP no. 82 of 2001 adjusted to the matrix).

- Please show proof of identifying any aspects that have not been discussed in the RKL-RPL Report in accordance with the direction of the RKL-RPL matrix owned (according to the responses in the correction column above)

Meranti Understand

- RKL-RPL report for semester 2 of 2018. The report has not yet attached evidence of the implementation of environmental monitoring that has been carried out (in accordance with KepMenLH directive no 45 of 2005). The report only Just the results of the soil fertility analysis Merati Paham unit
- Minutes of socialization the preparation of the RKL-RPL report on 26 September 2018 was attended by 9 participants. In the minutes mentioned the discussion regarding the preparation of RKL-RPL report refers to the RKL-RPL Matrix and according to the format in accordance with KepMenLH No. 45 of 2005.
- Evaluation of training participants for the preparation of RKL-RPL to 7 participants.
- Please show proof of identification of any aspects that have / have not been discussed in the RKL-RPL Report according to the direction of the RKL-RPL matrix that is owned (according to the responses in the correction column above).

Based on the explanation above, it was concluded that Non-conformity is not yet closed.

Verification 7 May 2019

The company shows evidence of improvements in the form of:

Ajamu:

Evidence of the improvement shown is the socialization of job description for PIC that carries out communication and consultation

Please be able to respond and send proof of improvement based on the response dated 19 February 2019 above.

Based on the evidence of the corrections shown, Non-conformity is not yet closed.

Major verification 7 August 2019

The Ajamu management unit has shown the RKL-RPL report for semester 2 of 2018 which explains monitoring:

- Noise level
- Genset emissions quality
- Public and social facilities

Based on the improvements made, it is known that:

- Semester 2 report 2018 Ajamu Unit has not explained the results of monitoring in accordance with environmental documents that are owned. Monitoring results that have not been explained in the report such as ambient air quality, boiler emission quality, surface water quality, ground water quality, aquatic biota, regional economy, community attitudes and perceptions, prevalence of disease / public health.
- Semester 2 report 2018 Ajamu Unit has not explained the evaluation in accordance with KepMenLH No. 45 of 2005. The report has explained the evaluation of trends only for ambient air quality, while for other monitoring aspect it has not been included in the report. In addition, there has not been a critical level of evaluation and

compliance evaluation.

- Meranti Paham Unit has not yet shown a report on the implementation of environmental monitoring and its evaluation.

Based on the explanation, Non-conformity is not yet closed.

Verified by : M. Rinaldi

NCR No.	: 2018.17	Issued by	: Rizliani Aprianita Hsb
Date Issued	: 7 September 2018	Time Limit	: 6 September 2019
NC Grade	: Major	Date of Closing	: 19 February 2019
Standard Ref. & Requirement	5.3.2 There shall be evidence that all chemicals and their empty containers are disposed of responsibly		
Evidence observed (filled by auditor): Based on document verification and management interviews, known that the third party transporting hazardous waste has transported hazardous waste from Ajamu unit and Meranti Paham Unit. However, there is not enough evidence that there is a Work Agreement between the company and PT Jagar Prima Nusantara for the transportation and collection of hazardous waste. The company only showed letter of order to start working addressed to PT Jagar Prima Nusantara for the transportation and collection of hazardous Waste No. 04.14 / SPMK / 012 / VIII / 2018 dated August 6, 2018.			
Non-Conformance Description (filled by auditor): Ajamu and Meranti Paham business units have not yet shown evidence of agreement in managing hazardous waste with third party.			
Root Cause Analysis (filled by organization audited): The contracting process must go through several stages, and at the time of the audit has been shown SPMK (work order)			
Correction (filled by organization audited): Shows hazardous waste transportation contract between PTPN IV and PT Jagar Prima Nusantara			
Corrective Action (filled by organization audited): Monitor required documents in accordance with the RSPO principles and criteria			
Assessor Evaluation and Conclusion (filled by auditor): Verification on February 19, 2019. The company showed a Letter of Agreement on the Transport and Collection of Hazardous and Toxic Waste with PT Jagar Prima Nusantara with No. SPK 04.05 / S. Work // 21 / VIII / 2018 dated 8 August 2018. PT Jagar Prima Nusantara has a hazardous waste management permit, including: <ul style="list-style-type: none"> • Hazardous Waste Management Permit according to Regent Decree No. 345 of 2018 dated May 24, 2018 and is valid for up to 5 years. • Extension of hazardous waste management permit for hazardous waste collection activities in accordance with No. SK.323 / Menlhk / Setjen / PLB.3 / 4/2016 dated April 20, 2016 and is valid for 5 years. • Recommendation for transporting hazardous waste according to No. 904 / VPLB3-2 / 2016 dated February 4, 			

2016 and is valid for 5 years. • Permit to carry out hazardous and toxic materials in accordance with SK no. 736 / AJ.309 / DJDP / 2018 / 210050121BB dated 21 February 2018 and valid until 10 April 2023. • Monitoring the needs of RSPO and ISPO related documents that show the contract document with hazardous waste transporters and company profile is available at the Ajamu unit.	
Based on the above explanation, it was concluded that the non-conformity No. 2018.17 is closed.	
Verified by	: Rizliani Aprianita Hsb

NCR No.	: 2018.18	Issued by	: Rizliani Aprianita Hsb
Date Issued	: 7 September 2018	Time Limit	: Surveillance-01
NC Grade	: Minor	Date of Closing	:
Standard Ref. & Requirement	: 5.3.3	A documented waste management plan to avoid or reduce pollution and its implementation shall be available	
Evidence observed (filled by auditor): Based on the results of field visits, known that: <ul style="list-style-type: none">- Meranti Paham unit stored hazardous waste in a place that does not yet have a hazardous waste warehouse permit.- The results of field visits at mill, the auditor team found that the Fat Pit was in a leaky condition and there was runoff of liquid waste into the environment around the area.- Domestic waste was burned at Afdeling I housing and there was no place for garbage collection in accordance with the SOP of domestic waste management owned.- Medical waste was placed on the front porch of the Meranti Paham Unit polyclinic. In addition, the Meranti Paham Unit has not been able to show records of medical waste management.			
Non-Conformance Description (filled by auditor): Based on the explanation above, it was concluded that the company had not been able to demonstrate the implementation of environmental management plans to avoid and reduce pollution.			
Root Cause Analysis (filled by organization audited): <ul style="list-style-type: none">• The lack of understanding of company management in implementing environmental management plans to avoid and reduce pollution that can occur in plantation operations and mill.• The lack of understanding of officers and workers in managing hazardous and domestic waste in accordance with existing SOPs• The lack of understanding of meranti Understand management of related implementation of regulations relating to the environment.• Management of the Ajamu unit has not been conducted routine monitoring of waste sources that have the potential to pollute the surrounding environment			
Correction (filled by organization audited): <ul style="list-style-type: none">• Show the permission for Hazardous waste storage in Meranti Paham estate• Repairing the fat pit leak so that there is no runoff of waste water to the environment around the fat pit• Make a ban on burning domestic waste and provide TPSA (final landfill) with a size of P = 9 m, L = 2 m and Inside = 1.5 m in accordance with the existing SOP• Returning medical waste to hazardous waste storage licensed and showing records of management medical waste of Meranti Paham polikbun			

Corrective Action (filled by organization audited):

- Conduct socialization of the implementation of Environmental management plans to prevent and reduce pollution that can occur in the plantation operational area and mill
- Conducting Management Review Meetings to discuss the implementation of Environmental management and monitoring plans in the estate and mill
- Conduct socialization of hazardous waste management and domestic waste in accordance with existing SOPs.
- Make routine monitoring and identification of waste sources that have the potential to pollute the surrounding environment.
- Conduct an evaluation regarding the staff's understanding of the application of the existing SOP

Assessor Evaluation and Conclusion (filled by auditor):

Verification 25 September 2018:

Explanation of root cause analysis, correction and corrective actions can be accepted. The certification unit can complete the evidence referred to in the explanation of corrections and corrective / preventive actions.

Verification 19 February 2019

Ajamu

The company shows evidence of improvements in the form of:

1. Documentation of hazardous waste management and domestic waste in afdeling 3 in the form of photos of workers on June 3, 2018. However, there is no information related to the minutes of socialization and who has received information.
2. Photo of landfill. However, information is not available where the location of the landfill is and how far it is from the nearest housing.
3. Evaluation of the results of training / socialization of SPO Management and storage of hazardous waste conducted on September 22, 2018 to 11 workers consisting of office clerk, afdeling clerk, warehouse clerk, and administrative clerk.
4. Circular letter about ban on burning of domestic waste from Ajamu Manager on December 26, 2018.
5. Identification list of waste generated by the plantation unit. In the document there are also procedures for waste management. Based on these documents, it was conveyed that the management of POME was carried out by collection and then applied to afdeling as liquid fertilizer. Please reconfirm how to manage the company's POME, because the company does not have a permit to use POME in plantation. Please also explain how management is related to runoff of liquid waste to environmental bodies in mill area.
6. Monitoring of waste sources that have the potential to pollute the environment in December 2018. The monitoring explained that the source of pollution for leakage of oil distribution pipelines and fat pit leaks is carried out to preventive maintenance of piping installations. Please explain / show what kind of preventive maintenance control of the piping installation and what about monitoring the condition of the fatpit area.
7. Photo of fat pit conditions. Please explain the actual condition of the fat pit after it has been repaired, because the POME pipeline at the time of the audit is different from the POME channel after repair.
8. Minutes of the socialization of the Environmental Monitoring and Management Plan on 20 September 2018.
9. Minutes of Management Review Meeting on 14 September 2018 which was attended by 36 participants. As for the discussion of the Management Review Meeting, among others: Audit results, Compliance Evaluation (Implementation of Environmental Monitoring and Management Plans), status of corrective and preventive actions, changes that affect SMM / SML and Suggestions for Improvement. The follow-up plan is to improve all audit findings by the 31 October 2018 deadline, socialize the implementation of the environmental management and monitoring plan by the 31 September 2018 deadline, make corrections and corrective actions and carry out further socialization related to the implementation of the RSPO by the 31 October 2018 deadline. However,

in the Minutes, not yet explained further about the implementation of environmental management and monitoring plans in Estate and Mill (what has been done / not done to avoid and reduce pollution). What is the evaluation of the follow-up plan (based on management review).

Verification 7 May 2019

The company shows evidence of improvements in the form of:

Ajamu:

- Minutes of the Management Review Meeting dated February 21, 2019 which explained the Audit Non-conformity Findings which included discussion of Problems, Action Plans, Responsibilities and Settlement Dates. However, it has not yet explained the implementation of management and monitoring plan in POM, for example runoff of liquid waste around the factory area (fat pit).
- Documentation of fat pit area. However, there was no information regarding to time of photo was taken. In addition, the photo shown is not visible. Please indicate the actual condition around the fatpit clearly.
- Fatpit area management program for 2019.
- Monitoring table / monitoring of fatpit area installation. However, it has not been shown the results of monitoring that has been done.
- List of identification of waste produced. The document explains that POME will be discharged to a wastewater treatment plant to be managed before being discharged into water bodies.
- Minutes of the socialization of hazardous waste management and domestic waste management on February 25, 2019 to 43 participants from all afdeling.
- Landfill location map in each location. But there is no information on how far the landfill is from the nearest housing

Meranti Paham

- Minutes of disposal of medical waste / waste from Ajamu Medical Post that are sent to the Pabatu Hospital (PT Prima Medica Nusantara) which is a subsidiary of PTPN IV. The medical waste will be sent on January 1 2019, January 17 2019, February 2 2019, March 16 2019.
- Identification of Hazardous waste generated by the Meranti Paham Estate.
- Permit for Hazardous Waste Management for Storage Activities in Meranti Paham Estate in accordance with the Decree of the Head of the Investment and Integrated Services of Labuhan Batu No. 503,660.3 / 240 / DPMPTSP-BP2MNP / 2019 dated April 23, 2019.
- Site map of location for each landfill in afdeling. However, no information is available on how far the landfill is from the nearest housing.

The Meranti Paham Unit also has not shown evidence of improvements including:

- No evidence of improvement has been shown on the auditor's response dated February 19, 2019 at point no. 6.7 above. For point no. 7, please be able to show routine monitoring of waste sources that have the potential to pollute the surrounding environment according to the corrective action taken

Based on the evidence of the corrections shown, Non-conformity is not yet Closed.

Verified by	: Rizliani Aprianita Hsb
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NCR No.	: 2018.19	Issued by	: Rizliani Aprianita Hsb
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Date Issued	: 7 September 2018	Time Limit	: 06 September 2019
NC Grade	: Major	Date of Closing	: 7 August 2019
Standard Ref. & Requirement	: 6.2.1 Communication and consultation procedures shall be documented		
Evidence observed (filled by auditor): <p>The Company (Ajamu Unit) has a record of recording the request for assistance contained in the logbook of the incoming mail. Based on the logbook, there is a request for assistance for the mosque on January 9, 2018 and requests for assistance for the construction of the school on February 17, 2018. However, the company has not been able to show a response from the letter.</p>			
Non-Conformance Description (filled by auditor): <p>This is not in accordance with the SOP of Communication and consultation with the community with No. SPO 03 which states that the handling of communication and consultation results is informed to the public no later than 3 months after the information is received by the manager.</p>			
Root Cause Analysis (filled by organization audited): <p>The PIC appointed in conducting communication and consultation with the community does not fully understand his job description.</p>			
Correction (filled by organization audited): <ul style="list-style-type: none"> • Providing understanding to PIC who conducts communication and consultation with the community about the duties and responsibilities that are given to them • Shows responses to a letter requesting assistance for the mosque on January 9, 2018 and a letter requesting assistance for school construction. 			
Corrective Action (filled by organization audited): <ul style="list-style-type: none"> • Appoint a PIC who is responsible for communicating and consulting with the community • Socialize the SPO Communication and Consultation with the Community, especially to PICs who have been appointed to communicate and consult with the community. • Double checking by Secretary and General and Security HR Assistant to ensure all communication and consultation have been responded before 3 months 			
Assessor Evaluation and Conclusion (filled by auditor): Verification 19 February 2019. <p>Companies that show evidence of improvement include:</p> <ol style="list-style-type: none"> 1. Decree No. AJA / S.Kep / 01 / VII / 2018 dated July 23, 2018 which appoints and regulates the Assistant General Human Resources and Ajamu Business security units as officers in charge of consultation and communication with the community. 2. Circular No. AJA / SE / 148A / XII / 2018 dated December 24, 2018 from the Manager who gave all forms of communication and consultation involving the community in written or oral form, must be response at least 3 months after being received by the company. 3. The minutes of communication and consultation socialization conducted on 29 September 2018 attended by 8 participants. 4. The company show an improvement consisting of a proposal file consisting of a Request for Assistance and the Community Development Survey Program Assistance Sheet. 5. External Communications Recap Document. 			

6. Please show the mechanism of "Double checks by the Secretary and Assistant of General HR for all communications and consultations have been responded to before 3 months in accordance with the corrective actions submitted.

Based on the explanation above, Non-conformity is not yet closed.

Verification 7 May 2019.

The company shows evidence of improvements in the form of:

Ajamu:

- Minutes of the Socialization of Internal Communication Procedures & Employee Complaints Handling on February 27, 2019 which was attended by 13 participants.
- Minutes of the Socialization of Job description understanding which conducted communication and consultation on February 26, 2019 to 7 participants.
- Document of Duties and Responsibilities of PIC / Officer responsible for Consultation & Communication with stakeholders on 25 February 2019.
- Evaluation of PIC / Officer responsible for consultation and communication with stakeholders on March 19, 2019.
- Evidence of responses and realization of requests for assistance (CSR) in the form of photos, receipts, attendance etc. for the construction of mosques and school assistance.

However, the company has not yet demonstrated "Double checks by the Secretary and Assistant of General HR to ensure all communications and consultations have been responded to before 3 months" in accordance with the corrective action submitted.

In addition, has the response to the request for assistance been noted in the communication logbook? Considering the evidence of improvement submitted earlier, namely the External Communication Recap Logbook Document has not loaded / recorded the letter along with its response.

Based on the explanation above, it was concluded that Non-conformity is not yet closed.


Verification 18 and 28 June 2019

The management unit shows the External Communication Recap Form (Double Inspection by the Secretary and Assistant of General HR). Direct explanation from management is required when major verification regarding the mechanism "Double checks by the Secretary and Assistant of General Human Resources to ensure all communications and consultations have been responded to before 3 months' and whether the response to the request for assistance above has been recorded in the communication logbook.

Major verification 7 August 2019

Based on interviews and document review with secretaries and general HR assistants, it can be concluded that the two personnel have been able to explain the double check mechanism for all communications and consultations that were responded to before 3 months. And the incoming application letter has been recorded entirely in the communication log book. Based on the description, then this Non-conformity is closed. The effectiveness of corrections and corrective actions will be seen in the next audit

Verified by	:	M. Rinaldi
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NCR No.	: 2018.20	Issued by	: Rizliani Aprianita			
Date Issued	: 07 September 2018	Time Limit	: Surveillance-01			
NC Grade	: Minor	Date of Closing	:			
Standard Ref. & Requirement	6.5.3 Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, where such public facilities are unavailable or inaccessible.					
Evidence observed (filled by auditor): The results of visits to housing in Afdeling 2 Ajamu Estate and Afdeling 1 and 2 Meranti Paham are known to have poorly maintained drainage and damaged homes, for example on the ceiling, floors, walls and toilets in the daycare. Furthermore, the company shows a letter of application from the Ajamu Estate workers for home repairs in 2016 and a letter requesting repairs to the landfill and the house of the Meranti Paham Estate on August 4, 2018. In addition, the management of the Meranti Paham Estate unit shows a record of budget in 2019 home improvement plans for Afdeling 1 and daycare Afdeling 2. And based on interviews with workers, it was conveyed that complaints if there was damage had been conveyed to the unit, but due to the length of realization of repairs so that the workers themselves repaired the damage themselves.						
						
Non-Conformance Description (filled by auditor): Based on the explanation above, there is not enough evidence that the company has attempted to provide adequate housing, referring to complaints submitted by workers.						
Root Cause Analysis (filled by organization audited): Drainage that are poorly maintained <ul style="list-style-type: none"> • Lack of care for employees about environmental cleanliness • There is no routine schedule for maintaining cleanliness of the housing environment • No official has been appointed to monitor the cleanliness of the housing environment The house is in a damaged condition and the company's efforts to provide adequate housing <ul style="list-style-type: none"> • Home improvement plans are still in the procurement process • Lack of understanding of PIC related to handling complaints, especially complaints about workers' welfare facilities 						
Correction (filled by organization audited):						

- Improving the drainage/sanitation of the residential environment
- Shows the progress of repairing damaged house employees
- Hold mutual cooperation cleaning the housing environment
- Provide understanding to general HR Assistants regarding complaints handling mechanisms, with a maximum response time of 3 months and the person in charge of the follow-up to complaints, namely the Estate Manager

Corrective Action *(filled by organization audited):*

- Make a routine schedule for maintaining environmental hygiene of the company
- Determine the officer responsible for monitoring the cleanliness of the housing environment
- Monitoring the condition of cleanliness of the housing environment
- Disseminating Internal *SPO Komunikasi Internal dan Penanganan Keluhan Karyawan*
- Respond in writing to all internal communications, even though the company does not/cannot yet fulfill requests from employees

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

Verification 13 February 2019

Ajamu

The management unit shows documentary evidence as follows:

- a. Decree No. AJA / MU / Kpts / 37 / X / 2018 dated October 1, 2018 establishes the Officer in charge (PIC) for Monitoring the Cleanliness of the Housing Environment in the Ajamu Estate.
- b. Routine Schedule for Cleanliness of the Ajamu Estate Housing in October - December 2018 in Afdeling I to V, emplacement A and B are scheduled once a month. In the information, the activities carried out include cleaning up drainage in every house, managing domestic waste, etc. From the schedule that was realized in October 2018 the cleanliness was carried out in the second week in emplacement A, the third week in Afdeling I and II, the fourth week in afdeling III to V and emplacement B.
- c. Monitoring the Environmental Hygiene of the Housing Unit Ajamu Afdeling I s.d V dated October 5, 2018. From the results of monitoring there are records, for example there is a ditch in a condition not flowing in each of the afdeling. The company has not shown evidence of the follow up from the results of monitoring conducted.
- d. Housing Environmental Cleanliness Monitoring Ajamu Afdeling I to V on November 2, 2018. From the results of monitoring the trenches in a flowing condition, clean house yard, management until it is not burned and discarded in the landfill.
- e. The minutes of internal communication socialization and handling of employee complaints on September 25, 2018, were attended by management and executive staff. In the minutes of matters discussed include internal communication mechanisms at PTPN IV, mechanisms for handling employee complaints in the estate. Minutes include attendance list. In the minutes related to the complaint handling mechanism there is no set deadline for responding to complaints and following up as stated in the correction above. Management explanation is needed and supplemented with other additional evidence.
- f. Report on the Results of Civil Engineering Work Inspection dated October 1, 2018 with the type of employee's home improvement work on behalf of Sutarno Afdeling I Kebun Ajamu on the date of 28-30 October 2018. The report is a follow-up to letter No. I / MU / 01 / I / 2016 dated January 12, 2016 concerning the rehabilitation of employees' homes. Please add proof that the complainant has received the response the company has made

Meranti Paham Estate

- a. Decree No. MEP / MU / Kots / IX / 2018 dated September 1, 2018 established the Officer in Charge (PIC) for Monitoring Environmental Housing in the Meranti Paham business unit.
- b. Routine Schedule for Clean Environment of Meranti Paham Housing in October - December 2018 in Afdeling I to VI and emplacement is scheduled once a month. In the information, the activities carried out include cleaning up drainage every house, managing domestic waste, etc. From the schedule that was realized in October 2018

the cleanliness was carried out in the first week in Afdeling I and II, the second week in Afdeling III and IV, the third week in Afdeling V and VI, the fourth week in the emplacement.

- c. Drainage cleaning in the routine schedule of the Meranti Paham Estate Housing Environmental Cleanliness in October - December 2018 in Afdeling I to VI and emplacement is scheduled once a month. From the schedule that was realized in October 2018 the cleanliness was carried out in the fourth week for Afdeling I to VI and emplacement.

Note: an explanation is needed from management regarding the documents shown in the file with the title Schedule for Housing Environmental Sanitation and Drain Cleaning, which of the 2 documents with the same contents but the realization of the different activities.

- d. Documentation of housing drainage / sanitation improvement activities. In the picture there is no location and time activity information, please complete.
- e. Decree of Meranti Paham Business Unit Manager No. MEP / MU / Kpts / 29 / VIII / 2018 dated August 1, 2018 concerning Special Officers Responsible for Conducting Communication Consultation with Communities relating to the RSPO Meranti Paham unit. This correction is not related with non-conformity.
- f. Monitoring the Environmental Hygiene Conditions in Meranti Paham Estate Housing quarter I to IV in 2018 for Afdeling I to VI. From the monitoring result known there are drainage problem in housing complex of Afdeling I, Afdeling IV. Follow-up from the results of monitoring conducted is not yet explain.
- g. The agenda of the P2K3 meeting on September 24, 2018 was one of the things discussed in the SPO socialization Internal communication and Complaints Handling of employees which was attended by MEP employees. In the minutes recorded, the socialization of the security of assistant to the security and there are still employees who have not received official clothing and the size is not appropriate. In the minutes there is no explanation related to the mechanism for handling complaints and setting deadlines for responses to complaints and follow-up as stated in the correction above. Management explanation is needed and supplemented with other additional evidence.
- h. Civil Engineering Work Inspection Result Report dated May 26, 2015 with the type of work for home improvement of employees at Afdeling III Meranti Paham Estate implementation date May 05-29, 2015. Evidence shown is irrelevant and does not address non-conformities, show evidence of follow-up to the application letter for landfill and home improvement Meranti Paham Estate on August 4, 2018.
- i. Request for Home Improvement on January 8, 2018 is accompanied by documentation of photos of damaged parts of the house starting from the top, terrace, and floor. A stamp was received on January 8, 2018 but it is not clearly written on the notes.
- j. Letter No. Afd II / MU / 04 / IX / 2018 dated September 10, 2018 regarding requests for making public toilets. Because there are still many houses in Afdeling II MEP that are not equipped with bathrooms. A stamp was received on September 14, 2018 and was forwarded to the engineering department. Show proof of follow-up on documents for point i and j as proof of implementation of the correction set by the company (complaint handling mechanism, with a maximum complaint response time of 3 months and the person responsible for following up on complaints namely the Manager of the Estate Unit)

Non-conformity No. 2018.20 is not yet closed

Verification 13 May 2019

The company shows evidence of improvements in the form of:

Ajamu

- Minutes of repair the drainage in Afdeling I-V Ajamu Estate on February 25, 2019 along with monitoring the environmental cleanliness of the Ajamu Business Unit housing.
- The unit has not responded and provided evidence of the auditor's comment on February 13, 2019 part f.

Meranti Paham

- Minutes of repair the drainage at Afdeling I-VI MEP Estate on 5 and 12 January 2019 along with photos of the implementation.
- Minutes of socialization of internal communication & complaints handling procedures on March 2, 2019 to 60 employees. Attendance and photos are also attached.
- Minutes of cleaning up / repairing the nutrition estate at Afdeling I & III on January 5, 2019 with photos of the condition of the nutrition estate after cleaning.
- The unit has not responded and provided evidence of the auditor's comment as of February 13, 2019 sections h, i, j above

Based on the explanation above, Non-conformity is not yet closed.

Verification 18 and 28 June 2019

Letter No. Afd II / MU / 04 / IX.2018 dated 10 September 2018 regarding the application for making public toilets made by the Afdeling Assistant and addressed to the MEP Manager.

Based on the evidence of improvement submitted, field verification is needed to ensure that the company has effort to provide adequate housing based on complaints submitted by workers. In addition, management's response is needed to the results of the previous verification team of auditors that can be submitted at the time of major verification.

Verified by	:	Rizliani Aprianita
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3.5.2 Opportunity for Improvement

No	Ref. Std.	Description
1	3.1.2	Open opportunities for company to synchronize director's letter no. 04.04 / X / 91 / VIII / 2018 dated August 13, 2018 with 2019 MEP TU.
2	4.3.3	Open opportunities for company to better monitor connecting road maintenance programs at your Business Unit according to the decision of the board of directors meeting on April 10, 2018 and 2018 RKAP which will be held in quarter IV / 2018.
3	4.4.1	Open opportunities for company to integrate water management planning documents.
4	4.4.2	Open opportunities for company to integrate documents related to the identification of wetlands.
5	4.4.3	Ensuring management and monitoring of wastewater is not exceed the threshold
6	6.1	Ensuring management plan and monitoring of social impacts and their Implementation
7	8.1.1	The company has the opportunity to improve empty bunch arrangement, sanitation of mill and work environment in a sustainable manner.

3.5.3 Noteworthy Positive Components

No	Description
1	Conduct feasibility studies for replanting every year.
2	Obtained ISO 9001 certification

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

Public Issues (Institution/ NGO/Community)	Auditor Verifications
Perkebunan Ajamu Village Head. <ul style="list-style-type: none"> Cooperation between the certification unit company and the village felt in good relationship and the company involved in many occasions Certification unit company allocate time and opportunities to the workers that part of the village organization structure to supporting the activities implemented by the village. All the villagers in the Perkebunan Ajamu village are company workers and their relatives/family from Ajamu estate and Meranti Paham estate. 	<ul style="list-style-type: none"> The Certification Unit stated that they will maintain the good relationship between villages nearby the company operations area Certification Unit ensure to allocate spare time to the workers that part of the village organization structure
Environmental Agency <ul style="list-style-type: none"> The company has environmental permits The company has submitted reports regarding the environment There is an issue of waste water pollution. The environmental agency has visited the Ajamu Unit to verify the waste water issue and has been followed up / corrected by the company. So, the issue has been resolved. There is also the issue of factory smoke pollution from the Ajamu POM. However, environmental agency has verified that there is no smoke pollution caused by factory activities due to the installation of chimneys in accordance with applicable regulations, namely the chimney has a height of 2-2.5 m from the surrounding buildings. Ajamu and Meranti Paham estate areas are not included in the peat restoration area. The company uses a ditch to drain waste water to the WWTP. This is permitted by the Environmental Agency. 	<ul style="list-style-type: none"> It has verified by auditor team, the company has reporting mandatory report such as RKL/RPL report every semester. Implementation of environmental management and monitoring has been explained in criteria 5.1.2 and 5.1.3.
Agriculture and Plantation Agency (District of Labuhan Batu) <ul style="list-style-type: none"> The company already has the documents of land rights in the form of concession and permits for business activities The company has not submitted a report on the Development of Plantation Business. There is no addition / expansion of the area in Ajamu and Meranti Paham. There is no information or complaints related to conflicts with the communities There are no environmental issues or business disruptions related to the company's operations. The company has adequate fire facilities and infrastructure. 	<ul style="list-style-type: none"> The company has had all plantation permit and has been complied all obligation reports. Implementation of environmental management and monitoring has been explained in criteria 5.1.2 and 5.1.3.
Manpower Agency of Sumatera Utara Province (Supervision Section) <ul style="list-style-type: none"> The company has routinely submitted mandatory reporting such as mandatory report on labor, occupational health and safety supervisors committee (P2K3), and work accident reports. There is no information or cases related to industrial relations or 	<ul style="list-style-type: none"> All obligation report by company has been verified by auditor team Auditor has verified related to employment and has been described in the criteria 6.5

Public Issues (Institution/ NGO/Community)	Auditor Verifications
<p>labor violations.</p> <ul style="list-style-type: none"> • P2K3 has been approved by the Manpower Agency • All employees have been included in the BPJS program • Providing wages to workers is in accordance with the applicable minimum wage. • The applicable work regulations are Collective Labor Agreements that have been approved by the Manpower Agency of Province. 	.
<p>Gender Committee</p> <ul style="list-style-type: none"> • There is no issues regarding to the gender and sexual harrassment, since no report submitted to the committee • The complaint procedure and policy has been socialized to the female workers during informal meeting and event. 	<p>All comments given indicates positive response of company operational activities towards local, national and ratified international laws and regulations aspect related to women rights.</p>
<p>Worker Union</p> <ul style="list-style-type: none"> • Worker union has been registered to Manpower Agency • There is an agreement about minimum wage between worker union and management of PTPN IV • PPE is provided by company • Company provides work and health insurance for all workers • There are no workers issues in the company, for example related to the use of child labor, workers harassment issues, or discrimination 	<p>Auditor has verified the compliance on P&C of RSPO worker welfare and OHS aspect (Indicator 4.7.3; 4.7.6; 6.5.1; Criteria 6.6; 6.7; 6.8)</p>
<p>Local Contractor</p> <p>The company has collaborated with local contractor. Until now there are no negative issues or problems related to collaborate including payments.</p>	<p>No negative issues or problems related to collaborate including payments. The company has carried out the RSPO standard.</p>

4.0 CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY**4.1 Formal Sign-off of Assessment Findings**

Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.

Signed on behalf of:

PT Perkebunan Nusantara IV (Persero)
Head of Planning Department

Mutuagung Lestari
Lead Auditor



Khayamuddin Panjaitan
Wednesday, 07 August 2019



Octo HPN Nainggolan
Wednesday, 07 August 2019

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.	Environment Agency	District of Labuhan Batu	-	Interview	September 5 th 2018	√	
2.	Manpower and Industrial Agency,	District of Labuhan Batu	-	Interview	September 5 th 2018	√	
3	Agriculture and Plantation Agency	District of Labuhan Batu	-	Interview	September 5 th 2018	√	
4	National Land Agency	District of Labuhan Batu	-	Interview	September 5 th 2018		√
5	Perkebunan Ajamu Village Head	District of Labuhan Batu	-	Interview	September 5 th 2018	√	
6	Labor Union	District of Labuhan Batu	-	Interview	September 5 th 2018	√	
7	Local Contractor	District of Labuhan Batu	-	Interview	September 5 th 2018	√	
8	Gender Committee	District of Labuhan Batu	-	Interview	September 5 th 2018	√	
9	Meranti Paham Estate • 1 warehouse officer • 2 fertilizer warehouse officers • 1 paramedic • 3 residential residents	District of Labuhan Batu	-	Interview	September 6 th 2018	√	
10	Ajamu POM • 2 WWTP officer • 1 WTP officer • 2 warehouse officer	District of Labuhan Batu	-	Interview	September 4 th 2018	√	
11	WALHI	Jakarta	informasi@walhi.or.id	Email	31 st August 2018		√
12	WWF	Jakarta	wwf-indonesia@wwf.or.id	Email	31 st August 2018		√
13	AMAN	Jakarta	rumahaman.cb.n.net.id	Email	31 st August 2018		√
14	Sawit Watch	Jakarta	info@sawitwatch.or.id	Email	31 st August 2018		√

Appendix 2. Assessment Program

Date	3 to 7 September 2018	
Time Allocation	Clause Audited	AUDITOR
Monday, 3 September 2018		
06.00 - 08.30	JAKARTA → MEDAN	• ON / SL / RA
09.00 - 18.00	MEDAN → RANTAU PARAPAT → PTPN-IV (AJAMU)	• ON / SL / RA
Tuesday, 4 September 2018		
08.00 - 08.30	OPENING MEETING (Auditor team introduction, Audit goal explanation and briefing, etc)	• ON / SL / RA
08.30 - 12.00	Document review: Basic Information, P&C Verification, Time Bound Plan Verification, Partial Certification.	• ON / SL / RA
12.00 - 14.00	BREAK	
14.00 - 17.00	• Field observation (AJAMU POM) Wastewater Treatment Plant, Safety aspect in processing activities, Supply Chain, Schedule waste management, processing activities.	• ON / SL / RA
Wednesday, 5 September 2018		
07.00 - 12.00	Stakeholder Consultation: • Government Institution (Labuhanbatu District and Local NGO)	• RA
08.00 - 12.00	Field Observation (AJAMU estate): • Best Agriculture Practice (Peat Management, Replanting, Harvesting, Chemical spraying, Manuring, Pest and disease control) • Worker welfare (payment, complaint mechanism, health and safety aspect, child labour, etc) • Hazardous material and schedule waste management • Legal operation boundary and conservation area • Worker facilities (housing complex, health facility, clean water facility, etc..) • Land fire facilities, storage, etc..	• ON • SL • SL • ON • SL • SL
12.00 - 14.00	BREAK	
14.00 - 17.00	Stakeholder consultation: • Local villages (Perkebunan Ajamu, Meranti Paham, Sungai Sentosa), community leader • Interview with worker union, local contractor and gender committee.	• ON / SL • RA
14.00 - 17.00	Document review: P&C Standard	• ON / SL / RA
Thursday, 6 September 2018		
07.00 - 12.00	Field Observation (MERANTI PAHAM estate): • Best Agriculture Practice (Peat Management, Replanting, Harvesting, Chemical spraying, Manuring, Pest and disease control)	• SL • RA

Date	3 to 7 September 2018	
Time Allocation	Clause Audited	AUDITOR
	<ul style="list-style-type: none"> Worker welfare (payment, complaint mechanism, health and safety aspect, child labour, etc) Hazardous material and schedule waste management Legal operation boundary and conservation area Worker facilities (housing complex, health facility, clean water facility, etc..) Land fire facilities, storage, etc.. 	<ul style="list-style-type: none"> • RA • ON • RA • RA
11.30 - 13.30	BREAK	
14.00 – 17.00	<ul style="list-style-type: none"> • Continue Document review • Field observation clarification of issue to Meranti Paham estate 	<ul style="list-style-type: none"> • RA • ON / SL
Friday, 7 September 2018		
07.30 - 11.30	<ul style="list-style-type: none"> • Continue Document review • Field observation clarification of issue to Ajamu estate 	• ON / SL / RA
11.30 - 13.30	BREAK	
13.30 – 15.00	• Auditor team Internal Discussion	• ON / SL / RA
15.00 - 16.00	• Preparation of audit conclusions	• ON / SL / RA
16.00 – 18.00	• CLOSING MEETING	• ON / SL / RA
19.00 – 21.00	• PTPN IV (Unit Ajamu) → RANTAU PARAPAT	• ON / SL / RA
23.00 – 05.00	• RANTAU PARAPAT → MEDAN	• ON / SL / RA