

*Roundtable on Sustainable Palm Oil Certification
RSPO*

[✓] Surveillance 2

Name of Management Organisation : Bah Jambi Palm Oil Mill subsidiary of PT Perkebunan Nusantara IV
 Plantation Name : Bah Jambi Estate, Marihat Estate & Marjandi Estate
 Location : Bah Jambi I Village, Jawa Maraja Sub-District, Simalungun District, Sumatera Utara Province, Indonesia
 Certificate Code : MUTU-RSPO/109
 Date of Certificate Issue : 23 February 2018 Date of License Issue : 01 March 2020
 Date of Certificate Expiry : 22 February 2023 Date of License Expiry : 22 February 2021

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ASA-2	11 to 16 November 2019	Sandra Purba (Lead Auditor), Rizliani Aprianita Hsb, Afiffuddin, Briyogi Shadiwa, Johannes P (observer)	Octo HPN Nainggolan	Ardiansyah

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-2	20 February 2020

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Figure 1. Location Map of Bah Jambi POM

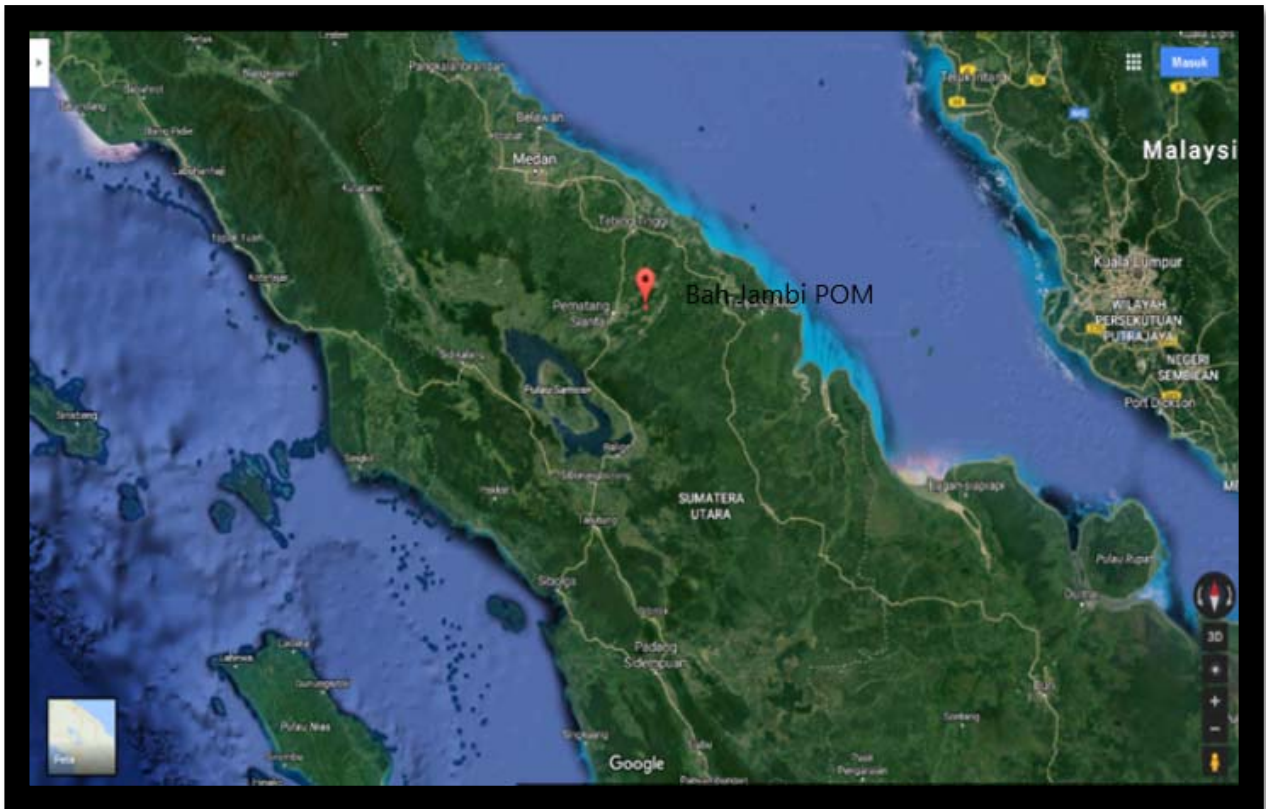


Figure 2. Operational Map of PTPN IV - Bah Jambi Estate

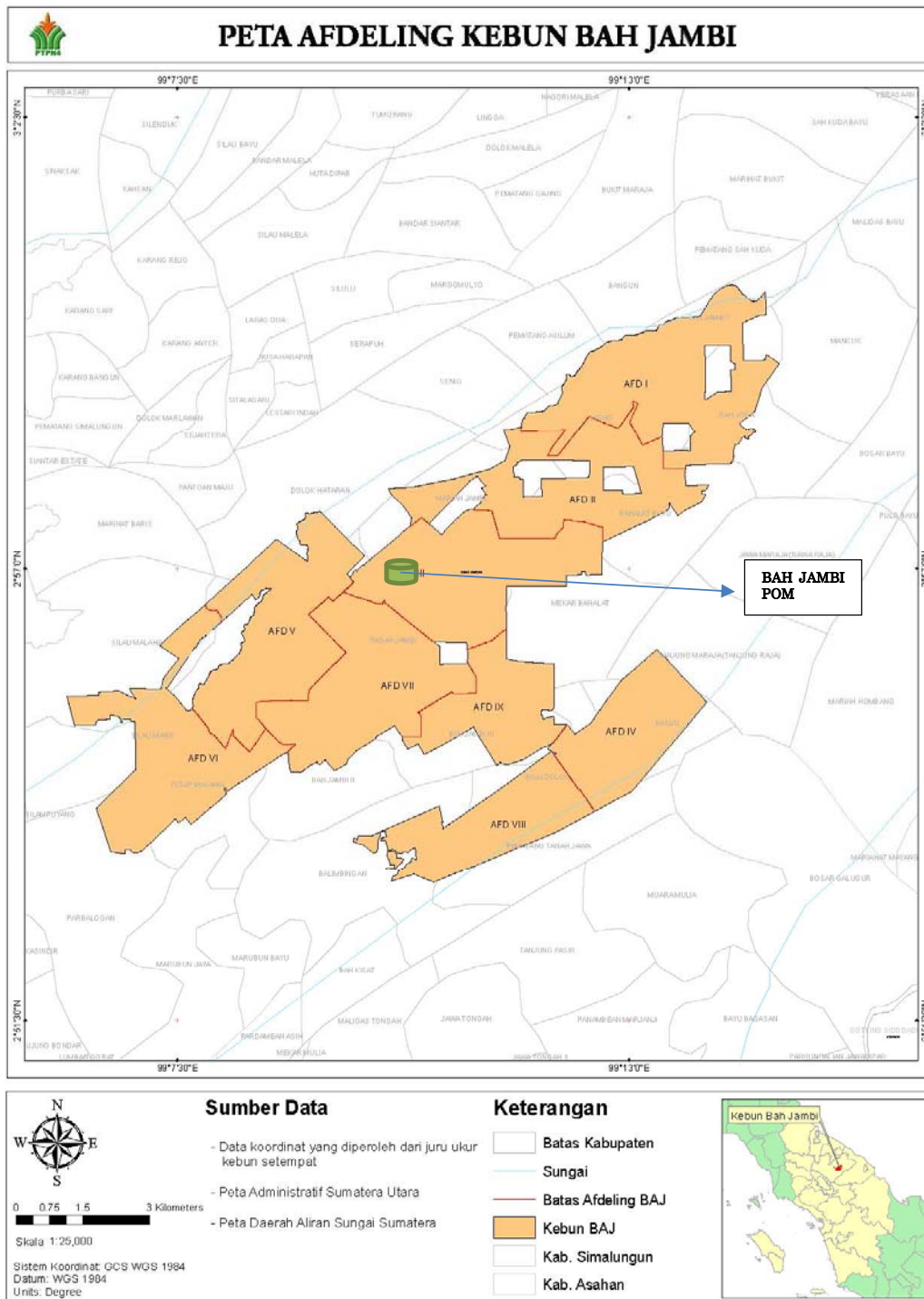


Figure 3. Operational Map of PTPN IV - Marihat Estate

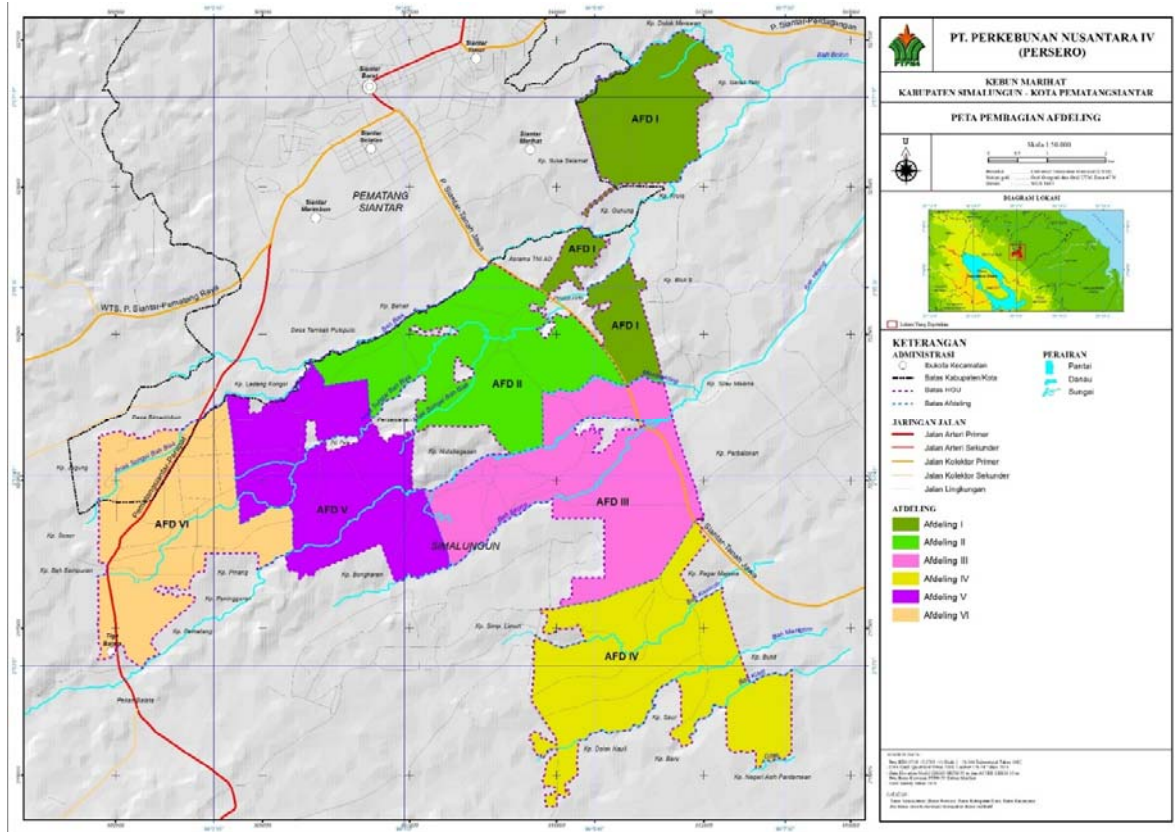
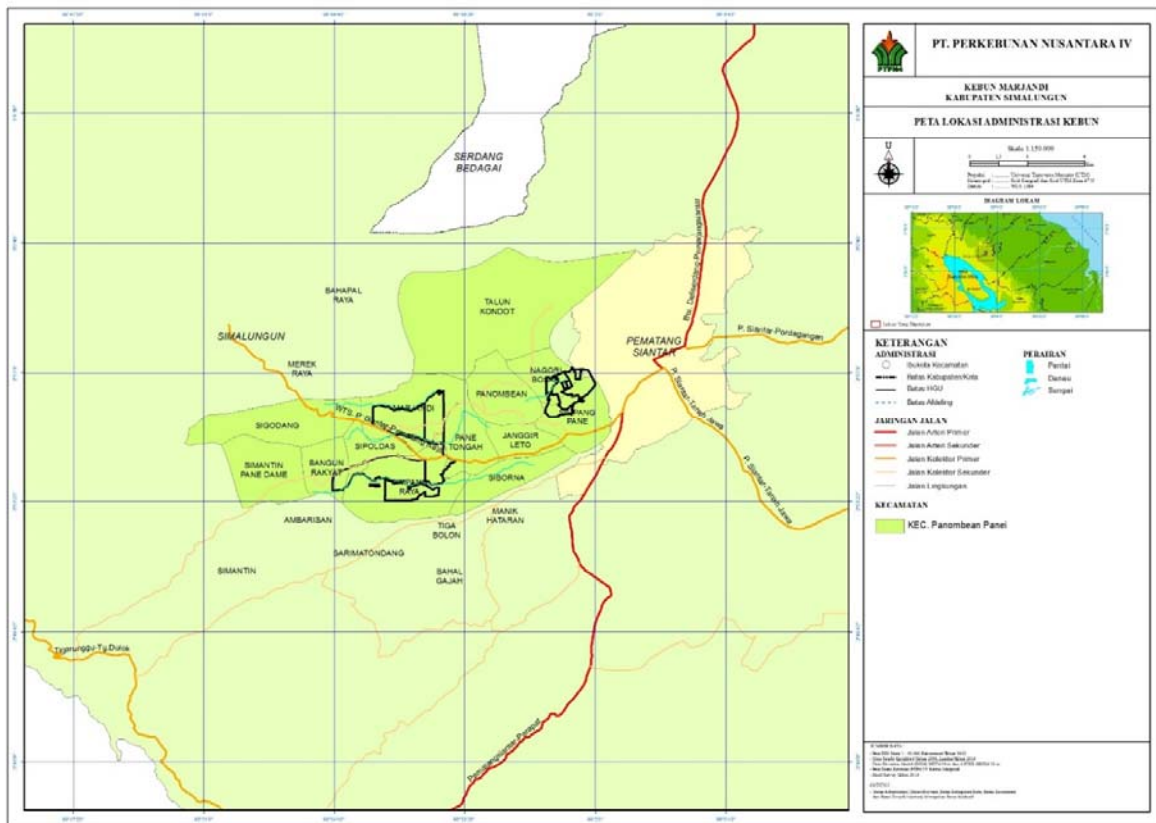


Figure 4. Operational Map of PTPN IV - Marjandi Estate



Abbreviations Used

APAR	:	Alat Pemadam Api Ringan
ASA	:	Annual Surveillance Assessment
BOD	:	Biological Oxygen Demand
BPJS	:	<i>Badan Penyelenggara Jaminan Sosial</i> (Social Insurance)
BPN	:	<i>Badan Pertanahan Nasional</i> (National Land Agency)
CH	:	Certificate Holder
CPO	:	Crude Palm Oil
CSR	:	Corporate Social Responsibility
EFB	:	Empty Fruit Bunch
EWS	:	Early Warning System
FFA	:	Free Fatty Acid
FFB	:	Fresh Fruit Bunch
GHG	:	Green House Gas
GPS	:	Global Positioning System
GUU	:	<i>Group Unit Usaha</i> (Business Unit Group)
HCV	:	High Conservation Value
HGU	:	<i>Hak Guna Usaha</i> (Land Use Permit)
HIRAC	:	Hazard Identification Risk Assessment and Control
HR	:	Human Resources
IOPRI	:	Indonesian Oil Palm Research Institute
IPM	:	Integrated Pest Management
ISO	:	International Organization for Standardization
ISPO	:	Indonesian Sustainable Palm Oil
KKN	:	<i>Korupsi Kolusi Nepotisme</i> (Corruption, Collusion, and Nepotism).
MSDS	:	Material Safety Data Sheet
NGO	:	Non-Government Organization
OER	:	Oil Extraction Rate
OFI	:	Opportunity For Improvement
OHS	:	Occupational Health and Safety
OSS	:	Online Single Submission
Permenkes	:	<i>Peraturan Menteri Kesehatan</i>
PIC	:	Person In Charge
PK	:	Palm Kernel
POM	:	Palm Oil Mill
PKO	:	Palm Kernel Oil
POM	:	Palm Oil Mill
POME	:	Palm Oil Mill Effluent
PP	:	<i>Peraturan Pemerintah</i> (Government Regulation)
PPE	:	Personal Protection Equipment
PPKS	:	<i>Pusat Penelitian Kelapa Sawit</i> (oil palm research center)
PTPN	:	<i>Perseroan Terbatas Perkebunan Nusantara</i>
P2K3	:	<i>Panitia Pembina Kesehatan keselamatan Kerja</i>
RKAP	:	<i>Rencana Kerja dan Anggaran Perusahaan</i> (Work Plan and Corporate Budget)
RKL/RPL	:	<i>Rencana Kelola Lingkungan/ Rencana Pemantauan Lingkungan</i> (Environmental Management and Monitoring Plan)

RSPO	:	Roundtable On Sustainable Palm Oil
SIA	:	Social Impact Assessment
SOP	:	Standard Operational Procedures
WHO	:	World Health Organization
WTP	:	Water Treatment Plant
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 Principles and Criteria 2013 by INA-NITF (Indonesian National Interpretation Task Force) July 2016, endorsed by the RSPO Board of Governor 30th September 2016. • RSPO Certification Systems for Principles & Criteria June 2017. Endorsed by the RSPO Board of Governors on 14th of June 2017 • The RSPO Supply Chain Certification Standard for Organization seeking or holding certification adopted by the RSPO Board of Governors on 21 November 2014 (Revised on 14 June 2017). 	
1.2	Organisation Information		
1.2.1	Organization name listed in the certificate	PT Perkebunan Nusantara IV (PERSERO)	
1.2.2	Contact person	Khayamuddin Panjaitan	
1.2.3	Organisation address and site address	RSPO Registered Company: Jalan Letjen Suprpto No. 2, Post Code 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: Bah Jambi Estate, Marihat Estate and Marjandi 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
	Bah Jambi	Bah Jambi I Village, Jawa Maraja Sub District, Simalungun District, Sumatera Utara Province, Indonesia	N 02° 59' 18" E 99° 13' 13"
1.4.2	Location of Certification Scope of Supply Base		
	Name of Supply Base	Location	Coordinate
			Latitude Longitude
	Bah Jambi Estate	Bah Jambi I Village, Jawa Maraja Sub District, Simalungun District, Sumatera Utara Province, Indonesia	N 02° 59' 12" E 99° 13' 11"
	Marihat Estate	Silampuyang Village, Siantar Sub District, Simalungun District, Sumatera Utara Province, Indonesia	N 02° 54' 54" E 99° 04' 48"

	Marjandi Estate	Marjandi Village, Panombeian Panei Sub District, Simalungun District, Sumatera Utara Province, Indonesia	N 02° 55' 30"	E 98° 57' 17"		
1.5	Description of Area Statement					
1.5.1	Tenure					
	• State (according to the land title)		13,879.99	Ha		
	• Community		-	Ha		
	<p><i>According to certification scope in criteria 2.2.1: Each certified unit has had land title and plantation permit as follow:</i></p> <ol style="list-style-type: none"> <i>Bah Jambi has had two land title certificate with total concession is 5,401.23 Ha.</i> <i>Marihat has had land title certificate with total concession is 4,413.66 Ha.</i> <i>Marjandi has had three land title certificate with total concession is 1,891.70 Ha.</i> <p><i>Besides that, each unit also managed another land concession of other unit under PTPN 4 as follow:</i></p> <ol style="list-style-type: none"> <i>Bah Jambi managed 2,173.40 Ha land title of Dolok Sinumbah.</i> 					
1.5.2	Area Statement					
		Bah Jambi	Marihat	Marjandi	Total	Ha
	• Total area certification scope	7,391.63	4,370.66	1,891.70	13,653.99	Ha
	• Mature area	4,473.00	3,704.50	1,832.00	10,009.50	Ha
	• Immature area	1,779.00	468.00	-	2,247.00	Ha
	• Replanting plan	279.00	131.00	-	410.00	Ha
	• Emplacement/infrastructure/mill	607.73	59.94	32.73	700.40	Ha
	• Unplantable area					
	- Reserved area	105.77	-	-	105.77	Ha
	• Nursery	31.00	-	-	31.00	Ha
	• Occupation	12.00	-	-	12.00	Ha
	• High Conservation Area	<i>*735.03</i>	<i>*99.85</i>	26.97	138.32	Ha
	<p><i>Source: Hectare statement as per April 2019</i></p> <ul style="list-style-type: none"> <i>Area of 183 Ha from HGU of Bah Jambi and 43 Ha from HGU of Marihat Estate are excluded from scope (research area of PPKS).</i> <i>*Total HCV area in Bah Jambi is 735.03 Ha, consist of 42.00 Ha forested area, 62.13 Ha slope area and 630.90 Ha riparian zone. Riparian zone included in planted area.</i> <i>*Total HCV area in Marihat is 99.85 Ha, consist of 4.05 Ha cemetery and riparian of reservoir, 3.17 ha forest area, and 92.63 Ha riparian zone. Riparian zone included planted area.</i> 					
1.6	Planting Year and Cycles					
1.6.1	Age profile of planting year					
	Planting Year	Hectare (Ha)				
		Bah Jambi	Marihat	Marjandi	Total	
	Mature Area					
	2015	923	-	-	923	
	2011	70.00	107.00	25.00	202.00	
	2010	238.00	355.50	-	593.50	
	2009	383.00	7.00	-	390.00	
	2008	301.00	-	-	301.00	

2007	280.00	480.00	-	760.00			
2006	323.00	-	28.00	351.00			
2005	179.00	332.00	1,476.00	1,987.00			
2004	226.00	384.00	25.00	635.00			
2003	240.00	-	-	240.00			
2001	-	145.00	-	145.00			
2000	280.00	24.00	-	304.00			
1999	149.00	530.00	-	679.00			
1998	-	166.00	-	166.00			
1997	213.00	-	-	213.00			
1996	245.00	170.00	-	415.00			
1995	303.00	172.00	278.00	753.00			
1994	120.00	118.00	-	238.00			
1993	-	175.00	-	175.00			
1992	-	40.00	-	40.00			
1991	-	243.00	-	243.00			
1987	-	256.00	-	256.00			
Sub Total	4,473.00	3,704.50	1,832.00	10,009.50			
Immature Area							
2018	607.00	-	-	607.00			
2017	438.00	253.00	-	691.00			
2016	734.00	215.00	-	949.00			
1987* (Replanting)	-	131.00	-	131.00			
1993* (Replanting)	230.00	-	-	230.00			
1994* (Replanting)	49.00	-	-	49.00			
Sub Total	2,058.00	599.00	0.00	2,657.00			
TOTAL	6,531.00	4,303.50	1,832.00	12,666.50			
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 (tons/ hour)	FFB Processed (tonnes/year)	CPO	Palm Kernel		
				Out put (tons)	Extraction (%)	Out put (tons)	Extraction (%)
	Bah Jambi	60	227,196.64	55,383.82	18.75	9,410.32	4.14
	*Production data source from November 2018 to October 2019						
	*The discrepancies of FFB supplied and processed are due to unripe FFB from previous day amount of 99.19 MT.						

1.7.2	Description of Certification Scope of Supply Base						
	Name of Estate	Total Area (Ha)	Planted Area (Ha)	FFB (tons/year)	Yield (tons/ha/year)	Supplied to Mill	
FFB (tons/year)						%	
	Bah Jambi	7,391.63	6,531.00	91,039.85	13.94	91,039.85	100
	Marihat	4,370.66	4,303.50	79,081.28	18.38	79,081.28	100
	Marjandi	1,891.70	1,832.00	45,897.46	25.05	704.35	1.5
	TOTAL	13,653.99	12,666.50	216,018.59	17.05	170,825.48	79.08
	<i>*Production data source from November 2018 to October 2019</i> <i>*Majority of FFB from Marjandi are delivered to another certified Mill under PTPN IV (Pabatu POM)</i>						
1.7.3	FFB description from other source						
	Name of sources/Organisation (RSPO certified / non-certified)	Type of Organisation	Number of smallholders	Production Area (Ha)	Supplied to Mill		
FFB (tons/year)							
	Balimbingan - Certified	PTPN IV	-	3,981.94	2,821.36		
	Tonduhan – Non Certified	PTPN IV	-	2,457.86	37,430.87		
	Marjandi (Non HGU 30 Ha) – Non Certified	PTPN IV	-	30.00	5,931.76		
	Dolok Sinumbah - Certified	PTPN IV	-	2,773.00	304.49		
	Bah Birong Ulu – Non Certified	PTPN IV	-	2,175.40	7,385.60		
	Sei Kopas – Non Certified	PTPN IV	-	6,934.72	2,397.89		
	TOTAL					56,271.97	
	<i>*Production data source from November 2018 to October 2019</i>						
1.7.4	Product categories			FFB, CPO, PK			
1.8	Tonnage of Product						
1.8.1	Past Annual Claim Certified Product		Previous Certificate Claim (tonnes/year)		Actual certified product November 2018 to October 2019 (tonnes/year)		
	• FFB Production		236,103		173,951.33		
	• CPO Production		49,582		42,603.83		
	• Palm Kernel (PK) Production		10,625		7,278.86		
1.8.2	Product selling						
	Tonnage of selling product		Period of actual selling product November 2018 to October 2019				
	• CSPO sold as RSPO certified product		10,500 MT				
	• CSPK sold as RSPO certified product		7,067.83 MT				
	• CSPO sold under other scheme		0				
	• CSPK sold under other scheme		0				
	• CSPO sold as conventional		29,333.48				
	• CSPK sold as conventional		0				
1.8.3	Estimate of Certified FFB Claim						

Name of Estate(s)	Total Area (Ha)	Planted Area (Ha)	FFB (tons/year)	Yield (tons/ha/year)
Bah Jambi	7,391.63	6,531.00	97,965	18.00
Marihat	4,370.66	4,303.50	81,766	19.00
Marjandi	1,891.70	1,832.00	47,669	26.00
TOTAL	13,653.99	12,666.50	227,400	17.94

**Estimated production for 23 February 2020 to 22 February 2021*

1.8.4 Estimate of Certified Palm Product Claim

Name of Mill	Capacity (tons/ hour)	FFB Processed (tons/year)	CPO		Palm Kernel		Supply Chain Module
			Out put (tons)	Extraction (%)	Out put (tons)	Extraction (%)	
Bah Jambi	60	227,400	45,500	20.00	11,400	5.00	MB

**Estimated palm product for 23 February 2020 to 22 February 2021*

1.9 Other Certifications

ISO 9001:2008	Each estate has had ISO 9001:2015 certificate as follows: <ul style="list-style-type: none"> Bah Jambi (certificate number 16 00 L 17224) since 5 December 2017. Marihat (certificate number 16 00 J 17152) since 31 October 2017. Marjandi (certificate number 16 00 J 17151) since 31 October 2017.
ISO 14001: 2004	Bah Jambi POM has had ISO 14000:2004 certificate (certificate number 08 04 L 17070) since 5 December 2017
ISPO	Each estate has had ISPO certificate as follows: <ul style="list-style-type: none"> Bah Jambi (certificate number TNI – ISPO – D - 1704) since 4 April 2017 Marihat (certificate number MUTU-ISPO/146) since 5 December 2018. Marjandi (certificate number MUTU – ISPO/163) since 22 March 2019.

1.10 Time Bound Plan

1.10.1 Time Bound Plan for Other Management Units

Management Unit		Estate (Supply Base)	Time Bound	Location	Status
POM	Time Bound				
Pabatu	2015	Pabatu	2015	Serdang Bedagai, Sumatera Utara	Certified on September 2015
Dolok Ilir	2015	Dolok Ilir	2015	Simalungun, Sumatera Utara	Certified on September 2015
		Laras	2018	Simalungun, Sumatera Utara	Certified on December 2018
Pulu Raja	2015	Pulu Raja	2015	Asahan, Sumatera Utara	Certified on August 2015
Adolina	2018	Adolina	2018	Serdang Bedagai dan Deli Serdang, Sumatera Utara	Certified on April 2018

Bah Jambi	2018	Bah Jambi	2018	Simalungun, Sumatera Utara	Certified February 2018
		Marihat	2018	Simalungun, Sumatera Utara	Certified February 2018
		Bah Birung Ulu	2021	Simalungun, Sumatera Utara	Stage-1 Audit
		Marjandi	2019	Simalungun, Sumatera Utara	Certified on 20 may 2019 (1,802.0 Ha)
			2021	Simalungun, Sumatera Utara	Out of scope Certification 2 nd Stage Audit (30.0 Ha)
Dolok Sinumbah	2018	Dolok Sinumbah	2018	Simalungun, Sumatera Utara	Certified on April 2018 (3,757.0 Ha)
			2021	Simalungun, Sumatera Utara	Out of scope Certification 2 nd Stage Audit (35.94 Ha)
		Balimbingan	2018	Simalungun, Sumatera Utara	Certified on April 2018
Mayang	2018	Mayang	2019	Simalungun, Sumatera Utara	Certified on March 2019
		Bukit Lima	2021	Simalungun, Sumatera Utara	Preparation
Gunung Bayu	2019	Gunung Bayu	2019	Simalungun, Sumatera Utara	Stage-2 Audit
		Tanah Itam Ulu	2019	Simalungun, Sumatera Utara	Stage-2 Audit
Tinjowan	2019	Tinjowan	2019	Simalungun, Sumatera Utara	Certified on March 2019
		Aek Nauli	2019	Simalungun, Sumatera Utara	Certified on March 2019
		Padang Matinggi	2019	Simalungun, Sumatera Utara	Certified on March 2019
Air Batu	2018	Air Batu	2019	Asahan, Sumatera Utara	Stage-2 Audit (6,770.0 Ha)
		Air Batu	2021	Asahan, Sumatera Utara	Out of scope Certification 2 nd Stage Audit (459.02 Ha)
Berangir	2018	Berangir	2018	Labuhan Batu Utara, Sumatera Utara	Certified on July 2018
		Berangir	2021	Labuhan Batu Utara, Sumatera Utara	Out of scope Certification 2 nd Stage Audit (10.0 Ha)
Sawit Langkat	2018	Sawit Langkat	2018	Langkat, Sumatera Utara	Certified on June 2018
		Sawit Langkat	2021	Langkat, Sumatera Utara	Out of scope Certification 2 nd Stage Audit (301.50 Ha)
Pasir Mandoge	2019	Pasir Mandoge	2019	Asahan, Sumatera Utara	Stage-2 Audit
		Sei Kopas	2019	Asahan, Sumatera Utara	Stage-2 Audit

		Tonduhan	2019	Simalungun, Sumatera Utara	Stage-2 Audit
Timur	2021	Timur	2021	Mandailing Natal, Sumatera Utara	Preparation
		Balap	2021	Mandailing Natal, Sumatera Utara	Preparation
Ajamu	2021	Ajamu	2021	Labuhan Batu Utara, Sumatera Utara	Stage-2 Audit
		Meranti Paham	2021	Labuhan Batu Utara, Sumatera Utara	Stage-2 Audit
		Panai Jaya	2021	Labuhan Batu Utara, Sumatera Utara	Preparation
Sosa	2021	Sosa	2021	Padang Lawas, Sumatera Utara	Preparation
PT Agro Sinergi Nusantara		PT Agro Sinergi Nusantara	2021	Aceh Barat, Aceh	Preparation
PT Sinergi Perkebunan Nusantara		PT Sinergi Perkebunan Nusantara	2021	Morowali Utara, Sulawesi	Preparation
1.10.2	Progress of Associated Smallholders and Outgrowers for Certifiable Standard				
	PTPN IV- Bah Jambi POM does not have scheme smallholders.				

2.0	ASSESSMENT PROCESS
2.1	Assessment Team
ASA-2	<ol style="list-style-type: none"> Sandra Purba (Lead Auditor). Graduated from Forestry Faculty Bachelor Degree, majored in Forest Product Technology. Have experience working in industrial forest company, mining and oil palm plantations company for 6 (six) years as EHS and Sustainability Assistant. Has been certified as General OHS Expert, attend and passed the several trainings of management system (OHS, environment and quality management), has been attend the training of waste management, GHG verifier and validator training, and conflict resolution and mapping training. Have been successfully passed the Indonesian Sustainable Palm Oil (ISPO) Lead Auditor training course, RSPO lead auditor training course and auditor of RSPO Next, SCCS LAT and SA8000. Involve in many audit activities of similar scheme (ISPO and MSPO) since April 2013 covering the Legal Aspect, Environmental aspect, Social Aspect, Health and Safety Aspect, conservation and Worker Welfare. On this audit, she assigned to verify social aspect and RSPO Supply Chain. Rizliani Aprianita (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, ISPO Auditor training 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 HCV, environment and GHG. Briyogi Shadiwa (Auditor). Indonesian citizens. Diploma 3 of Oil Palm Plantation. He has 7 years working experience since 2009 as Agronomy Assistant and Agronomy Quality Control in several private oil palm plantation companies in Indonesia. The training has been followed include: ISPO Auditor Training by LPP, RSPO Lead Auditor Course by Checkmark Training, Lead auditor ISO 9001: 2015, Awareness SMK3, Lead Auditor ISO 14001: 2015, Awareness OHSAS 18001: 2007 and OHS Expert. During this audit, he assigned to verify OHS and worker welfare. Afiffuddin (Auditor Trainee). Indonesian citizen, Diploma III majoring Palm Oil Plantation, Bogor Agricultural University. Five years working experience since 2010 at Oil Palm Plantation Company in Indonesia as agronomy operational staff and followed several trainings namely: Basic Plantation Management Program, Auditor Training Indonesian Sustainable Palm Oil (ISPO), Training of RSPO lead auditor, OHS General Expert, OHS System Management based on PP 50 2012 and Management System Certification (ISO 9001-2015/SNI 19011-9001:2015) ISO 17021, ISO 17065, SA 8000 training. He has been involved in several audit activities related to sustainable palm oil certification since 2016 covering Best Management Practices aspect, health and safety aspect and worker welfare aspect. During this audit, He is under supervised of lead auditor in assess the land legality, BMP Agronomy and long term budget Johannes Kapri Pandiangan (observer). Bachelor of Agriculture Department of Social Economics of Agriculture, Faculty of Agriculture. Has 7 years' experience working as operational staff of one of the leading private oil palm plantation companies in Indonesia.
2.2	Assessment Methodology, Assessment Process and Locations of Assessment
2.2.1	Figure of person days to implement assessment
ASA-2	<p>Number of auditors : 3 auditors 1 auditor trainee Number of days for ASA-2 at site : 4 days Number of working days for ASA-2 at site : 16 Working days</p>
2.2.2	Assessment Process
ASA-2	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT Perkebunan Nusantara IV to the requirements of Indonesian National Interpretation of RSPO Principles and Criteria 2013, endorsed September 2016 and Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014, Revised June 2017 (Module D/E for CPO Mill).</p> <p>The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) <i>interview</i>, aiming to obtain more detailed information and cross check the</p>

information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site.

Some opportunities for improvement of the results **ASA-2** delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase **ASA-3**.

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

The assessment program please find Appendix 2

2.2.3	Locations of Assessment
ASA-2	<p>Bah Jambi Estate</p> <ul style="list-style-type: none"> • HCV 3, Brombos Forest, Div 3. Observation related to HCV management • Riparian area of Bahilang, Div VI. Observation related to HCV management • HGU pole no. BPN 127, block of 94G, Div 6. Observation to HGU boundaries • HGU pole no. BPN 229B, block of 99K, Div 8. Observation to HGU boundaries • HGU pole no. BPN 229F, block of 99K, Div 8. Observation to HGU boundaries • Material storage. Observation related material storage including PPE stock. • Chemical storage. Observation and interviews related to chemical and pesticide storage area, hazardous waste management, employment, and OHS implementation • Hazardous Waste warehouse. Observations and interviews related to the mechanism for hazardous waste management and OHS implementation. • Polyclinic. Observation and interview with paramedic about first aid mechanism, medical waste management and work accident record monitoring. • Fertilizer storage. Observation and interviews related to waste management, OHS implementation and employment. • Fuel Storage. Observation of fire handling and response. • Housing complex (Div. VIII). Observation of the availability of infrastructure such as employee housing facilities, water facilities, educational facilities, religious facilities, health facilities and sports facilities. • Landfill blok O3J Div. VIII. Observations related waste management. • PPE storage and Rinse House Div. VIII. Observation and interview regarding to implementation of OHS aspect, environment aspect and waste management aspect. • Mixing Place. Observations and interviews related to chemical management and handling of chemical spills. • Manual Weeding, Block 16T Div. 5. Interview with 4 workers related to manual weeding procedure, safe technical work, hazardous waste management, PPE, extra fooding, health checks, wages, BPJS, grievance mechanism, women's work rights and workers' welfare facilities. • Riparian zone Bah Bolon River, Block 15E Div. 1. Observation related to riparian zone of Bah Bolon River. • Harvesting, block 09AB Div. 2. Interviews with 5 workers related the standards of ripe fruit harvesting, harvesting techniques, harvesting bases, responsibility assignments, training, freedom of association, procedures, company policy, PPE, wages, and aspects of occupational safety and health. • Replanting, block ex-93X (planting year 2019). Field observation related replanting activity and LCC planting to land cover. • Replanting, block 18AA. Field observation related replanting activity and LCC planting to land cover. <p>BJM POM</p> <ul style="list-style-type: none"> • Water Treatment Plant. Observation and interview related to chemical handling, OHS and waste management • Workshop. Observation and interview related to trainings, OHS and waste management • Weighing station. Observation and interview related to FFB receiving and SCC implementation • Land Application block 41 Div. 1. Observation related to mechanism of liquid waste management. • Water intake. Observation and interviews related to water management and employment.

- **Waste Water Treatment Plant.** Observations and interviews with WWTP operators regarding waste water management and employment.
- **Grading station.** Observations and interviews with officers sorting FFB. Based on the interview, the officer can explain the criteria FFB decent though, demonstrating how sorting FFB, employment aspect, OHS aspect and working procedures specified.
- **Sterilizer Station.** Observation and interviews with operator Sterilizer regarding employment aspect, OHS aspect and working procedures specified.
- **Engine Room Station.** Observation and interview related first aid box, periodic medical checkup, and understanding of worker related labour union.
- **Boiler Station.** Observation and interviews with Boiler operator regarding employment aspect, OHS aspect and working procedures specified.
- **Press Station.** Observation and interviews with Press operator regarding employment aspect, OHS aspect and working procedures specified.
- **Hydrant number 6 Boiler Area.** Observation regarding Emergency Response Team and Facilities.

Marihat Estate.

- **Block 2001A.** Observation of activities and harvesting in accordance with the SOP, the implementation of OSH, and worker welfare.
- **Block 2004I.** Observation of the activities of the manual weeding in accordance with the SOP, the implementation of OSH, and worker welfare.
- **Block 2016B.** Observation of circle weeding activities in accordance with SOP, the implementation of OSH, and worker welfare.
- **Material storage.** Observation related material storage including PPE.
- **Chemical storage.** Observation and interviews related to chemical and pesticide storage area, hazardous waste management, employment, and OHS implementation.
- **Fire Fighter Warehouse.** Observation ad simulation completeness and readiness of fire fighter equipment.
- **Hazardous Waste warehouse.** Observations and interviews related to the mechanism for hazardous waste management and OHS implementation.
- **Fuel Storage.** Observation of fire handling and response.
- **Fertilizer storage.** Observation and interviews related to waste management and implementation OHS.
- **Housing complex (Div. V).** Observation of the availability of infrastructure such as employee housing facilities, water facilities, educational facilities, religious facilities, health facilities and sports facilities
- **Landfill block 99F Div. V.** Field observations related waste management.
- **PPE storage and Rinse House Div. V.** Observation and interview regarding to implementation of OHS aspect, environment aspect and waste management aspect.
- **HGU Poles number 1,2 and 3 block 91H Div. 2.** Observation of demarcation area and it maintain.
- **Replanting, blok 19A Div. 1.** Field observation related replanting activity and LCC planting to land cover.
- **HCV 6. Bat Cave, block 19A Div. 1.** Observation of management conservation area.
- **HCV 1. Riparian zone Bah Bolon River, block 91A Div. 1.** Observation related to riparian zone of Bah Bolon River.

Marjandi Estate

- **Block 2005J.** Observation of activities and circle weeding in accordance with the SOP, the implementation of OHS, and worker welfare.
- **Block 2005D.** Observation of the activities of the global telling in accordance with the SOP, the implementation of OHS, and worker welfare.
- **Block 2005CS.** Observation of road maintenance activities in accordance with SOP, the implementation of OHS, and worker welfare.
- **Chemical storage.** Observation and interviews related to chemical and pesticide storage area, hazardous waste management, employment, and OHS implementation.

- **Hazardous Waste warehouse.** Observations and interviews related to the mechanism for hazardous waste management and OHS implementation.
- **Fertilizer storage.** Observation and interviews related to waste management and OHS implementation.
- **Mixing Place.** Observations and interviews related to chemical management and handling of chemical spills.
- **Fuel Storage.** Observation of fire handling and response.
- **Housing complex (Div. I & III).** Observation of the availability of infrastructure such as employee housing facilities, water facilities, educational facilities, religious facilities, health facilities and sports facilities
- **Landfill afdeling blok BQ/BR Div. III.** Field observations related waste management.
- **PPE storage and Rinse House Div. III.** Observation and interview regarding to implementation of OHS aspect, environment aspect and waste management aspect
- **Workshop.** Observation related to OHS implementation and waste handling. Maintenance activities carried out by third parties
- **HCV 6. Makam Soelastri, block 05BH Div. 2.** Observation of management conservation area.
- **HCV 1. Riparian zone Bah Kuo River, block 05AX Div. 2.** Observation related to riparian zone of Bah Kuo River.
- **HGU Pole number 151 and 152 block 05AX Div. 2.** Observation of demarcation area and it maintain.
- **HCV 4, Water Spring block 05AT Div. 2.** Observation of demarcation area and it maintain.

Stakeholder consultation:

Interview with Environmental Agency, Labor Agency, Plantation Agency, Local contractor, Gender Committee, Labor union, and surrounding villages (Mekar Sari, Marjandi, Simpang Raya Dasman and Marihat, parbalogan Village).

2.3	Stakeholder Consultation and Stakeholders Contacted
2.3.1	Summary of stakeholder consultation process.
ASA-2	<p>Summary of stakeholder consultation process</p> <p>Consultation of stakeholders for PT Perkebunan Nusantara IV was held by:</p> <ul style="list-style-type: none"> - Public Notification on Website mutucertification.com dated on 6 November 2019 - Public consultation meeting with local government district of Simalungun was conducted on 12 November 2019. - Public consultation meeting with internal stakeholders by interviews and local stakeholders conducted by visits to villages (Mekar Sari, Marjandi, Simpang Raya Dasman and Marihat, parbalogan Village) on 14 November 2019. - Numbers of input from stakeholders were clarified by PT Mutuagung Lestari.
2.3.2	Stakeholder contacted
	<i>Please find appendix 1</i>
2.4	Determining Next Assessment
	The next visit (ASA-3) will be determined within twelve months of the license expiration dates, but not earlier than eight months after the expiration date.

3.0. ASSESSMENT FINDINGS

3.1. Summary of Assessment Report of the RSPO Certification

MUTUAGUNG LESTARI has conducted an assessment of Bah Jambi POM – PT Perkebunan Nusantara IV operation consisting of one (1) mill and three (3) oil palm estates.

During the assessment, there were *two (2)* Nonconformities were assigned against Major Compliance Indicators; *three (3)* nonconformity were assigned against Minor Compliance Indicators and *fourteen (14)* opportunities for improvement were identified.

Further explanation of the non-conformities raised and corrections taken by the company are provided in section 3.5. The company has already prepared and implemented the correction(s) that had been reviewed and accepted by Auditor(s) in form of documentation evidences.

MUTUAGUNG LESTARI found that Bah Jambi 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, April 2013 and Supply Chain Requirement for CPO Mill, November 2014, revised June 2017 (module E for CPO mill).

Therefore MUTUAGUNG LESTARI Recommends RSPO Certification of compliance is continued

Ref Std.	VERIFICATION RESULT of MUTU-Certification
PRINCIPLE #1 COMMITMENT TO TRANSPARENCY	
1.1 Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.	
<p>1.1.1;1.1.2 Based on the review of company documents, it has information service procedures for stakeholders described in the RSPO And ISPO Operational Procedure Policy and Standard, No. SPO 03 (effective communication consultation with the community) on January 2, 2015 which explained that communication and consultation for the community in the immediate estate unit were recorded by HR assistants and the general representative of the manager to communicate with the Muspida, Koramil of traditional religious leaders and the community around the operational area , if there is a request for information directly known to the board of directors, it will be submitted to the manager of the GUU (Business Unit Group) and then it will be relayed back to the Directors and will be followed up. The PIC responsible for communication and consultation activities in each business unit is the assistant and employee of General HR. The PIC is as follows: • Bah Jambi - Fadlan Simatupang. (assistant) and Fahu Harahap (cleric) • Marjandi - Rudi Randa Harahap (assistant) and Zulfikar (cleric) • Marihat - Indra Hasibuan (assistant) and Edi Sayharial (cleric) Based on the above explanation, it is known that the company has routinely responded to requests for incoming information properly. Based on the results of interviews with regency agencies the company also always responds to the information needed. The company showed evidence of the Environmental Monitoring Report for semester 1 of 2019 which informs the hazardous waste and liquid waste management report and has been sent to the Simalungun Regency and the North Sumatra Province Environmental Agency on July, 30 2019. However, there was not enough evidence that the liquid waste and hazardous waste reports (Bahjambi) have been submitted quarterly (quarter III) in accordance with applicable regulations. NC No. 2019.01</p>	

1.1.1	Status: Nonconformity No. 2019.01 with Minor Category
1.2	
Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.	
Based on the review of the RSPO Policy and Standard Operating Procedure document and ISPO 2015 revision with an effective date of January 2, 2015 revision 02, regarding the open and closed Document Policies. Based on these documents it is known that PTPN IV documents that are open to the public are general company information such as vision and mission, published financial statements, CSR and other information that enhances the company's image. Documents that are closed to the public are all information required for internal company activities such as management reports, minutes of meetings, SI, SE and documents that are confidential in which there are sensitive matters, especially regarding financial stability and corporate strategy, including documents relating to employee evaluation and mutation.	
Status: Comply	
1.3	
Growers and millers commit to ethical conduct in all business operations and transactions.	
1.3.1	
Written policy that contains a commitment to the code of integrity and ethical behavior contained in the Code of Conduct in accordance with the Joint Decree of the Board of Commissioners and Directors of PT. Perkebunan Nusantara IV Number: DK-03 / KPTS / IV / 2019, Number: 04.01 / KPTS / 07 / IV / 2019. Chapter V Prohibition of Business Actors. This chapter contains a code of conduct relating to conflicts of interest, KKN and bribery, political activities, drugs and gambling, and disgraceful acts which are prohibited by the company's business people. Every business person is prohibited from conducting KKN (Corruption, Collusion, Nepotism and Bribery).	
Status: Comply	
PRINCIPLE #2 COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS	
2.1	
There is compliance with all applicable local, national and ratified international laws and regulations.	
2.1.1	
The CH has a list of updated legal requirements as of November 2019, which includes relevant regulations relating to the RSPO and the number of regulations identified as many as 374 regulations. CH has fulfilled the legality or licensing related to its business activities, such as :	
Land legality	
Based on document verification, each certification unit has had land title and plantation permit that covered whole plantation and palm oil processing in accordance with plantation act number 39 year 2014. <i>See detail in indicator 2.2.1.</i>	
Environmental Permit	
<ul style="list-style-type: none"> - Bahjambi : Previously the company has presented Environmental Evaluation Study document with the scope of Bah Jambi Estate of 9,060.50, Marihat Estate of 6,100.00 ha and Bah Jambi Palm Oil Mill, with production capacity of 60 tons of FFB / hour. This document has been approved by the Department of Agriculture dated 13 January 1993 No RC.220/59/B/1/93. The Company has revised the environmental documents (RKL / RPL) of Plantation and Mill Bah Jambi in 2004 located Sub distric of Tanah Jawa, district of Simalungun , North Sumatera Provice. The scope of the operational area of oil palm plantation 8060.50 Ha and the capacity of Mill is 60 tons of FFB / hour. This document has been approved by letter no. 432 / Bpdl-2004 dated December 29, 2004 from the Regional Environmental Impact Management Agency of Simalungun Regency. - Marihat : Marihat Environmental documents have been revised, namely Environmental Evaluation Document (DELH) Oil Palm Plantation Activities in Simalungun Regency by PT. Perkebunan Nusantara IV Unit Marihat. This document has been approved by letter no SK 188.45/12.1/sekret-2014 passed on 23 January 2014 with a plantation area of ± 4413.66 ha. - Marjandi : The company has an environmental document such as Management Environmental Document (DPLH), based on the approval of Environmental Agency of Simalungun District No. Sekrt/2011 on October, 3 2011 for scope area ± 1.891,70 hectare. 	

OHS:

- Regulation of the Minister of Labor and Transmigration No. 8 Year 2010 (Free charge PPE for Workers)
- Regulation of the Minister of Labor and Transmigration No. 9 Year 2010 (License of Lift Equipment Operators)
- Regulation of the Minister of Labor No. 15 Year 2008 (First Aid Kit Facilities)
- Regulation of the Minister of Labor no. 2 Year 1980 (periodically medical check up for workers)

In addition, based on document verification and interview with management representative, the last testing inspection for mill machinery (production machine) was on June 12th 2018 by OHS Services Company (PJK3). The next inspection will be held on 2020.

2.1.2; 2.1.3; 2.1.4

CH has Work Basic Guidelines for Identification of Legislation and other Requirements no. document 04.01 / KOL / P / 034 dated 31 August 2018. Based on that document, it was conveyed that the Head of the Corporate Legal Subdivision and Investor Relations at least annually identifies and updates the legislation and other requirements. The procedure also explained that compliance evaluations are conducted periodically at least once a year which is carried out by the Head of Sub-Section / Affairs / Assistant of Public HR and District / or OHS secretary.

CH has conducted an evaluation of legal compliance once a year to ensure company compliance with applicable legal regulations. An evaluation of the latest legal compliance was carried out on November 2019 with the result that all 374 regulations has been implemented by the company. The list of regulations is available for all levels of management and can be given at any time to all levels of management in the form of hardcopy or softcopy.

Status: Comply

2.2

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

2.2.1

There is no change of document of land use legalities, consist of :

Land legality

Each certified unit has had land title and plantation permit as follow:

1. Bah Jambi has had two land title certificate with total concession is **5,401.23 Ha.**
2. Marihat has had land title certificate with total concession is **4,413.66 Ha.**
3. Marjandi has had three land title certificate with total concession is **1,891.70 Ha.**

Besides that, each unit also managed another land concession of other unit under PTPN 4 as follow:

1. Bah Jambi managed **2,173.40 Ha** land tittle of Dolok Sinumbah.

Plantation permit:

1. Bah Jambi has had plantation permit since 2014 for plantation area **5,401.23 Ha** and mill with capacity **60 MT FFB/hour.**
2. Marihat has had plantation permit since 2012 for plantation area **4,413.66 Ha.**
3. Marjandi has had plantation permit since 2012 for plantation area **±1,831.70 Ha.**

2.2.2

The CH has monitored and maintain all the HGU poles, sighted the list and coordinate of all poles as well as it map namely Estate Image of Boundary. The three estate can show the report of poles maintainance, for example in Marjandi Estate Semester I of 2019 and Marihat Estate shows the 2019 HGU Boundary Poles Documentation document. Based on the report, it known that there was some poles which identified lost and damage, the CH has been prepare the plan for re-installed the new poles, showed in Memo on 6 November 2019 from the Logistics Section of PT Perkebunan Nusantara IV. Sighted the official report for field assessment, number 04.14 / BAPL / 207 / XI / 2019 dated 11 November 2019, which explained that on Thursday 7 November 2019 field observations has conducted for the construction, installation and addition of boundaries in the three estates and were followed by tender participants (CV. H. Simun, CV. Tamado, PT Airi Insan Nusantara, CV. Eln Tech, CV. Graha Tama and CV. Karya Kartika Utama). The CH need to ensure the process of making and installing damaged and lost HGU Poles. OFI

Based on the results of field observations to the three estate, it was found that some of poles are available and some of

poles is lost and damage, for e.g. boundary pole were found number 151 and 152 in the O5AX Afdeling 2 block, number 1 in block 91 A, pole number 1 (no information on the BPN pole number). The result of field visit is in line with the estates report.

2.2.3 and 2.2.5

Based on interview with public consultation with national land agency staff of Simalungun District and village representatives that directly bordering with concession known that there is no land dispute issues which is significantly disturbing company's operational.

OFI : Ensuring the completion of the arable area

2.2.4 & 2.2.6

As a preventive effort to prevent or deal with conflict, the company developed a procedure of conflict resolution (No. SPO 04 dated 2 January 2015) set the dispute settlement in deliberation for the best solution for parties, to the legal path, and not using violence . The management unit also has a code of conduct which is inscribed to circumvent the institution to maintain peace within the management unit of operational activities.

The company shows the document PT PN IV Kebun Bah Jambi, number BAJ / SE / Intrn / 26 / IX / 2019, dated October 30, 2019, regarding the Use of Paramilitaries in Settlement of Land Segment Conflict Resolution, which among others explains that the use of paramilitary personnel is only limited to the task and the role of helping prevent and secure the parties occupying according to provisions and procedures that apply on the basis of reports from the company and act as a neutral party and facilitator if the occupation has led to land disputes conflicts. Military personnel are prohibited from acting actively in resolving conflicts over land disputes, but must be neutral and act as a facilitator.

Status: Comply

2.3

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

2.3.1; 2.3.2, 2.3.3, 2.3.4

Based on information obtained from historical documents of the company, information in HGU and clarification from Plantation and National Land Agency, PTPN IV Bah Jambi, Marihat and Marjandi unit is a nationalization from Dutch colonial company which had long existed before Indonesia independence day. So that the acquisition of land right is not through the compensation against individuals or to customary land.

As a preventive effort to prevent or deal with conflict, the company developed a procedure of conflict resolution (No. SPO 04 dated 2 January 2015) set the dispute settlement in deliberation for the best solution for parties, to the legal path, and not using violence . The management unit also has a code of conduct which is inscribed to circumvent the institution to maintain peace within the management unit of operational activities.

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 ; 3.1.2

The company has shown a long term plan for the 2019-2024 period for PTPN IV - Bah, Jambi, Marjandi and Marihat Units which include FFB Production, OER, Production Cost, Price Of CPO / PK, Replanting, CPO Production, PK Production, TM Production , TBM, land clearing, arable land, reserve area, road, drainage, housing and others.

The company has presented a review / evaluation document of the RJP 2018 budget of PTPN IV - Bah Jambi Unit which reviews the evaluation of achievement compared to the predetermined budget.

The discussion includes a review of plant maintenance activities, harvesting, and production and so on. While the annual evaluation for the 2019 budget has not been done because the year of implementation is still ongoing

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.

Major 4.1.1

The certificate holder has a documented procedure for the mill and plantation. The plantation procedure starting from the Land Development (SPO 00) to the Harvest (SPO 06) and for mill process procedures starting from receiving FFB (SPO01) to liquid waste management (SPO21) listed in the Standard Operating Procedure (SPO) in the Field of Oil Palm Plants / Mills, Plants / Tea Factory and Organic Compost Factory issued by PT. Perkebunan Nusantara IV in July 2007. The SOP was written in Indonesian and stored and is available in the Marihat, Marjandi Bah Jambi and Bah Jambi POM. Generally, operational procedures have been socialized to all employees in accordance with their respective fields of work. Based on field observations at Bah Jambi and Marihat Estate on harvesting and manual weeding, found that employees can show how to work in accordance with existing procedures, such as harvest workers can explain the criteria of the harvest and manual weeding workers can explain the workings of the start preparation until finish of work. Based on the results of interviews with management, field observations and interviews with contractors, it is known that internal control carried out by the certificate holder regarding the performance of the contractor on the implementation of the SOP is carried out by direct field inspection. For example, for FFB Transport contractors in Marjandi Estate, field inspections are carried out in relation to the completeness of PPE, administrative requirements such as operator licenses, social security and so on.

Minor 4.1.2

During the audit activity, the certificate holder can show the master list of all SOPs. Internal supervision has been carried out, for example by conducting audits by the *Satuan Pengawas Internal* (SPI) as well as field reviews and inspections conducted by internal supervision from the foreman level to the manager to monitor the consistency of field implementation with the SOP.

The audit is carried out regularly covering all SOPs, such as financial audits carried out by external parties and operational audits carried out by internal parties. Based on interviews with management and review of internal audit report documents, it is known that audit activities are carried out annually for financial audits carried out by external parties and every semester for internal audits of operational activities.

Based on the results of interviews with management, the company will revise its procedures if those procedures are considered irrelevant to the company's actual conditions.

Minor 4.1.3

The certificate holder shows records of the results of measurements and monitoring carried out internally, for example:

- Document of the *Laporan Penegasan Hasil Audit Rutin* (SPI) Marihat Estate, dated June 24 – 27, 2019.
- Document of the *Hasil Audit dan Rekomendasi Kebun Bah Jambi* (SPI) Bah Jambi Estate, dated April 10 – 16, 2019.

The certificate holder shows a record of corrective actions. Records of corrective actions are available at each unit office.

Major 4.1.4

Based on the results of the document review of production data and data received by Bah Jambi POM for the period December 2018 to November 2019, it is known that Bah Jambi POM has recorded the origin of FFB. Based on the document, it is known that there are FFB sourced from third parties namely other estates (under PTPN IV) that are outside the scope of the RSPO Bah Jambi POM.

	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 ; 4.2.2

The company has shown the procedure (SPO 05.4) concerning Analysis of Leaf and Soil Samples, for soil analysis is carried out once every 3-5 years or once a year if needed while the leaf analysis is done once a year and in young plants if needed can be done leaf sampling twice a year by weighing changes in nutrients on the leaves of young plants very quickly change.

The certificate holder also has and implemented a good fertilization program. This can be seen based on the use of fertilizer per ton of FFB for the period up to October 2019. Based on field visits in block 07J Mahihat estate also did not show any symptoms of nutrient deficient plants.

4.2.3

The company has shown that it has a Basic Work Guideline document, which is Fertilization Management (No. Doc. 22.10 dated January 1, 2013) in which there is a Work Instruction (IK) Analysis of Leaves and Soil Samples. Based on results of analysis of leaves and soil. The results of leaf and soil analysis are used as material for monitoring changes in nutrient status.

The company has shown SPO 05.4 concerning Analysis of Leaf and Soil Samples, for soil analysis is carried out once every 3-5 years or once a year if needed while the leaf analysis is done once a year and in young plants if needed it can be done leaf sampling twice a year by weighing changes Nutrients in young plant leaves change very quickly

Land Sampling

The company carries out analysis of the land contained in the 2017 PTPN IV Scope of Oil Palm Soil Analysis Results.

The realization of the evaluation of the status of soil fertility in PTPN IV - Bah Jambi Estate (9 samples), Marjandi Estate (4 samples) and Marihat Estate (8 estates) is to observe the determination of pH, organic C content, total N (in%), total P content and available P, K content, Mg content, Na content, Ca content and Cation Exchange Capacity (CEC) value.

Leaf Sampling and Visual Analysis

The company carries out a leaf analysis conducted by the Palm Oil Research Center (PPKS) based on memo No. 04.04 / District-Unit / M-680 / VI / 2019 dated June 28, 2019 For Bah Jambi Estate, Marihat Estate and Marjandi Estate. The indicators observed include levels of N, P, K, Mg, Ca and B and supporting data in the form of visual observations.

The company has also presented documents for sending leaf samples for Marjandi Estate (No. MAR / X / 85 / VII / 2019 dated July 27, 2019) to the director of PPKS.

4.2.4

The company has a strategy for utilizing palm oil waste in the form of palm oil waste in the form of the use of empty beds as evidenced by the report of the use of empty beds until the period of October 2019 in Bah Jambi estate, which is 38,086.59 kg and based on the results of field visits in 18 AA block. The application of empty blanks on a disk. In addition, the company also utilized oil palm residues by cutting chopped stems and palm fronds in the 93 x block replanting area.

Status: Comply

4.3

Practices minimize and control erosion and degradation of soils.

4.3.1; 4.3.4; 4.3.5

The company has shown land type documents including:

Bah Jambi Estate

Bah Jambi Estate has a Land Type Map - Jambi Bah Plantation Unit PT. Perkebunan Nusantara IV Scale 1: 38,000 made in 2011 through a joint venture with PT. Citra Cendekia - Medan. Based on the map, we can see the types of soil in the Jambi Bah Estate area, namely the type of Alluvial, Brown Podsollic, Red Yellow Podsollic (PMK), and Latosol.

Marihat Estate

The company has shown the Deep Land Map (Marihat Estate) which contains data on the type of soil type and its area. The types of soil include Andic Dystropept, Andic Dystropept and Typic Dystropept.

Marjandi Estate

Marjandi Estate has a Land Type Map, scale 1: 52663 made by the 2008 Quick bird Satellite Image, Landsat. Maps are equipped with legends and location diagrams that illustrate the type of soil in the area cultivated by Marjandi Estate. Based on the map, we can find out the type of land (USDA) in the area of Marjandi Estate such as Dystrandeps, Eutrandedeps, Hydrandedeps, Dystropets and Haloplorthox.

Based on documents and maps of soil types, it is known that there is no peat soil or fragile soil in the PTPN IV area (Marjandi Estate, Marihat Estate and Bah Jambi Estate).

4.2.4

The company has demonstrated a management strategy for planting slope areas listed in SPO 01.4 concerning Land Preparation and Preservation with effective date of August 1, 2007. In terms of land preparation and preservation, it is also regulated regarding the manufacture of horse contour / footprints, rurets and sloping land preservation standards.

The company has shown a Deep View Land Map of Bah Jambi Estate, Marjandi Estate and Marihat Estate which illustrates that the Estate area distribution covers flat-sloping, flat-wavy, bumpy and hilly areas without indicating the existence of steep areas.

Based on the results of field visits to the Bah Jambi Estate, Marjandi Estate and Marihat Estate it is known that in general the area is dominated by flat-sloping, flat-choppy, bumpy and hilly without indicating the existence of steep areas.

In addition, based on the results of a field visit to Block 07j, Afdeling III Marjandi Estate, it is known that in general the area is dominated by flat undulating areas. The company has also arranged the fronds between the main points which are useful as a deterrent to soil erosion.

4.3.3

The company has presented the 2019 Road Maintenance Program documents. The data include the following:

Bah Jambi Estate

- Production road maintenance program in Block 95 A, Afdeling II Bah Jambi Estate in October 2019 is 302 meters long, realization was carried out in October along 302 meters (achieving 100% of the plan).
- The road maintenance program in Block 96 O, Afdeling IV Bah Jambi Estate in October 2019 is 1400 meters long, realization is carried out in October along 1400 meters (100% realization of work plan).

Marjandi Estate

- The road maintenance program in the 2005J Block, Afdeling II Marjandi Estate in October 2019 was 437 meters long, the realization was carried out in October 2019 along 437 meters (achieving 100% of the budget).
- The road maintenance program in the 2005AA Block, Afdeling I Marjandi Estate in October 2019 is 1,162 meters long, realization was carried out in October 2019 along 1,162 meters (achieving 100% of the budget).

4.3.6

The company has demonstrated the management strategy of planting slope areas listed in SPO 01.4 concerning Preparation and Preservation of Soil with an effective date of August 1, 2007. In terms of land preparation and preservation it is also regulated regarding the manufacture of contour terraces/individual terrace, silt pit and standard sloping preservation.

	Status: Comply	
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4.4

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

4.4.1; 4.4.2

The company has an identification of the source of water or water flow contained in the HCV document. There is also a map of the distribution of rivers with a scale of 1: 50,000. The company has a river border protection procedure, which is contained in:

- Mechanism of River Border Management No. SPO 05, revision 02 effective date January 2, 2015. The procedure explains the management limits for rivers, lakes, reservoirs and springs and management plan that carried out.
- Management of High Erosion Potential Areas No. SPO 11, revised 2 effective date January 2, 2015. The procedure explains the management of high erosion potential areas on river border and the installation of river border lines.

The company has managed and monitored the quality of water sources including river borders, which have been verified based on document verification and field observation, such as :

- Based on the results of the visit on the riparian of the Bah Bolon River block 91 A, known that there has been a management border mark in the form of red paint on the tree ± 50 m. There was no application of chemicals and fertilizers on the river border.
- Install a conservation area plank (HCV) and restrictions plank such as damaging or applying chemicals.
- Monitoring surface water, ground water and water spring quality. For example, result of spring water quality on August 2019 according to *Permenkes RI* No. 492/Menkes/Per/IV/2010 (drinking water). Based on the results of these tests, there are no parameters that exceed the thresholds.
- Do not dispose of domestic waste in the water source area
- Observation results in the water intake area (water spring) at Afdeling 1 Bahjambi Estate revealed that the water spring area had been installed with HCV planks and a ban on spraying and damaging the HCV area. In addition, there

was no indication / trace of spraying. From observations it was also known that around the spring water surrounded by its natural vegetation.

4.4.3

The company has land application license, Regent Decree Number 188.45/3435/LINGHUP-2015 dated 23 October 2015 valid for 5 years. Total area 130 Ha in Block 39 and Block 41. The utilization area of liquid waste is in block 39 covering an area of 72 ha and block 41 covering an area of 58 ha with a total location of 130 ha.

Based on the results of testing the quality of liquid waste for the period January - September 2018 conducted by accredited laboratory, was known that there was no result (BOD and pH) of testing the quality of liquid waste that exceeds the thresholds. The results of field observations in the Land Applications block 41 afdeling 1 Bahjambi Estate, it was known that liquid waste has been utilized in accordance with the permit.
Ensuring the location of monitoring liquid waste (OFI)

4.4.4

Water usage monitoring was done periodically and recorded. In the Jan-Oct 2019 period, it was known that the average FFB production was 17,765.34 ton, with an average water use of 1.48m3 / ton FFB as for the water use budget of 1.5 m3 / ton TBS. Observations at water treatment plant in Bahjambi POM found monitoring water usage was done by officer periodically, and flowmeters serves normally.

Status: Comply

4.5

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

4.5.1; 4.5.2

The company has an Integrated Pest Control Program document contained in the SPO Observation and Pest Control documents, namely:

- Pests and Diseases at Immature Area (Doc. No. SPO 04.3, August 1, 2007), which explains, among others, the symptoms of attacks, census methods, prevention and eradication/pest control of *Oryctes sp*, rat, wild boar, and *Apogonia expeditiyionis*.
- Palm Oil Pests at Mature Area (Doc. SPO No. 05.11, August 1, 2007) which describes: nettle caterpillar pests (*Thosea asigna*, *Setora nitens*, *Darna trima*, *Thosea bisura*, *Ploneta diducta*, *Sucica pellide*, *Mahasena corbetti*, *Metisa plana*, and *Cremastopsyche pendula*), early warning systems (EWS), and eradication of pests (physical / mechanical, biological, plant breeding, and chemistry).

The company has shown plans for integrated pest control. The integrated pest control plan at PTPN IV (Marjandi Estate, Marihat Estate and Bah Jambi Estate) includes planting *Turnera subulata*.

Based on the data above it is known that the use of chemicals of type 1A / IB has been reduced, but in Marihat Estate there is still an increased use of chemicals due to replanting activities. Based on the results of a field visit to the Bah Jambi Estate Chemical Warehouse, it is known that there is still a stock of pesticides with active ingredient paraquat dichloride (Top Zone 276 SL) of 1440 liters with the acquisition date of March 19, 2018. Related to this, the company has presented a justification letter dated January 16, 2019 (No.BAJ / 04.04 / 06 / 1 / 2019) which states that the leadership of the Bah Jambi Estate requested the removal of book values from the inventory of the Bah Jambi Estate warehouse. In addition, the management explained that the company will not apply paraquat dichloride chemicals in 2019.

The company has shown integrated pest training documents for PTPN IV (Marjandi Estate, Bah Jambi Estate and Marihat Estate). The training realization includes:

- Integrated Pest Management Training at Bah Jambi Estate on July 17, 2019 regarding IPM-Global Telling and Pest Disease that was attended by 40 participants.
- Integrated Pest Management Training at Marihat Estate on September 21, 2019 regarding pest control training participated by 21 participants

Status: Comply

4.6

Pesticides are used in ways that do not endanger health or the environment**Major 4.6.1**

Based on the results of a review of documents regarding the company's policy on safety in using chemicals, it is known that there has been no change since the previous assessment which is listed in Procedure No. 2, 2 January 2015, which among others explained about mixing pesticides and washing the spray tank in a special place.

The company also showed a Memo regarding the Rules for the Use of Pesticides / Herbicides, April 2017, which among others explained that the handling, application and use of pesticides must be carried out by trained personnel. For limited pesticides must be trained which is authorized by the authorized agency and approved by a special pesticide commission for handling limited pesticides. All work related to pesticides must not be carried out by pregnant and nursing women. The memo also explained that the pesticides used must follow the guidelines stipulated and registered by the Pesticide Commission of the Ministry of Agriculture, WHO class 1a 1b and the Stockholm or Rotterdam Conventions.

The company has made efforts to avoid the development of resistance to weeds such as the use of different types of pesticides, spray rotation arrangements (3 rotations) and spraying according to target weeds (selective weeding).

The certificate holder shows a list of all types of pesticides and target species and justifications for use, including Elang 480 SL, RI registration number 01030119941170, the validity period of the 30 December 2021 distribution permit and target weeds with broad and narrow leaves.

Based on the results of a document review and interview with management, it is known that the herbicide application program has been completed, so that no herbicide application activity is found in the field.

Major 4.6.2

The certificate holder shows a pesticide application program which explains that for spraying or herbicide use such as the circle and path spray activity is carried out on a rotational basis, which is once every 3 months. The certificate holder also shows a record of the use of pesticides. For example in the Marjandi Estate listed in the *Rekapitulasi Penerimaan dan Pemakaian Herbisida* January – December 2019. The documents include explaining the use of the Elang 480 SL herbicide, Sun Up 480 SL, Gempur 480 SL and Metsulindo 20 WP for Afdeling I, II and III. For example, for Afdeling III the use of Metsulindo until October 2019 was 46.03 liters.

Major 4.6.3

Based on the results of document review and interviews with management regarding the use of pesticides for pest control, it is known that the company applies the Early Warning System (EWS) method, which is by observing global telling and effective telling. If the result of staining shows an attack that exceeds the threshold, then chemical control can be carried out. However, if the attack is still below the threshold, then the control can be done biologically (preventive) or manually. So there is no prophylactic use of pesticides. For example, Marihat Estate controls caterpillar pests by planting beneficial plants *Turnera subulata*, *Antigonon leptosus* and *Cassia tora*. This can reduce the use of pesticides for controlling caterpillar pests.

Minor 4.6.4

Based on the results of the document review, it is known that the certificate holder has a policy regarding the Rules for Pesticide / Herbicide Use limited, April 2017, which among others explains the handling, application and use of pesticides must be carried out by trained personnel. For limited pesticides must be trained which is authorized by the authorized agency and approved by the pesticide commission. The memo also explained that the pesticides used must follow the guidelines stipulated and registered by the Ministry of Agriculture's pesticide Commission, WHO class 1a 1b and the Stockholm or Rotterdam Conventions. Paraquat may not be used unless special / exceptional conditions have been identified in national best practice guidelines.

Based on the results of the document review, interviews with management and field observations, it is known that in the Bah Jambi Estate there are 1,440 liters of paraquat stock and no use since 2018. In addition, it is also known that in Marihat Estate there is still the use of paraquat with justification of weed control in the immature area.

The company has provided a letter of deletion of available paraquat stock, but is currently in the process of deletion. The top management is currently concentrating on achieving production.

OFI Ensures the process of stock removal for paraquat.

Major 4.6.5, Minor 4.6.7 and Minor 4.6.9

The certificate holder has a controlling team that has been trained by an authorized institution and approved by a special

pesticide commission for the use of limited pesticides which was conducted on October 2 – 5, 2018 which was centered on Bah Jambi Estate, which was followed by foremen, supervisors and spray employees *Pemerintah Provinsi Sumatera Utara Komisi Pengawasan Pupuk dan Pestisida*. In addition, the company also conducts internal training conducted by staff to workers both implementing workers and foremen.

Based on interviews with the herbicide applicator, it is known that workers can explain things delivered in the training such as the obligation to use PPE, poisoning treatment and others. The certificate holder has a special vehicle for transporting pesticide mixtures equipped with hand washing facilities and the vehicle is in good and proper condition.

Based on the results of interviews with the herbicide applicator and field observations in Bah Jambi Estate and Marihat Estate warehouse, it is known that the certificate holder has provided a place for washing and storing PPE as well as bathing for the herbicide applicator. This is like found in Afdeling 5 Marihat Estate.

4.6.8

Based on document review and interviews with management, it is known that the company does not apply pesticides by air.

4.6.6 , 4.6.10

CH has an SPO document on the management of Waste and Hazardous and Toxic Materials - RSPO and ISPO Documents No. SPO 02 dated January 2, 2015 which explained that the Hazardous Waste included the used chemical packaging. All hazardous waste is handed over to licensed transporters / collectors. During the audit, the third party that cooperates with the company is PT Jagar Prima Nusantara. CH can show evidence of delivery of hazardous waste from licensed collectors / transporters in the form of manifests and minutes of delivery of goods. For example, manifest on November, 8 2019 (Bahjambi Unit) consist of used lamps, contaminated packaging, cartridge, used batteries, used rags, and lubricants.

The results of field observations at the chemical warehouse in Marihat Estate, Marjandi Estate and Bahjambi Estate were known that pesticides have been stored in special warehouses, available MSDS, there were chemical symbols and PPE usage, arranged according to their type and characteristics, available first aid boxes and fire extinguishers light. The results of interviews with warehouse staff revealed that only warehouse staff had access to chemical warehouses. The results of interviews with officers of chemical warehouse and hazardous waste warehouse, known that the officers knew that hazardous waste including pesticide packaging was stored at hazardous waste warehouse and then handed over to licensed third party.

Based on field visits to Marjandi Estate, Marihat Estate and Bah Jambi Estate, it was known that the company has managed the pesticide packaging waste well and found no ex-pesticide packaging in the work area or housing used for other purposes.

4.6.11

Bah Jambi, Marihat and Marjandi Estate has list of pesticide operator based on latest data of October 2019. Medical examination (cholinesterase) has been conducted on September 2019 to all pesticide workers in each Estate. The result of medical examination is informed to the workers and most of pesticide operators are in a healthy condition (normal result). From the results of the examination, Laras hospital doctors suggested that health control be carried out next year, regular examination and the use of PPE while working.

And also, based on interview with the workers, it is known that they are never get experience of occupational injury which caused by chemical such as irritation.

4.6.12

The company has a policy that prohibits pregnant and breast-feeding personnel working with chemical material. Based on interview with spraying personnel, it is known that there was neither pregnant nor breast-feeding female personnel who work with pesticide. Audit team also got information that the personnel have understood that female personnel cannot work with chemical material if they are pregnant or breast-feeding.

Status: Comply	
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4.7**An occupational health and safety plan is documented, effectively communicated and implemented.****4.7.1**

Company already had policy related to health and safety plan, namely OHS Policy dated on January 7th, 2019 authorized by the Unit Manager. Policies are socialized by creating banners in front of the unit business office. In addition, field assisstant also inform the policy by morning briefing. The policy contains the following items:

- Realizing wholeheartedly that occupational safety and health (OHS) is a stakeholder's need as a means to create a safe, healthy and productive workplace and environment in the company
- Comply with all forms of rules and regulations governing safety and health (OHS)
- Prioritizing and prioritizing occupational safety and health (OHS) in all aspects of work in order to prevent and reduce the risk of accidents and / or diseases caused by work
- Always maintain working facilities / equipment, develop a professional work culture and create security stability to protect the company from all forms of threats that can cause harm (fire, blasting, and environmental pollution)
- Doing work according to applicable rules and regulations.

Based on interview with the workers (e.g upkeep workers, office and mill workers) they know about the policy.

4.7.2

The Company showed documents of Hazard Identification, Risk Analysis and Risk Control created by the plantation team of each unit approved by management leaders on October, 2019 (latest evaluation). The document identifies hazards, risk analysis and risk control in every upkeep activity (Nursery activities, Re-planting activities, Railway crossing area, Pesticide spraying, fertilizer application, pruning midrib, etc.), harvesting activities, FFB transportation, all FFB processing activities (Weigh Bridge, Press Station, Thresher Station, Boiler Station, etc.) and General Activities (warehouses, workshops, employee housing, hazardous material management, generator set & water pump machines, and laboratory).

However, based on the results of the document review of the HIRAC (Hazard Identification, Risk Assessment & Control) document, there are a number of activities in the field that have not yet been identified as potential hazards and risks, for example, but not limited to:

- Potential Danger for land use title pole Monitoring Activities.
- Potential Danger for HCV monitoring activities.
- Potential Danger for harvesting or maintenance activities in the ditch border.
- Operational activities around cattle.

The Hazard Identification, Assessment and Accident Risk Control Documents do not cover all activities in the company's operational area. **NCR No.2019.02**

4.7.3

The Company has established the OHS training program for the period of 2019. The training which has been conducted for example training :

- OHS Technical Training for First Aid Officers from 18 to 20 July 2019.
- OHS policy socialization on 17 May 2019.
- Electrical Training on October 2, 2019.

Based on field visit in Mill, all workers have been using PPE according to risk analysis made and PPE is in good condition and in accordance with its function. Boiler operators at mill using PPE kinds of helmets, ear muff, gloves, mask, and safety shoes. Workers also can explain how to work safely for example in the boiler station, workers can explain the PPE to be used, how to monitor the boiler in order to operate safely, has been given training related firefighters. Boiler operator have attended training and certification OHS, as evidenced by the avallability OHS Reg: 14973.OPK3-PUBT-B.I/IV/2019 (Class I) valid until April 30th, 2024. Based on interviews with 4 spray workers, 6 harvesters, 2 nursery workers on Marjandi, Bah Jambi and Marihat Estate stated that they get PPE free of charge from the company. The Company also shows the documents related to the provision of PPE in the document of PPE Monitoring Record. The document contains monitoring of grant and returns if any PPE are damaged/broken.

4.7.4

The Company has identified those responsible for implementation of OHS program formed in P2K3 structure Estate and Mill P2K3 that owned has been approved by Labour Agency and Transmigration of North Sumatera Province, for examples:

- Bah Jambi. Decree of the Head of the Regional Labor Inspection Unit of the Region III North Sumatra Provincial Manpower Office No. KEP.09-7 / DTK / SU / WIL.III / 2019 dated January 22, 2019.
- Marjandi. Decree of the Head of the Regional Labor Inspection Unit of the Region III North Sumatra Provincial Manpower Office No. KEP.258-7 / DTK / SU / WIL.III / 2019 dated 31 October 2019.
- Marihat. Decree of the Head of the Regional Labor Inspection Unit of the Region III North Sumatra Provincial Manpower Office No. KEP.15-7 / DTK / SU / WIL.III / 2019 dated January 15, 2019.

Each management unit already had secretary who had OHS expert certified.

Besides that, meeting related OHS has been done monthly by P2K3, for example:

- Minutes of the P2K3 Meeting in the OHS Meeting Room for the June period on August 4, 2019, which had an agenda for discussion on improving factory performance in product compatibility and the environment, and consistency in the use of PPE.
- Minutes of P2K3 Meeting in the OHS Meeting Room for July period on September 2, 2019 which has an agenda for discussion on the socialization of the use of foreman waist bags and licensing in protecting the environment of the factory.
- Minutes of the P2K3 Meeting in the OHS Meeting Room on 6 October 2019 which had an agenda for discussion on controlling vehicle parking, adding trash cans and consistent use of PPE.

4.7.5

The procedure related to the emergency response contained in the Accident and Health Check Procedures on April 23, 2013 and the Emergency Management Procedures No. document 4.3.16 revision 02 dated April 23, 2013). Company has emergency facilities and infrastructure such as fire extinguisher, first aid kit, hydrant, water tank, and other supporting equipment. Based on field observation in mill for e.g. at boiler station known that hydrants are functioned properly and the fire extinguishers there check and monitored every month (checklist of inspection provided in each fire extinguisher). Based on field observation at Bah Jambi POM, Marjandi, Marihat and Bah Jambi Estate, it is known that the contents of first aid box are available as determined by the company. As well as interviews with Harvesting and Spraying Supervisor of Marihat Estate are also able to explain the function of each tool in the first-aid box.

4.7.6

Company has provided the employees with insurance to cover occupational accident in accordance with the provision set by the government (BPJS). Such insurance is named *BPJS Ketenagakerjaan*, which is routinely paid every month. Based on interview with workers in estate and mill, explained that all employees have been registered in accident insurance. Based on document review and interview with company staff and related agencies, there's no major accident in latest report. So, the company don't have to claim the insurance. In addition, the results of the document review and interview related to BPJS Employment membership note that CV Putra Sumber Maju (contractor of Marjandi Unit Business) has shown proof of payment of BPJS Employment of its employees. Based on that objective evidences, the company also monitor the insurance for contractors.

4.7.7

P2K3 (Advisory Committee of Occupational Health and Safety) quarterly reports are available where there are work accident reports for a certain period. Based on observations of these documents, it was known that during the quarterly I II and III report on period 2019 there were no work accidents. The P2K3 report was submitted to the relevant agency.

Major 4.7.2	Status: Non-conformance NC.2019.02 with major category	
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**4.8
All staff, workers, smallholders and contractors are appropriately trained.**

4.8.1 and 4.8.2
Certificate holder has established a training program that is based on the identification of the training needs of workers to

improve competence. The training program period in 2019 consist of technical training, training concerning OHS and environmental health, simulation and socialization associated with sustainability, for example:

- Training of incoming / outgoing mail management documentation is planned for February 2019.
- Training about how to use GPS to identify boundaries and markers is planned for April 2019.
- Early warning system training is planned for May 2019.
- HCV management training planned for October 2019.
- General OHS training is planned for May 2019.
- Hazardous Waste Management Training is planned for August 2019.
- Integrated Pest Management Training is planned for May 2019.

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

- Socialization of Women's Issues Handling on May 14, 2019.
- OHS Technical Training for First Aid Officers from 18 to 20 July 2019.
- OHS policy socialization on 17 May 2019.
- Electrical Training on October 2, 2019.
- Socialization of Harvest Premiums and Wages on October 12, 2019.
- Emergency simulation on November 5, 2019.

Based on interview with workers such as operators, weeding team and spraying team known that workers has been given training by CH related their jobdescription. In addition, a couple training has been attended by contractors members, for example on document verification of OHS Technical Training for First Aid Officers from 18 to 20 July 2019 has been attended by 2 contractors members (based on the attendance document there is a member signature).

Status: Comply

PRINCIPLE #5 Environmental responsibility and conservation of natural resources and biodiversity

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

5.1.1
 Company has Environmental document and has been approved by related agency, among others:

- **Bahjambi** : Previously the company has presented Environmental Evaluation Study document with the scope of Bah Jambi Estate of 9,060.50, Marihat Estate of 6,100.00 ha and Bah Jambi Palm Oil Mill, with production capacity of 60 tons of FFB / hour. This document has been approved by the Department of Agriculture dated 13 January 1993 No RC.220/59/B/II/93. The Company has revised the environmental documents (RKL / RPL) of Plantation and Mill Bah Jambi in 2004 located Sub distric of Tanah Jawa, district of Simalungun , North Sumatera Provice. The scope of the operational area of oil palm plantation 8060.50 Ha and the capacity of Mill is 60 tons of FFB / hour. This document has been approved by letter no. 432 / Bpdl-2004 dated December 29, 2004 from the Regional Environmental Impact Management Agency of Simalungun Regency.
- **Marihat** : Marihat Environmental documents have been revised, namely Environmental Evaluation Document (DELH) Oil Palm Plantation Activities in Simalungun Regency by PT. Perkebunan Nusantara IV Unit Marihat. This document has been approved by letter no SK 188.45/12.1/sekret-2014 Passed on 23 January 2014 wiith a plantation area of ± 4413.66 ha.
- **Marjandi** : The company has an environmental document such as Management Environmental document (DPLH), based on the approval of environmental agency of Simalungun District Number. Sekrt/2011 tanggal 03 October 2011 for scope area ± 1.891,70 hectare.

5.1.2 & 5.1.3.
 CH has had applied environmental management and monitoring aspects, among others :

Bahjambi

- Air quality
- Noise

- Groundwater
- Liquid waste
- Increased regional economy
- Employment Opportunity
- Business opportunity
- Community income
- Public and social facilities
- Security and order
- Public perception
- Vector of disease
- Prevalence of disease

Marihat

- Decreasing of air quality
- Increasing of noise
- Decreasing of quality of surface water
- Increasing of surface flow discharge
- Soil erosion and sedimentation
- Decreasing of soil fertility
- Solid waste
- Hazardous waste
- Fire potential
- Road damage
- Disruption of traffic
- Job opportunities and business opportunities
- Community attitudes and perceptions
- Repair of community facilities
- Occupational health and safety disorders
- Decreasing of public health

Marjandi

- Air, dust and noise quality
- Decreasing groundwater quality
- Decreased quality of surface water
- waste Increased (solid waste)
- Liquid waste
- Hazardous waste
- Land carrying capacity
- Job opportunities and business opportunities
- Increased community income
- Community perceptions and attitudes

Implementation of environmental management has been conducted in accordance with the matrix environmental management plan (RKL). Based on the results of the field visit, it was known that the company has carried out environmental management activities, such as:

- Provide PPE for workers, especially workers with a high risk of noise
- Planting ground cover crops (mucuna)
- Do not spray or other activities related to chemicals (chemistry and fertilizer) in the river border area.
- Applying liquid waste to land in accordance with the permit that is owned.
- etc

Ensure repair of sewage ditches to the WWTP Pond and ensure the preparation of the RKL-RPL Report (OFI)

CH also has conducted environmental monitoring as outlined in the Report of the Environmental Management and Monitoring for regular basis. RKL-RPL Report has submitted to Environment Agency of Simalungun Regency, and Environment Agency Province. These report described realization of monitoring and management of the environment in accordance with environmental parameters in the RKL/RPL. Based on document review, there has been an evaluation of the results of environmental monitoring and its management described in the Report of RKL-RPL.

Based on document verification and field visits, it was known that the company has conducted environmental monitoring, such as:

- Monitoring air quality
- Monitoring the quality of surface water and sources of clean water for workers
- Monitoring aquatic biota
- Monitoring land fires
- Etc.

The results of interviews with the Environmental Agency of Simalungun Regency stated that the company had carried out environmental management and monitoring in accordance with the directions of the RKL-RPL matrix by regularly submitting the RKL-RPL Report to the agency. The interview also revealed that the Agency of the Environment has periodically evaluated CH's environmental management and monitoring plan.

Status: Comply

5.2

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

5.2.1

Bah Jambi Estate has identified HCV which conducted by Citra Cendikia consultant agency which conducted field data collection on 08-10 July 2011 with methodology of Guidance of Identification of High Conservation Value Area in Indonesia 2008. Public consultation on HCV identification was conducted on October 1, 2011 which was attended by 83 participants from various agencies, local people and Workers. Result of HCV Identification of Unit Bah Jambi is 735.03 Ha (9.11%) of HGU. Peer Review conducted by approved HCV Assessor on December 15, 2011.

Marihat Estate has identified HCV which conducted by Surveyor Indonesia. HCV assessment has been conducted public consultation to community around on November 21, 2016. The socialization was followed by 37 participants from the employees and surrounding communities. Result of HCV Identification of Unit Marihat is 99.85 Ha. this document has been peer reviewed by an HCV assessor listed as an Assessor License Scheme (ALS) on December 2016.

Marjandi Estate has identified HCV which conducted by Surveyor Indonesia which conducted field data collection on 17-18 November 2016 with methodology of Guidance of Identification of High Conservation Value Area in Indonesia 2008. Public consultation on HCV identification was conducted on November 19, 2016 which was attended by 14 participants. Result of HCV Identification of Unit Marjandi is 26.97 Ha. Peer Review conducted by approved HCV Assessor on December, 2016.

Review of the existence of HCV areas (OFI)

5.2.2 ; 5.2.3; 5.2.4

The company has HCV Management and Monitoring Plan Year 2019. Several plans for management and monitoring of HCV areas have been verified through document review and field observations, as follows:

- Based on the results of the visit on the riparian of the Bah Bolon River block 91 A, known that there has been a management border mark in the form of red paint on the tree ± 50 m. There was no application of chemicals and fertilizers on the river border.
- Install a conservation area plank (HCV) and restrictions plank such as damaging or applying chemicals.
- Monitoring surface water, ground water and water spring quality. For example, result of spring water quality on August 2019 according to *Permenkes RI* No. 492/Menkes/Per/IV/2010 (drinking water). Based on the results of these tests, there are no parameters that exceed the thresholds.
- Do not dispose of domestic waste in the water source area

- Observation results in the water intake area (water spring) at Afdeling 1 Bahjambi Estate revealed that the water spring area had been installed with HCV planks and a ban on spraying and damaging the HCV area. In addition, there was no indication / trace of spraying. From observations it was also known that around the spring water surrounded by its natural vegetation.

Ensure the installation of HCV sign boards along with warnings / markings related to chemical applications (OFI)

As for the HCV Management Plan, also covers the types of activities carried out, the implementation period and location activity. The results of interviews with management, said that the HCV management and monitoring activities were carried out by the afdeling assistant of each unit.

CH has a SOP to protect fauna contained in the SPO 09 dated on August 1, 2017 poin 5.9 with sanctions in accordance with Law No.5 of 1990. Company also showed a record of socialization of flora and fauna / HCV protection, such as:

- Socialization on October 26, 2018 attended by 50 participants.
- Socialization on July 31, 2018 attended by 28 participants.
- Socialization on November 22, 2018 attended by 25 participants.
- Socialization on January 6, 2018 attended by 30 participants.
- Socialization on April 13, 2018 attended by 30 participants.

Result of interviews with workers such as harvester, spraying team, the foreman found that workers have been given information on prohibiting / hunting or catching wild animals. Based on the results of interviews and field visits, known that there was no workers were found to capture, harm, and collect wild animals.

Document review results:

- Bah Jambi Unit has demonstrated animal monitoring record in 2019. However, the document has not informed the date of monitoring, location of monitoring blocks, number of species encountered etc.
- The Marihat Unit has demonstrated animal monitoring record in 2019 period which has informed the monitoring implementation date and location (almost all afdeling blocks). However, it has not yet specifically provided the location of the monitoring carried out.
- The Marjandi Unit has demonstrated animal monitoring record in 2019 period which has informed the monitoring implementation date and location. However, the information conveyed was not clear. For example, the document inform that directly found species of raja udang, burung cabe and burung cengak. But from the monitoring information carried out not found these species.
- The Bahjambi Unit has not been able to show all the documentation of the management and monitoring activities that have been carried out in accordance with the 2019 HCV management and monitoring plan that has been prepared.
- The Bahjambi Unit has not yet demonstrated an evaluation and follow-up of the HCV management and monitoring activities that have been carried out.
- Marjandi and Marihat units have demonstrated an evaluation of HCV management activities. However, it has not yet explained the follow-up of the evaluation carried out. (For example, based on the results of the 2019 HCV monitoring in Marjandi it was found that the water spring at block 05 AT was missing).

Based on the explanation above, it was concluded that there was not enough evidence that the company had conducted an evaluation and follow-up of all HCV management and monitoring activities carried out. **Non-conformance NCR No. 2019.03**

5.2.5

Based on the results of HCV identification and field visits, known that there is no HCV area on community land.

Minor 5.2.4	Status: Non-conformance NCR No. 2019.03	
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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
CH has list of waste that produced by company, including waste source dan the management such as pesticides/chemical containers, fertilizer containers, used oil, used filter, rags, used batteries, EFB, POME etc.

5.3.2 & 5.3.3

In terms of hazardous waste management, the CH cooperates with third party namely PT Jagar Prima Nusantara that has license for collect or transport hazardous waste from authorized agency. Company also has licensed warehouse for hazardous waste in each management unit of estate and mill, such as :

- Marjandi : License of Hazardous waste storage No. 188.45/153/Sekrt-2016 dated on March 8, 2016 and valid until 5 years.
- BahJambi : Approval Document for Fulfill Commitment to Commercial / Operational Permits (Hazardous Waste Management Operational Permits for producers) No. 503/08 / 17.4 / 2019 dated July 31, 2019 and is valid for 5 years from being declared effective by *Lembaga Pengelolaan dan Penyelenggaraan OSS (Online Single Submission)*. The Hazardous waste Commercial / Operational Permit was issued by OSS on January 25, 2019.
- Marihat : License of Hazardous waste storage No. 188.45/157/Sekret-2016 dated on March 8, 2016 and valid until 5 years.

Based on field observations in the hazardous waste storage and interviews with workers, known that certificate holders has disposed the chemical ex-containers in licensed hazardous waste temporary warehouse and are collected for transport by licensed hazardous waste collectors and transporter. Based on the observation, also known waste stored in the hazardous Waste Temporary Storage Site has been stored in accordance with the requirements in accordance with applicable regulations, such as: eyewash or shower, emergency response such as APAR, first aid box, symbols and labels of hazardous waste, in flood-free areas, etc.

CH showed documents for storing and handling hazardous waste such as hazardous waste logbook, waste balance, minutes of hazardous waste handover, hazardous waste manifest as well as hazardous waste report. For example, manifest on November, 8 2019 (Bahjambi Unit) consist of used lamps, contaminated packaging, cartridge, used batteries, used rags, and lubricants.

Based on field observation, interview and document verification, known that the company has managed waste generated such as:

- Shell and fiber is used for boiler fuel
- EFB is collect in mill area and used as material for compost
- Waste water is used for land application

NC 2019.04

Field observations:

- The results of field observations in the afdeling 8 of Bahjambi residential area, WTP area and Marjandi afdeling 1 area were known that there was domestic waste littered in these areas.
- The results of observations to the Land Application area of block 41 afdeling 1 were known that the trench / rorak of the application has been shallow so that wastewater has run off to other environmental bodies and there was also a trace of runoff of liquid waste that almost reaches the water body.

Based on the explanation above, it was concluded that there was not enough evidence that the waste management plan has been implemented to avoid and reduce pollution.

Minor 5.3.3	Status : Nonconformity No. 2019.04 with Major category (Minor raise to Major)
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5.4 Efficiency of fossil fuel use and the use of renewable energy is optimised.

5.4.1

Company shows commitment to reducing fossil fuel by renewable energy usage. Shell and fiber usage have been monitored by company, as follows :

Month	FFB Processed (Ton)	shell (Ton)	Efficiency (Ton/FFB)	Fiber (Ton)	Efficiency (Ton/FFB)

Jan	15,878.25	1,177.39	0.07	2,222.96	0.14
Feb	17,613.17	1,320.99	0.08	2,465.84	0.14
Mar	19,738.96	1,480.42	0.07	2,763.45	0.14
Apr	16,322.56	1,224.19	0.07	2,285.16	0.14
May	15,665.77	1,174.93	0.07	2,217.73	0.14
Jun	15,987.56	1,199.07	0.08	2,269.64	0.14
Jul	20,279.74	1,520.98	0.07	2,807.56	0.14
Augt	20,427.46	1,535.81	0.08	2,859.84	0.14
Sept	17,487.14	1,311.54	0.08	2,448.20	0.14
Oct	18,038.24	1,327.05	0.07	2,525.35	0.14
Rata-rata			0.075		0.14

Status: Comply

5.5

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

5.5.1 ; 5.5.2

Based on Oil Palm Plantation SPO under the title Land development, in the Land Clearing section 01.3 dated August 01, 2007 explains that land clearing conduct by manual, mechanical and chemist system, work is done by way of overthrow and stacking.

The company showed a work agreement for replanting activities at Marihat Estate Afdeling I in 2019 No. 04.04 / S.PERJ / 019 / V / 2019 dated May 17, 2019. The agreement describes environmental management (management of watersheds and no burning activities at work sites). Also available a Work Progress Report document dated October 25, 2019. Activities are carried out by overthrow, cipping, etc.

Based on field visit at replanting area block 93X, block 18AA Bahjambi estate and blok 19A Marihat estate, known that there was no indication of the replanting activity using the combustion method.

Status: Comply

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. Company also has plans to reduce or minimize these emissions, such as:

- Waste water management to meet quality standards before being flowed to land applications
- Installation of dust collector and conduct emissions testing regularly.
- Use of shells and fiber as boiler fuel.
- Land monitoring that has the potential to be fire-prone
- Carry out fertilization in accordance with fertilizer recommendations

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

Air quality emission test results (Generator 625 KVA)

No	Parameter	Unit	Results	Thresholds (<i>PermenLH No. 13 2009</i>)
1	SO2	Mg/Nm3	21.1	-
2	NO2	Mg/Nm3	27.3	1000
3	CO	Mg/Nm3	384	600
4	Total particulate	Mg/Nm3	8.01	-

Air quality emission test results (Boiler)

No	Parameter	Unit	Results		Thresholds (PermenLH No. 7 2007)
			Boiler No. 2	Boiler No. 3	
1	SO2	mg/m3	55.8	115	600
2	NO2	mg/m3	91.5	132	800
3	Opacity	%	< 20	< 20	30
4	HF	mg/m3	0.41	0.4	8
5	NH3	mg/m3	0.44	0.34	1
6	HCl	mg/m3	3.64	3.23	5
7	Cl2	mg/m3	3.34	3.33	5
8	Total particulate	mg/m3	159	145	300

From the data above, there was no test result that exceeds the thresholds.

The results of field observations in noise areas such as boiler rooms, sterilizer, and kernels were known that the company has provided PPE in the form of earmuffs and earplug to workers. From the results of the medical examination (audiometry) it was also known that workers who work in noise areas are still in the healthy and normal category.

5.6.3

Company has conducted GHG emission calculations period 2018 make use of Calculator Palm GHG version 3.0.1. Accurate data has been put into the RSPO PalmGHG Calculator and has been verified. Summary of net GHG emissions from PalmGHG calculator of the audit report use Full Version option for the report.

Summary of GHG emission for Bahjambi POM are listed as follows :

Summary of Net GHG Emissions

Emissions per product	tCO ₂ e/tProduct	Extraction	%	Production	ton/year
CPO	6.04	OER	23.89	FFB Processed	235605
PK	6.04	KER	3.55	CPO Produced	56288

Land Use	ha
OP planted area	10579
OP Planted on peat	0
Conservation	861.85

Summary of Field Emissions and Sinks

	Own Crop		Group		3 rd Party		Total	
	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e	tCO ₂ e/ha
Emissions								
Land conversion	87729.15	8.29	0	0	0	0	87729.15	8.29
*CO ₂ emissions from fertilizer	68721.74	34.85	0	0	0	0	68721.74	34.85
**N ₂ O emissions	5431.43	0.51	0	0	0	0	5431.43	0.51
Fuel	475.94	0.04	0	0	0	0	475.94	0.04

consumption								
Peat Oxidation	0	0	0	0	0	0	0	0
Sinks								
Crop sequestration	-83155.6	-7.86	0	0	0	0	-83155.6	-7.86
Sequestration in Conservation Area	0	0	0	0	0	0	0	0
Total	79202.66	35.84	0	0	0	0	79202.66	35.84

Summary of Mill Emissions and Credits

	tCO ₂ e	tCO ₂ e/tFFB
Emissions		
POME	10581.51	0.04
Fuel consumption	697.61	0
Grid Electricity Utilization	191.1	0
Credits		
Export of Grid Electricity	0	0
Sales of PKS	0	0
Sales of EFB	0	0
Total	11470.22	0.05

Palm oil Mill Effluent (POME) Treatment

Divert to compost	0
Divert to anaerobic digestion	100

POME Diverted to Anaerobic Digestion:

Divert to anaerobic pond	100
Divert to methane capture (flaring)	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

The three business units have conducted a social impact assessment. The assessment in the Bah Jambi was carried out by CV Citra Cendekia in 2011, while the assessment in Marjandi and Marihat was conducted by PT Surveyor Indonesia, in December 2015 - February 2016. The assessment is carried out using a method divided into interviews with the community (guideline interviews, open interviews, guideline questionnaire) and direct observation and observation of people's daily life patterns.

This SIA report has describes the positive and negative impacts of plantation/mill operations and recommendations for managing social impacts by the company. The aspects assessed and observed have included socioeconomic aspects, social aspects, socio-cultural aspects, communication with the community, corporate responsibility and community perceptions.

The assessment has involved the entire community and surrounding villages and other affected stakeholders such as contractors and employees. The recording has been verified by auditor in the form of a questionnaire and a list of

stakeholder aspirations on October 11, 2011 at Bah Jambi Plantation. Minutes of Public Consultation with stakeholders included *Pangulu* Silau Malaha, Head of Forest Rehabilitation of Simalungun District, *Pangulu* Bosar Galugur, and Assistant II of Kesbang Regency of Simalungun, Head of Agriculture of Simalungun Regency, *Pangulu* Dolok Hataran, *Pangulu* Bah Jambi I, and *Pangulu* Baliyu.

The Marjandi SIA assessment was carried out in 6 villages directly adjacent to the estate, namely *Nagori* Marjandi Pisang, *Nagori* Bosar, *Nagori* Marjandi, *Nagori* Mekar Sari Raya, Simpang Raya and Siantar Silatasari.

Can be shown a questionnaire in Marihat Estate, besides, there was a Public Consultation Attendance List on November 16, 2016 which was attended by 22 participants consisting of internal and external stakeholders.

The involvement of the community and other stakeholders was also verified by the auditors through interviews with villagers in the Marihat Estate, Bah Jambi and Marjandi, the result was in line with the document.

6.1.3, 6.1.4, 6.1.5

Unit of Bah Jambi, Marjandi and Marihat have compiled an SIA management program for the 2019, the program informs the type of impact, location, management plan, schedule, indicators of success, results and PIC. There are 3 types of issues that will be managed, namely:

- ✓ Issues related to public facilities
- ✓ Employment opportunity
- ✓ Business opportunities and education improvement (specifically Marjandi)
- ✓ Conflict with stock-farmers

The implementation of social impact plans and programs has been stated and explained in the RKL / RPL document for Sem I year of 2019 in all units, such as business opportunity is shown by evidence of cooperation / contracts with local contractors, recapitalizing the recruitment of employees from the villages in 2019, the implementation of CSR including the construction of infrastructure and scholarships, improvement of public and social facilities, and handling of damage to roads.

Based on interviews with community representatives, for example *Nagori* Marjadi Embong, *Nagori* Marihat Baris, *Nagori* Pabalokan, *Nagori* Moho and *Nagori* Baja Dolok, known that implementation has been carried out effectively.

There is evidence of review and evaluation of the SIA program in each unit, the last review was in Jan 2019, the review has involved the participation of the parties, sighted evidence in the form of a questionnaires.

Based on interviews with surrounding communities in the three estates and document of SIA evaluation/review, there were social impacts related to flooding in the rainy season and damage to access roads, but the issue of these impacts has not been included in the SIA program of 2019.

Based on this explanation, the company has not been able to show that the result of review of SIA program has become a feedback and made an improvements on next SIA program. **NCR No 2019.05**

There was no smallholder scheme under unit of Bah Jambi, Marihat and Marjandi.

Minor 6.1.4	Status: Nonconformity NCR No 2019.05 with Major category (minor raised to major)
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6.2
There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.

6.2.1; 6.2.2; 6.2.3

Same as the previous assessment, the CH has the procedure for communication which is written in Communication & Consultation Procedure (SPO-03 on 2nd January 2017). The objective of this procedure is to provide practical guidance for handling communications & consultation with internal and external stakeholders with a maximum response of 30 days.

Certificate holder has the latest update of Stakeholder List and their detail address. This document was categorizing each of stakeholder, comprise of the government agencies in province and regency, sub district and village government level, communities representative, NGO, and local contractors. Update of the list was conducted annually, based on dynamic situation.

Based on the results of public consultations with Agriculture and Plantation Agency and Environment Agency of Simalungun District, as well as interview with representative of Baja Dolok and Moho Village it is known that the village knows the company's communication and consultation procedures through socialization carried out by the company

annually. Related to the procedure, the village felt there was no problem with the procedure and the procedure was quite helpful in the village's communication activities with the company.

In addition, based on document review of incoming and outgoing mail book documents, it is known that the company has always responded to incoming letters from stakeholders, but in period 2019 there was no information letter that came to the company. This is in line with the results of interviews with surrounding villages which stated that the communication relationship was running smoothly and the company has always responded to letters / proposals submitted by villagers.

Status: Comply

6.3
There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties.

6.3.1
 PTPN IV has had procedure for complaint that explained in collective labor agreement and "Peraturan Bersama Dewan Komisaris dan Direksi". Besides on "Peraturan Bersama Dewan Komisaris dan Direksi" also regulate about whistleblowing system. Interview with workers union stated that they already know how submission if any complaint.

6.3.2
 The whole recording and handling of related complaints recorded in general and human resources division. Based on document review is known that during the period of 2019 until audit time there were no complaints presented. According to interviews with workers and communities there are no complaints or dissatisfaction of employees and external (community). From interviews with workers, some (2 out of 10 workers) are still confused about how to report complaints.

OFI

Status: Comply

6.4
Any negotiations concerning compensation for loss of legal or customary rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.

Major 6.4.1 and Minor 6.4.1
 Based on the results of the document review regarding the procedure for identifying legal/ customary rights and the method of calculating compensation, it is known that there has been no change since the previous assessment which is stated in the Land Conflict Handling Procedure, No. 04, Revision 02, effective date of January 2, 2015, which among others explains the procedure for land acquisition since the preparation stage (including identification of parties receiving compensation), compensation and payment phases.

Major 6.4.3
 The certificate holder is a company resulting from the nationalization of Dutch colonial-era companies. Based on the results of public consultations with village community leaders and the Langkat District National Land Agency, it is known that there are no customary or legal rights from other landowners and there is no new land acquisition from ASA-1 to ASA-2.

Status: Comply

6.5
Pay and conditions for employees and for employees of contractors always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.

6.5.1
 The company has a policy related to the structure and scale of wages in the document of the Decree of the Board of Directors of PT Perkebunan Nusantara IV Concerning Adjustment of Special Salary and Employee Benefits of Group IA to IVD (No. : 04.11 / Kpts / 59 / IV / 2019). The document explains the adjustment of the basic salary and special benefits of employees from groups IA to IVD for 2019 with the provisions applicable starting from January 1, 2019. In the attachment the document informs the Lowest Group IA with a working period of group 0 receiving a wage of Rp 1,842,722 and Permanent Allowances of IDR 303,181 and Highest Level IVD with years of service of group 6 receiving wages of IDR 9,442,589 and Permanent Benefits of IDR 1,601,202. That document has been suitable with minimum wage set by the government.

Based on document verification of Salary Slip October 2019 was known that wages payment is in accordance with the Minimum Wages 2018. Terms of overtime payments are also in accordance to National Regulation with the provision of overtime calculation i.e. 1.5 hourly wages for first hour overtime and 2 x an hour wage for second hour overtime. Based on interviews with Labour Agency and workers, explained that the Company has paid wages according to the minimum wage set by the government.

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

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

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

6.5.2

The company has a collective labor agreement that describes the rights and obligations of employees and employers, wage payment mechanisms, worker conditions, working hours, working days, holidays and leave and termination of employment which contained in Bahasa. The CLA is valid for the period 2018 – 2019 (valid until December 31, 2019) and has been approved by Decree of Directorate Employment and Transmigration of North Sumatera (No. 04.11/X/126/II/2018) on February 9, 2018. Based on interview with labor union and management, Collective Labour Agreement has been explained to the workers. Companies are encouraged to re-remind all employees so that they know each group in each position and the maximum group for each position. **OFI**

6.5.3.

The Company provides infrastructure documented in the fixed asset collection dated on September 2019 consisting of employees' houses, warehouses, social buildings (Church, Junior High School, Laboratory, Convention Hall, Elementary School, Mosque, daycare etc.), and other buildings (Reservoirs, security offices, bales of public baths and so on). Based on field visits in the afdeling housing area, there are sources of electricity, water supply, school buses in each emplacement, medical facilities, educational facilities and others.

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

The company is encouraged to continue to strive to improve homes in each unit due to the condition of homes that are decades old. **OFI**

6.5.4

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

Status: Comply

6.6

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

6.6.1; 6.6.2

The company policy that gives freedom to union workers is found in the Collective Labor Agreement 2018-2019 article 5

which states that directors will not interfere with or obstruct everything related to the development of the organization, as long as the development does not conflict with applicable labor laws. This document formatted in Indonesian Language, so it is easy to understand for all workers. The result of the policy is formation of Labor Unions in every unit in CH which is recorded in manpower agency and still active until now.

The company has a meeting and cooperative formation document, such as:

- Ratification of the Deed of Establishment of PTPN IV Perkebunan Marihat Perkebunan Employee Cooperative employee. Simalungun no. 319 / BH / KWK.2 / XI / 1997 dated November 24, 1997
- Sumber Rezeki cooperative financial statements for the 2015 fiscal year with a comparative balance sheet as of December 31, 2015.
- Records of the 2018 Cooperative Sumber Rezeki Annual Member Meeting held on September 28, 2019.

The recording shown has been completed with attendance, minutes and documentation. From the results of interviews with the cooperative's management (secretary), the cooperative is currently engaged in savings and loans and is still actively operating.

Status: Comply

6.7 Children are not employed or exploited.

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

The Company has demonstrated evidence of company's policy documentation related to the child labor policy in documents, among others:

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

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

Status: Comply

6.8 Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.

6.8.1 and 6.8.2

During surveillance-2 audit activities, there has been no change / revision regarding the company's policy on non-discrimination and equal opportunities in the Company's Policy document regarding equal opportunities and treatment in employment opportunities contained in SOP Number 04.02 about Work Equality Policy which states that PT Perkebunan Nusantara IV provides the same opportunities and opportunities as broadly as possible without discrimination for all employees to carry out their work in order to achieve the company's vision and mission.

Based on interview with company workers known that workers get the same treatment and there are no issues related to discrimination. The results of public consultations with the Simalungun Regency Employment Agency also stated that

there were no issues related to SARA (ethnicity, religion, race and anatomy) and discrimination in the company's operational environment.

6.8.3

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

Status: Comply

6.9

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

6.9.1, 6.9.2 and 6.9.3

Same as the previous assessment, the company's policies on the prevention of sexual harassment and violence are contained in SOP with document number 06 dated 2 January 2015, regarding sexual harassment policy which states that PT PTPN IV is responsible for preventing sexual harassment in the workplace and taking corrective action to prevent sexual harassment related to jobs. Also, the company has formed a Women's Empowerment Board (Committee Gender) which serves as a forum to protect and accommodate the aspirations of workers, especially for female workers.

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

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

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

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

Status: Comply

6.10

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

6.10.1 ; 6.10.2

Based on document review and interviews with management, it was found out that they did not purchase FFB outside, so only processed FFB from their own plantations and other estates (under PTPN IV).

6.10.3 ; 6.10.4

The company has cooperation with local contractors, such as transporting FFB. All contracts have been agreed between management and the contractor concerned. As an example :

- Bah jambi: Letter of agreement with CV. Anugrah Putra Mandiri Pematang Siantar No: GMD-I / SPKP-TAN / ANGKUT-MUAT-BONGKAR-TBS / 67 / VII / 2019 concerning the work of transporting and loading / unloading FFB from AFD. I Kebun Bah Jambi to the palm oil mill (PKS) BAJ / DOS / DOI / GUB / BAO

- o Marjandi: contract between PT Perkebunan Nusantara IV and UD. Dipar Tua about the procurement of transport services and loading / unloading FFB AFD III Kebun Marjandi to PKS Dolok Ilir needs Quarter III III 2019 Number: 04.04 / SPKP / ANGKUT-MUAT-BONGKAR TBS / 265 / IX / 2019.
 - o Marihat: contract between PT Perkebunan Nusantara IV with CV. Marsanina regarding the procurement of transportation and loading / unloading / Fresh Fruit Bunch (TBS) work from the area of Marid Estate Marihat to the BAJ / DOS / DOI / BAO Palm Oil Mill (PKS) with Number: GMD-I / SPKP / ANGKUT-MUAT-BONGKAR- TBS / 62 / VI / 2019.
- Payment for Loads / Unloading of FFB based on the realization of the implementation of work per month after being cut a penalty with a bank transfer system the following examples of proof of payment of FFB and loose fruit payment as follows:
- Bah Jambi Estate: proof of contract payment with Number: BAJ / Transp / SPP / 197 / X / 2019 to CV. Anugrah Putra Mandiri
 - Marjandi Estate: proof of payment for UD Dipartua on the work of transporting FFB from Afdeling III Marjandi estate to mill Number: MAR / AU79 / TAN / 29 / X / 2019 dated October 31, 2019.
 - Marihat Estate: Receipt CV. Marsanina, for the transportation of FFB Afd I. in September with invoice No: 01 / FT-M / IX / 2019.

Status: Comply

6.11

Growers and millers contribute to local sustainable development wherever appropriate.

6.11.1, 6.11.2

Unit of Bah Jambi has prepared an environmental and CSR development program for the 2017-2019, the preparation is based on community aspirations through proposals submitted to the company. For 2019 there are 8 CSR activities programmed, and the realization is shown to the auditor:

- Procurement of solid stones and sand on July 5, 2019 at *Nagori* Togap Majawa
- Road infrastructure maintenance and mosque construction activities in June 2019 in *Nagori* Mekar Bahalat
- Construction of a river bund wall on 27 April 2019 in *Nagori* Bah Jambi II

The Unit of Marjandi' CSR program for 2019 can be demonstrated, there are 4 programs that have been implemented:

- Providing basic-food package in affordable price to the underprivileged
- Construction of excavation and deepening of the trench to overcome flooding in the village of Marjandi Pisang
- Provision of school uniforms on 6 February 2019 as many as 87 students around the Marjandi plantation.
- Conducting hardening of the 3600 meter connecting road between Mekar Sari Village and the intersection (district highway) was carried out in May 2019.

Unit of Marihat shows the CSR plan and it realization documents for the 2019 period, there are 2 programs implemented, namely:

- Providing of Al Qur'an in July 2019 to 3 villages, namely Bagasan Bawah Village, Bagasan Village and Huta Saropah.
- Assistance for house renovation carried out in July 2019 in Nagori Parbalogan, there are implementation documents in the form of photos of construction and a statement from the owner of the house

There were no smallholder scheme under Bah Jambi, Marjandi, and Marihat Business unit.

Status: Comply

6.12

No forms of forced or trafficked labour are used.

6.12.1; 6.12.2 and 6.12.3

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

Based on the results of field visit in estates and mill such as harvesting activity, spraying activity not found child labor or

worker families who helped worker without any agreement.

Status: Comply

**6.13
Growers and millers respect human rights**

6.13.1

Companies that have a human rights policy (Policy No. 07, Revision 02, effective date of January 2, 2015) that explains PTPN IV respects the rights and dignity of all people, in accordance with applicable legal requirements. In addition, the company has policies issued by the company related to workers' rights that have been approved provisions on human rights such as: Procurement policies in accordance with minimum wage provisions, policies on equal treatment without considering ethnicity, religion, race and groups, policies on protecting the rights of substitute workers, policies on providing health, housing and education facilities for workers and family workers.

The company has conducted socialization related to human rights policies owned by each employee, the following are information disseminations conducted by the company:

- Company Policy socialization at Marjandi Business Unit on May 16, 2019 which was attended by 26 participants consisting of workers and HR assistants. By holding human rights socialization, it is expected that the socialization participants will be able to know and understand human rights and to protect and prevent any actions that violate human rights.
- Company Policy Socialization at the Jambi Bah Business Unit on May 14, 2019, which was attended by 49 participants consisting of workers and Regional Government Muspika. By holding human rights socialization, it is expected that the socialization participants will be able to know and understand human rights and to protect and prevent any actions that violate human rights.

Based on interviews with union representatives, gender committees and workers in the field it is known that during the period January 2019 to October 2019 there were no issues related to human rights violations.

Status: Comply

PRINCIPLE #7 Responsible development of new plantings

7.1

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

Based on the interview results with management, government agencies, community representatives and document review, there was no development of new areas and there was only replanting activities. BahJambi, Marjandi and Marihat are derived from erpacht lands which are nationalized.

Status: Comply

7.2

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

7.2.1; 7.2.2

Based on the interview results with management, government agencies, community representatives and document review, there was no development of new areas and there was only replanting activities. BahJambi, Marjandi and Marihat are derived from erpacht lands which are nationalized.

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.

The three business unit (PTPN IV) has been operating since the 1950s and currently the plantation operations has been entering third cycle of planting and there is no new development in the area of audit scope. So that, the RaCP requirements and principle 7 do not applicable to all three units (the area that is the scope).

Status: Comply

7.4

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

7.4.1;7.4.2

Bah Jambi Estate

PTPN IV Bah Jambi Business Unit has been operating since the 1950s and until now the plantation operations have been replanting and there is no new development.

Marihat Estate

Based on the results of management interviews and document review, there is no development of new areas. The Marihat business unit is a Dutch heritage garden that was nationalized and has been operating since 1928.

Marjandi Estate

Based on the results of management interviews and document review, there is no development of new areas. Marjandi Garden is a Dutch heritage garden which was nationalized.

Status: Comply

7.5

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

Based on the results of the document review, interviews with management and community representatives, it is known that there was no development of new areas. Replanting is carried out in the operational area of the existing certificate holder. This is evidenced by the results of field observations at the Bah Jambi Estate, Marjandi Estate and Marihat Estate.

Status: Comply

7.6

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

Based on the results of the document review, interviews with management and community representatives, it is known that there was no development of new areas. Replanting is carried out in the operational area of the existing certificate holder. This is evidenced by the results of field observations at the Bah Jambi Estate, Marjandi Estate and Marihat Estate

Status: Comply

7.7

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

Based on the interview results with management, government agencies, community representatives and document review, there was no development of new areas and there was only replanting activities. BahJambi, Marjandi and Marihat are derived from erpacht lands which are nationalized.

Status: Comply

7.8

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

Based on the interview results with management, government agencies, community representatives and document review, there was no development of new areas and there was only replanting activities. BahJambi, Marjandi and Marihat are derived from erpacht lands which are nationalized.

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.

Major 8.1.1

Land Legality Aspect

The certificate holder shows a plan of action for continuous improvement, including the legal aspect, which has been carried out a tender process for the work of making, installing and adding boundaries to the Marihat Kebun unit.

Unit of Bah Jambi, Marihat and Marjandi has conducted internal audit RSPO in yearly basis based on it SOP, the latest are done in Oct 2019, there was as much as 4 NCs raised in Bah Jambi, 4 NCs in Marjandi and 3 NCs in Marihat. Auditor has verified the NCs raised during the internal audit, and observed that all NCs has been fulfilled.

Environment

CH has obtained a Proper Certificate with a Blue Rating for 2017-2018

Status: Comply

3.2. Summary of Assessment Report of Supply Chain Requirement

3.2.1 General Chain of custody requirements for the supply chain

Clause	Requirement
5.1	Applicability of the general chain of custody requirements for the supply chain
5.1.1	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.
	Bah Jambi POM are legally own the product of CSPO and CSPK produced and physically handling it since raw material received in POM, processed and storage. The transporting of CSPO are handled by the buyer. The organization are outsourced contractor for transporting PK to PPIS (Pabatu), which has been bounded by the contract.
	Status: Comply
5.1.2	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.
	The Bah Jambi POM is a palm oil mill, not a trader nor distributor
	Status: Comply
5.1.3	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.
	Bah Jambi POM - PT Perkebunan Nusantara IV has registered in RSPO membership 1-0082-09-000-00 since 29 June 2009. Bah Jambi POM has been registered in IT platform palm trace RSPO https://palmtrace.rspo.org/web/rspo/member-directory which information as follows:
	<ul style="list-style-type: none"> • Member Name: Bah Jambi POM - PT Perkebunan Nusantara IV • Account UID: RSPO_AC1000004117 • Core Product: Palm Oil • Member ID: RSPO_PO1000004181 • Type of Business: Oil Mill
	Status: Comply
5.1.4	Processing aids do not need to be included within an organization's scope of certification.
	Bah Jambi are a palm oil mill, only receive FFB from its own scope and estates under it holding, the FFB processed to CPO and PK, so that there is no processing aid used by the POM.
	Status: Comply
5.2	Supply chain model
5.2.1	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.
	Bah Jambi POM is use SCC module E (MB) and it has been applied correctly, all the product claimed as MB.
	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.
	Bah Jambi POM is use SCC module E (MB) and it has been applied correctly.

	Status: Comply
5.3	Documented procedures
5.3.1	<p>The site shall have written procedures and/or work instructions or equivalent to ensure the implementation of all elements of the applicable supply chain model specified.</p> <p>No changes since ASA 1. Facility has had procedure regarding to supply chain implementation in document Basic Guidance and Work Instruction of Certified Palm Oil Product Handling (document number 04.03/KS/SUS/P/001 approved since 1 August 2018). It procedure has covered the implementation of certified and non-certified handling, personnel in charge, book keeping and announce and confirm trades in the RSPO IT platform etc.</p> <p>Personnel in charge:</p> <ul style="list-style-type: none"> • Field assistant managed certified FFB in estate. • Mill manager registered mill in RSPO IT platform and documented book keeping. • Weighbridge operator recapitulated amount of FFB received from certified/non-certified area. • Staff of planning and strategic department monitored a certification period and quota. <p>Based on interview and observation to WB station it was known that the procedure has been understood by the clerk and has been implemented.</p>
	Status: Comply
5.3.2	<p>The site shall have a written procedure to conduct annual internal audit</p> <p>Procedure to conduct internal audit stipulated in supply chain procedure which was planned to be conducted annually, the last audit are done on 19 Oct 2019, the internal audit are done in refer to latest RSPO SCC system and standard.</p>
	Status: Comply
5.4	Purchasing and goods in
5.4.1	<p>The receiving site shall ensure that purchases of RSPO certified oil palm products are in compliance and the following minimum information for RSPO certified products is made available by the supplier</p> <p>The Bah Jambi POM does not purchase CSPO and CSPK from outsider.</p>
	Status: Comply
5.4.2	<p>The site shall have a mechanism in place for handling non-conforming oil palm products and/or documents</p> <p>The Bah Jambi POM does not purchase CSPO and CSPK from outsider, however the mill has a SOP for handling non-conforming palm oil product in SOP of Information and Production Claim No. SPO 18 dated January 2, 2015 (2nd revision).</p>
	Status: Comply
5.5	Outsourcing activities
5.5.1	<p>In cases where an operation seeking or holding certification outsources activities to independent third parties (e.g. subcontractors for storage, transport or other outsourced activities), the operation seeking or holding certification shall ensure that the independent third party complies with the requirements of the RSPO Supply Chain Certification Standard. A CPO mill and independent mill cannot outsource processing activities like refining or crushing.</p> <p>The mill are hired the third parties for transporting PK from mill to PPIS, sighted the agreement letter between PTPN IV and CV Karya Mandiri on "pengangkutan inti sawit dari PKS-PKS District I ke PPIS Pabatu" no. 04.05/S.Perj/12/III/2019 dated 20 March 2019.</p>
	Status: Comply
5.5.2	<p>Sites which include outsourcing within the scope of their RSPO Supply Chain certificate shall ensure the following:</p> <ol style="list-style-type: none"> a. The site has legal ownership of all input material to be included in outsourced processes; b. The site has an agreement or contract covering the outsourced process with each contractor through a signed and enforceable agreement with the contractor. The onus is on the site to ensure that certification bodies (CBs) have access to the outsourcing contractor or operation if an audit is deemed necessary. c. The site has a documented control system with explicit procedures for the outsourced process which is communicated

	to the relevant contractor.
	d. d) The site seeking or holding certification shall furthermore ensure (e.g. through contractual arrangements) that independent third parties engaged provide relevant access for duly accredited CBs to their respective operations, systems, and any and all information, when this is announced in advance
	In the SCCS SOP stated that the transporting shall comply and implemented the RSPO SCC standard, sighted the agreement during audit as mentioned in 5.5.1. Transporter task only deliver the product to location specified by the mill in the agreement.
	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.
	Address of transporting has been stated in the agreement, CV Karya Mandiri located in Serdang Bedagai Sumatra Utara.
	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 mill does not hire the third parties for processing and / or transporting.
	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 product and buyer information requires in this standard are contained in the sales document such as sales contract and delivery order document. In these document contained: name of buyer, no. DO, address, date of contract, date of delivery, volume, and SCC module applied. For example: <ul style="list-style-type: none"> - Buyer of PT Unilever Oleo chemical Indonesia; address in Sub district of Besar Maligas, Simalungun Regency, Sumatra Utara; Do no. 04.09/BAJ/MS/381/VIII/2019 on 20 Aug 2019; volume 500 MT CSPO-MB. - Buyer of PT Musim Mas; address in Deli Medan, Sumatra Utara; Do no. 04.09/BAJ/MS/362/VIII/2019 on 6 Aug 2019; volume 1000 MT CSPO-MB. - DO document of CSPO delivery to buyer of PPIS Pabatu on 12 Nov 2019, address in Sumatra Utara, volume 24.130 MT.
	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 audit are done to a palm oil mill namely Bah Jambi POM which are legally under PTPN IV Unit Usaha Bah Jambi, the product of CSPO and CSPK produced and physically handling the BAJ POM as well as storing in POM. The transporting are handled by the buyer.
	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.

Bah Jambi POM has following actions in the RSPO IT Platform, such as:

- Shipping Announcement / Announcement and confirm has done upon delivered to buyer, there was 9 transactions of CSPO (sold to PT Musim Mas and PT Unilever) and 5 transaction of CSPK sold to PPIS Pabatu. Sample of transaction announcement in the figure below:

Transaction ID	Transaction Date	Buyer Reference Number	Product	Volume	Supply Chain Model
TR-2a2dba52-8094	29-10-2019	4517044869	CSPO	500	Mass Balance
TR-e256f9b9-de3e	24-10-2019		CSPO	1.000	Mass Balance
TR-1efbe0ba-d199	20-09-2019		CSPO	1.000	Mass Balance
TR-0413edb4-82a3	11-09-2019	4516614092	CSPO	500	Mass Balance
TR-427fa9ed-6921	02-09-2019		CSPK	571,43	Mass Balance
TR-#2747fc-8f23	02-09-2019		CSPK	571,43	Mass Balance
TR-06bc70e5-4a4f	02-09-2019		CSPK	160	Mass Balance

- Tracing are done by the Dept. Of marketing annually.
- Remove to the sustainable stock which is sold under conventional has been done by the POM

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

In the procedure of Supply Chain it was stated that the RSPO SCC training to all personnel involved will be conducted once a year, the latest training was held on 28 Aug 2019 attended by production assistant, WB clerk, and head of Adm., head assistant, and mill manager.

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 training has been performed effectively and done in specific to the task, verification are done through direct interview to the WB operator, production clerk and security, they can demonstrate regarding to the SCC implementation.

Status: Comply

5.9 Record keeping

5.9.1

The organization shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these RSPO Supply Chain Certification Standard requirements

The mill has been maintain all the records of RSPO SCC implementation, the auditor verify the record for the last 12 months such as delivery order document, sales contract and weighing tickets. All the record are stored in Bah Jambi POM office.

Status: Comply

5.9.2

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

No changes since ASA 1.
Based on document verification on supply chain procedure, retention time for all records and report regarding to supply chain are kept for 2 year. All of record and report kept in mill archive room.

Status: Comply

5.9.3

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

BJM POM has provide the estimate volume and up to date record of the volume in 12 months:

Product	Estimation of Certified Product for last 12 months (MT)	Actual Production 1 November 2018 – 31 October 2019 (MT)	Projected production for the next license period 23 Feb 2020 – 22 Feb 2021 (MT)
FFB	236,103	173,951.33	227,400
CSPO	49,582	42,603.83	45,500
CSPK	10,625	7,278.86	11,400

Status: Comply

5.10

Conversion factors

5.10.1

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

The audit are done to a palm oil mill which is only receive FFB as raw material to be processed to CPO and PK. There was no any of conversion factor use.

Status: Comply

5.10.2

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

The audit are done to a palm oil mill which is only receive FFB as raw material to be processed to CPO and PK. There was no any of conversion factor use.

Status: Comply

5.11

Claims

5.11.1

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

The mill does not use the trademark and / or RSPO logo in it sales document or any of it activity.

Status: Comply

5.12

Complaints

5.12.1

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

The certificate holder has procedure about customer feedback/complaint and survey Number SPO 19 on 6 November 2018.

- Customer complaint is complaint from customer which submit to the company, if any product non-comply with standard.
- The complaint can be submit by letter, memo and suggestion box.
- The Manager will issued correction and corrective action to the officer concerned.

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	
In accordance with supply chain procedure, internal audit of supply chain conducted annually. The latest are done on 30 Oct 2019 followed by 9 personnel namely: mill manager, Head of ADM., assistants, SDM Assistant, and WB staff.	
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. 	
In the last management review (on 30 Oct 2019) it has been included the requires information such as: <ul style="list-style-type: none"> - Result of internal audit (the internal audit has been conducted on 14-19 Oct 2019) there was 6 NCs raised, the status has been fulfilled - Customer feedback → there is no customer feedback submitted to Bah Jambi POM - Process and product performance - Follow up of previous management review - The changes to management system which affect the quantity and quality of product - Achievement of objectives 	
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. 	
In the last management review (on 30 Oct 2019) also has included the continuous improvement to the system and resources needs. The BJM POM has planned to assigning the specific PIC for implementation of SCC and planning to conduct next management review.	
Status: Comply	

3.2.2 (Module E) CPO Mills - Mass Balance Requirements

Clause	Requirement																
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 sales volume of RSPO certified products. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own and 3rd party certified supply 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>Bah Jambi POM are received and processed the FFB from certified and uncertified sources, so that the Module E (MB) are applied.</p> <p>Status: Comply</p>																
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. For an independent mill, the estimated tonnage of CPO and PK products must be recorded in the RSPO IT platform, supply chain certificate and public summary audit report. This figure represents the total volume of certified oil palm product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced shall then be recorded in each subsequent annual surveillance report.</p> <p>The BJM POM has set the projection of certified product produce for the last 12 months, the actual production has been verified during this ASA-2, as well as the next 12 months projection are set to be attached in the next license. The detail are in the table follows:</p> <table border="1"> <thead> <tr> <th>Product</th> <th>Estimation of Certified Product for last 12 months (MT)</th> <th>Actual Production 1 November 2018 – 31 October 2019 (MT)</th> <th>Projected production for the next license period 23 Feb 2020 – 22 Feb 2021 (MT)</th> </tr> </thead> <tbody> <tr> <td>FFB</td> <td>236,103</td> <td>173,951.33</td> <td>227,400</td> </tr> <tr> <td>CSPO</td> <td>49,582</td> <td>42,603.83</td> <td>45,500</td> </tr> <tr> <td>CSPK</td> <td>10,625</td> <td>7,278.86</td> <td>11,400</td> </tr> </tbody> </table> <p>Status: Comply</p>	Product	Estimation of Certified Product for last 12 months (MT)	Actual Production 1 November 2018 – 31 October 2019 (MT)	Projected production for the next license period 23 Feb 2020 – 22 Feb 2021 (MT)	FFB	236,103	173,951.33	227,400	CSPO	49,582	42,603.83	45,500	CSPK	10,625	7,278.86	11,400
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FFB	236,103	173,951.33	227,400														
CSPO	49,582	42,603.83	45,500														
CSPK	10,625	7,278.86	11,400														
E.2.2	<p>The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform).</p> <p>Bah Jambi POM - PT Perkebunan Nusantara IV has registered in RSPO membership 1-0082-09-000-00 since 29 June 2009.</p> <p>Bah Jambi POM has been registered in IT platform palm trace RSPO https://palmtrace.rspo.org/web/rspo/member-directory which information as follows:</p> <ul style="list-style-type: none"> • Member Name: Bah Jambi POM - PT Perkebunan Nusantara IV • Account UID: RSPO_AC1000004117 • Core Product: Palm Oil • Member ID: RSPO_PO1000004181 • Type of Business: Oil Mill <p>Status: Comply</p>																
E.3	Documented procedures																
E.3.1	<p>The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:</p> <ol style="list-style-type: none"> 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.

No changes since ASA 1. Facility has had procedure regarding to supply chain implementation in document Basic Guidance and Work Instruction of Certified Palm Oil Product Handling (document number 04.03/KS/SUS/P/001 approved since 1 August 2018). It procedure has covered the implementation of certified and non-certified handling, personnel in charge, book keeping and announce and confirm trades in the RSPO IT platform etc.

Personnel in charge:

- Field assistant managed certified FFB in estate.
- Mill manager registered mill in RSPO IT platform and documented book keeping.
- Weighbridge operator recapitulated amount of FFB received from certified/non-certified area.
- Staff of planning and strategic department monitored a certification period and quota.

Based on interview and observation to WB station it was known that the procedure has been understood by the clerk and has been implemented.

Status: Comply

E.3.2

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

BJM POM has set the procedure regarding to supply chain implementation, this procedure also as a guidance in receiving the certified and un-certified FFB, the certified FFB shall be marked with stamps of CSPO (Certified Sustainable Palm Oil) in the consignee note.

During observation and interview to WB station, observed that the procedure has been implemented well, sampled weighing tickets are checked by the auditor such as ticket from Marjandi Estate Div. 03, date 12 Nov 2019, FFB volume 5620 Kg.

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.

BJM POM has been verify the FFB received and processed, the volume has been documented, auditor verified for the last 12 months FFB received from the certified and non-certified sources, can see in table below:

Month	Certified (Kg)					Uncertified (Kg)				Total (Kg)	
	Bah Jambi	Marihat	Balimbing an	Dolok Sinumbah	Marjandi	Marjandi (30 Ha)	Bahbiron g Ulu	Tonduhan	Sei Kopas	Certified	Un - Certified
Nov 18	8,398,530	7,735,780	16,134,310	7,345,550	-	399,700	2,788,760	4,157,090	-	16,134,310	7,345,550
Dec 18	8,464,120	7,387,610	15,851,730	9,252,240	-	1,206,290	3,520,270	4,525,680	-	15,851,730	9,252,240
Jan 19	5,262,600	6,280,710	11,543,310	4,903,970	-	923,440	139,290	3,841,240	-	11,543,310	4,903,970
Feb 19	6,678,700	5,737,510	13,058,840	4,690,670	-	1,121,300	937,280	2,632,090	-	13,058,840	4,690,670
Mar 19	8,058,570	6,091,000	14,376,300	5,250,880	-	1,502,040	-	3,748,840	-	14,376,300	5,250,880
Apr 19	7,334,760	5,188,270	13,636,910	3,090,590	-	697,510	-	2,173,500	219,580	13,636,910	3,090,590
May 19	8,758,340	5,207,200	13,965,540	1,262,540	-	11,780	-	1,250,760	-	13,965,540	1,262,540
Jun 19	7,789,010	6,246,650	14,997,340	1,385,570	-	-	-	1,385,570	-	14,997,340	1,385,570
Jul 19	7,536,960	7,160,680	15,118,380	5,189,850	420,740	30,300	-	3,613,090	1,546,460	15,118,380	5,189,850
Aug 19	8,445,770	8,251,640	16,697,410	3,937,980	-	-	-	3,459,420	478,560	16,697,410	3,937,980
Sept 19	6,562,550	6,699,280	13,726,370	3,170,210	283,610	39,400	-	3,130,810	-	13,726,370	3,170,210
Oct 19	7,749,940	7,094,950	14,844,890	3,666,070	-	-	-	3,512,780	153,290	14,844,890	3,666,070

Status: Comply

E.4.2

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

The BJM POM has monitored the actual production for the last 12 months, there is no over-production between projection compared to actual production, shown below:

Product	Estimation of Certified Product for last 12 months (MT)	Actual Production November 2018 to October 2019 (MT)
FFB	236,103	173,951.33
CSPO	49,582	42,603.83
CSPK	10,625	7,278.86

Status: Comply

E.5	Record keeping																										
E.5.1																											
<p>a. 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.</p> <p>b. All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO.</p> <p>c. 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.)</p>																											
<p>BJM POM has record and balance all receipts of certified FFB and deliveries of CSPO and CSPK, done in real time basis. Auditor has verified the monitoring stock and balance sheet of CSPO/CSPK since 1 Nov 2018 – 31 Oct 2019, all certified product delivered are deducted from positive stock.</p>																											
<table border="1"> <thead> <tr> <th rowspan="2">Month</th> <th colspan="2">CPO Production (MT)</th> <th colspan="2">PK Production (MT)</th> <th colspan="2">CPO Sales (MT)</th> <th colspan="2">PK Sales (MT)</th> </tr> <tr> <th>Certified</th> <th>UnCertified</th> <th>Certified</th> <th>Uncertified</th> <th>Certified</th> <th>Conventional</th> <th>Certified</th> <th>Conventional</th> </tr> </thead> <tbody> <tr> <td>Nov 2018 to Oct 2019</td> <td>42,603.83</td> <td>12,780</td> <td>7,278.86</td> <td>2,131.46</td> <td>10,500</td> <td>29,333.48</td> <td>7,067.83</td> <td>-</td> </tr> </tbody> </table>		Month	CPO Production (MT)		PK Production (MT)		CPO Sales (MT)		PK Sales (MT)		Certified	UnCertified	Certified	Uncertified	Certified	Conventional	Certified	Conventional	Nov 2018 to Oct 2019	42,603.83	12,780	7,278.86	2,131.46	10,500	29,333.48	7,067.83	-
Month	CPO Production (MT)		PK Production (MT)		CPO Sales (MT)		PK Sales (MT)																				
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Nov 2018 to Oct 2019	42,603.83	12,780	7,278.86	2,131.46	10,500	29,333.48	7,067.83	-																			
Status: Comply																											

3.3. Conformity Checklist of Certificate and Trademark Use

1.	Evidence of permission or approval certificate and logo from Certification Body which submitted by Client	X or√
ASA-2	Bah Jambi POM – PT. Perkebunan Nusantara IV does not use trademark on it sales document or any of communication and promotion paper.	√
	Status: Comply	
2.	Implementation of certificate and logo used by Client comply with size and type (shape) against Guideline of Logo Use	X or√
ASA-2	Bah Jambi POM – PT. Perkebunan Nusantara IV does not use trademark on it sales document or any of communication and promotion paper.	√
	Status: Comply	
3.	Implementation of Certificate and Logo is not used on product	X or√
ASA-2	Bah Jambi POM – PT. Perkebunan Nusantara IV does not use trademark on it sales document or any of communication and promotion paper.	√
	Status: Comply	
4.	Controlling of Certificate and Logo, including withdrawing inappropriate logo.	X or√
ASA-2	Bah Jambi POM – PT. Perkebunan Nusantara IV does not use trademark on it sales document or any of communication and promotion paper.	√
	Status: Comply	

3.4. Summary of RSPO Partial Certification.

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

PT Perkebunan Nusantara (PTPN) IV Time Bound Plan (TBP) is explained in point 1.10. PT Perkebunan Nusantara (PTPN) IV run eighteen (18) mills and thirty two (32) estates in Indonesia and has been RSPO certified for six (6) mills and nine (9) supply bases in Indonesia. PT Perkebunan Nusantara (PTPN) IV has informed the TBP progress, MUTU has considered that PTPN IV is complied with the RSPO requirement for TBP. The Time Bound Plan was revised and declared by PTPN IV on March 2018.

MUTU has verified partial certification for un-certified unit's subsidiary of PTPN IV based on their Time Bound Plan. There is twelve (12) uncertified mills and twenty three (23) uncertified estates of PTPN IV, MUTU Auditor verified positive assurance against the company internal audit and supporting evidence as well as any information from others sources.

MUTU Auditor has verified company partial certification and concludes that:

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

2.1 Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
2.1.1	Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	<p>Yes and positive assurance is produced for these units.</p> <p>Auditor verification There are external audit that has been conducted for management units of Pasir Mandoge, Timur, PT Agro Sinergi Nusantara and PT Sinergi Perkebunan Nusantara</p> <p>And positive assurance is produced for these units.</p>
2.1.2	<p>No replacement after dates defined in Nis Criterion 7.3 of:</p> <ul style="list-style-type: none"> • Primary forest. • Any area identified as containing High Conservation Values (HCVs). • Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3. 	<p>PTPN IV has submitted liability disclosure to RSPO.</p> <p>Based on PTPN IV disclosure of liability there is one (1) estate that has liability</p> <p>PTPN IV has sent their liability disclosure to the RSPO Compensation Panel (rspocompensation@rspo.org) in 2016. PTPN IV has been update their liability disclosure and also sent LUCA on 2018. There is one (1) unit that has non-compliant land clearance.</p> <p>Auditor verification</p>

		Auditor has verified the supporting evidence of above the company statement. The above statement in accordance with the supporting evidence provided.
2.1.3	Any new plantings since January 1 st 2010 must comply with the RSPO New Plantings Procedure.	<p>No new planting/land clearing after 1st January 2010. All planting in PTPN IV management units are old plantation that was planted before November 2005.</p> <p>Auditor verification PTPN IV has sent their liability disclosure and LUCA to the RSPO Compensation Panel (rspocompensation@rspo.org) in 2016. PTPN IV has been update their liability disclosure and also sent LUCA on 2018. There is one (1) unit that has non-compliant land clearance without HCV before 2010.</p>
2.1.4	Any Land conflicts are being resolved through a mutually agreed process, e.g. RSPO Grievance procedure or Dispute Settlement Facility, in accordance with RSPO criteria 6.4, 7.5 and 7.6.	<p>There is no land conflicts.</p> <p>Auditor verification The company has SPO of conflict area management No.4 (revise 2) January 2, 2015 has explain that problem solving of conflict area is conducted by negotiation which involves leader of dispute area and determine the compensation done by negotiation until they reach agreement</p> <p>There is evidence of documented land dispute resolution for the uncertified units.</p>
2.1.5	Any Labour disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.	<p>There is no labor disputes.</p> <p>Auditor verification There is no information from public source and RSPO website on any labour conflict for uncertified unit of the group subsidiaries.</p> <p>The company has a mechanism for dealing with complaints and dissatisfaction in the SOP of Internal Communication and Employee Grievance Handling (internal) (No. 19 (Revision 1) effective from January 2, 2015), SOP Handling Customer Complaints and Environment (external) (No. 13 (Revision 1) effective from January 2, 2015) and there are SOP of Communication and Public Consultation (No. SPO 03, revision 02, the effective date of January 2, 2015).</p> <p>The Company has a policy to protect the identity of the Whistle Blowing that stated in the documents of Infringement Complaint</p>

		Management System (Whistle Blowing System) PT Perkebunan Nusantara IV (Persero) on 2013 in Article 10: Protection For Reporter.
2.1.6	Any Legal non-compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.	<p>Yes, there is no legal non-compliance is being processed.</p> <p>Auditor verification</p> <p>The company has a complete list of regulations in 1nd semester of 2016 that includes local regulations, national regulation and international regulation.</p> <p>The procedure explains that the person responsible for the management of legal documents are the Head of General Affairs and and Human Resources. The company has kept a list of rules and regulations in 1nd semester of 2016 at the Head of General Affairs and Human Resources Department and has distributed to each division office in hardcopy and softcopy.</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 ASA-1

NCR No.	: 2019.01	Issued by	: Rindu Galih Rezza Rachmansyah
Date Issued	: 4 February 2019	Time Limit	: 5 May 2019
NC Grade	: Major	Date of Closing	: 08 February 2019
Standard Ref. & Requirement	: 4.7.3 Records of Occupational Health and Safety (OHS) program (see 4.8) and Personal Protective Equipment (PPE) training in accordance with the result of hazard identification and risk analysis shall be available to all workers.		
<p>Evidence observed (filled by auditor): Based on the results of document studies, field visits and interviews with workers it is known that there are workers who still use damaged PPE (boots) in the field such as:</p> <ul style="list-style-type: none"> • Bah Jambi Unit: 1 harvest worker in block 07C uses damaged shoes and 1 contractor worker to transport FFB in the loading ramp does not use PPE (shoes). • Marihat Unit: 2 fertilizer workers in block 05E afdeling 2 use broken shoes. • Marjandi Unit: 1 harvest worker in block 05C and 1 global telling worker in afdeling 3 block BX. <p>Non-Conformance Description (filled by auditor): Based on the results of the audit above, the company has not been able to prove that all Personal Protective Equipment (PPE) is in a proper condition for all workers.</p>			
<p>Root Cause Analysis (filled by organization audited):</p> <ul style="list-style-type: none"> • No monitoring of the conditions and use of PPE for all workers before doing work • There has been no evaluation / follow-up on the results of the PPE monitoring that has been carried out • The mechanism for replacing PPE that has been made has not been fully implemented • There has not been an evaluation of the socialization of the use of PPE that has been given to workers • Commitment to run a system / mechanism that is still low so that punishment must be given to discipline the use of PPE at work • There has not been an implementation of punishment contained in the Commitment to Use PPE that has been made between the leader and the workers 			
<p>Correction (filled by organization audited):</p> <ul style="list-style-type: none"> • Make a recapitulation of the number of workers' PPE that have been damaged based on the results of monitoring and make a letter to the General HR bag for filing PPE replacement • Provide understanding to workers about the function and usefulness of PPE when working at least once a month which is done during the morning apples before working in each part 			
<p>Corrective Action (filled by organization audited):</p> <ul style="list-style-type: none"> • Make monitoring of conditions and use of PPE for all workers regularly every month • Make socialization of the functions and uses of PPE to workers • Make a commitment signed by the employees of the leadership of each section to ensure the use of PPE, monitor the condition of workers' PPE and report on the condition of the PPE of workers if something has been damaged • Application of punishment to workers who still do not use PPE at work • Inspection of the completeness and condition of the PPE of workers before work is carried out by the Overseer every day but the bookkeeping of PPE monitoring is carried out every month 			

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

The company has shown improvement documents including:

- Letter No. MAT / SE / 03 / II / 2019 dated February 4, 2019 concerning the Use of Personal Protective Equipment which explains that it stipulates the obligation to use PPE at PTPN IV - Kebun Marihat, besides requiring chemist / pesticide handlers after applying for chemicals must rinse themselves and work tools at Home Rinse and store work tools in the space provided.
- Letter No. MAT / INT / 04 / II / 2019 dated February 4, 2019 regarding the PJS Manager's request to disseminate PPE referring to Circular No. MAT / SE / 03 / II / 2019 about Using Personal Protective Equipment
- Letter No. MAT / Intern / Commitment / 01 / II / 2019 dated February 4, 2019 concerning Commitment to Use and Monitoring of Personal Protective Equipment. The Commitment Letter is signed by the Afdeling Assistant, Assistant Head of Plant, Assistant Head of Administration, General Technical Assistant and General and Security HR Assistant
- Letter No. BAJ / Intern / Commitment / II / 2019 dated February 4, 2019 concerning Commitment to Use and Monitoring of Personal Protective Equipment. Commitment letter signed by Afdeling Assistant, Assistant Head of North / South Rayon Plant, Assistant Head of Administration, General Technical Assistant and General and Security HR Assistant
- Letter of PKS BAJ / SE / Intern / 01 / II / 2019 dated February 4, 2019 concerning the Replacement Mechanism for Workers' Personal Protective Equipment.
- MCC Letter of BAJ / Commitment / 01 / II / 2019 dated February 4, 2019 concerning Commitment to the Use and Monitoring of PPE. Letters are signed by the Processing Assistant, Factory Engineering Assistant, Administrative Assistant and MCC Manager.
- Letter MAR / Intern / Commitment / - / I / 2019 dated February 4, 2019 concerning Commitment to the Use and Monitoring of PPE. Letters are signed by the Afdeling Assistant, Administrative Assistant, HRD Assistant, Technical Assistant and Unit Manager.
- Letter No. MAR / SE / Intern / - / II / 2019 dated February 4, 2019 concerning the Replacement Mechanism for Workers' Personal Protective Equipment.
- Minutes of Implementation of PPE Dissemination No.BAJ / 02 / SDM / APD / II / 2019. The socialization was held on Wednesday 06 February 2019 in Afdeling I Bah Jambi. In addition it is also shown the document Monitoring of the Use and Condition of PPE (including Documentation of Attendance List) on harvesting and begging work.
- Minutes of Implementation of PPE Socialization No.BAJ / 03 / SDM / APD / II / 2019. The socialization was held on Wednesday, February 6, 2019 at Afdeling II Bah Jambi. Besides that, it is also shown the Monitoring document for the Use and Condition of PPE (including Documentation of Attendance List) on the work of harvesting, fertilizing and khemis.
- Minutes of Implementation of PPE Dissemination No.BAJ / 04 / SDM / APD / II / 2019. The socialization was held on Wednesday, February 6, 2019 at Afdeling III Bah Jambi. Besides that, it is also shown the Monitoring document for the Use and Condition of PPE (including Documentation of Attendance List) on the work of harvesting, fertilizing and khemis.
- Minutes of Implementation of PPE Dissemination No.BAJ / 05 / SDM / APD / II / 2019. The socialization was held on Wednesday, February 6, 2019 in Afdeling IV Bah Jambi. Besides that, it is also shown the Monitoring document for the Use and Condition of PPE (including Documentation of Attendance List) on the work of harvesting, fertilizing and khemis.
- Minutes of Implementation of PPE Socialization No.BAJ / 07 / SDM / APD / II / 2019. The socialization was held on Wednesday 06 February 2019 at Afdeling VI Bah Jambi. Besides that, it is also shown the Monitoring document for the Use and Condition of PPE (including Documentation of Attendance List) on the work of harvesting, fertilizing and khemis.
- Minutes of Implementation of PPE Dissemination No.BAJ / 08 / SDM / APD / II / 2019. The socialization was held on Wednesday 06 February 2019 in Afdeling VII Bah Jambi. Besides that, it is also shown the Monitoring document for the Use and Condition of PPE (including Documentation of Attendance List) on the work of harvesting, fertilizing and khemis.
- Minutes of Implementation of PPE Socialization No.BAJ / 01 / SDM / APD / II / 2019. The socialization was held

on Wednesday 06 February 2019 in Afdeling VII Bah Jambi. Besides that, it is also shown the Monitoring document for the Use and Condition of PPE (include Documentation of Present List) on security and Warehouse work.

- Minutes of Implementation of PPE Socialization No.BAJ / 10 / SDM / APD / II / 2019. The socialization was held on Wednesday, February 6, 2019 in Afdeling IX Bah Jambi. Besides that, it is also shown the Monitoring document for the Use and Condition of PPE (including Documentation of Attendance List) on the work of harvesting, fertilizing and khemis.
- Minutes of PPE Socialization on February 6, 2019.
- Register for the presentation of PPE from Vendors to 5 workers, February 6, 2019.
- List of minutes dated February 6, 2019 to engineering and transport employees
- Monitoring related to compliance with the use of PPE throughout the Afdeling of each Business Unit (Bah Jambi, Marjandi and Marihat)
- Results of recapitulation of the condition of PPE (after monitoring PPE) for all business units (Bah Jambi, Marjandi and Marihat)
- Submission of APD procurement for Marihat Business Units for 11 workers submitted on February 6, 2019 and proof of handover of PPE given to 11 workers
- Submission of procurement of PPE for Marjandi Business Units for 111 workers submitted on February 6, 2019 and proof of handover of PPE given to 111 such workers
- Submission of procurement of PPE for Jambi Business Units (Estate) for 196 workers submitted on February 6, 2019 and proof of handover of PPE given to 196 workers
- Submission of procurement of PPE for Jambi Bahar Business Unit (PKS) for 50 workers submitted on February 6, 2019 and proof of handover of PPE given to 50 workers
- Application of Punishment (postponing increases in class, transfer or demotion) to Employees of Managers (managers and assistants) if found to have workers who do not carry out the obligation to use PPE when working in accordance with the Commitment to the use and monitoring of PPE

Based on the evidence of improvement provided, the non-conformity No. 2019.01 stated to be Closed and its application will be observed again in the next assessment.

Verified by : **Rindu Galih Rezza Rachmansyah**

NCR No.	: 2019.02	Issued by	: Rindu Galih Rezza Rachmansyah
Date Issued	: 4 February 2019	Time Limit	: 5 Mei 2019
NC Grade	: Recurrent Minor (Raised to Major)	Date of Closing	: 18 April 2019
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):			
<ol style="list-style-type: none"> 1. The company has fire emergency response infrastructure in the form of APAR and Hydrant in Bah Jambi POM and the latest monitoring results in December 2018 state that all facilities are in good condition. However, during the field visit and simulation, APAR (Sterilizer and Kernel) cannot be used and Hydrant No. 04 has not functioned properly where the hose was leaking so that the water pressure during the simulation was not optimal. 2. Based on the results of the monitoring document study in December 2018 it is known that all first aid kits are palced in the Bah Jambi unit are available according to the provisions (21 items). However, at the time of the field visit, facts were found: First aid kits in the engine room as many as 16 items, 10 items for the workshop, 10 items for the solar tank and 1 expired item in the form of iodine chloride. 			

Non-Conformance Description (filled by auditor):

1. The company has not been able to show evidence that the results of monitoring infrastructure facilities are in accordance with the actual conditions of the equipment in the field.
2. The company has not been able to show evidence that the results of first aid facility monitoring are in accordance with the actual conditions and the number of first aid items in accordance with Minister of Manpower and Transmigration Regulation 15 of 2008. In addition, it cannot be demonstrated that the available items are still in use (not expired).

Root Cause Analysis (filled by organization audited):

- There has been no evaluation conducted on the results of inspection / monitoring of OHS supporting facilities and infrastructure every month
- There is no appointment of PIC responsible for evaluating the results of inspection / monitoring of OHS supporting facilities and infrastructure every month

Correction (filled by organization audited):

- Replacing empty fire extinguisher contained in the Sterilizer and Kernel stations with fire extinguisher still functioning / contained
- Repairing hydrant hose No.4 so that it can function properly (water pressure can be maximized when used)
- Completing the contents of the first aid kit in the engine room, workshop and solar tank into 21 items
- Replacing an iodine chloride drug that has expired and returned it to hazardous waste temporary warehouse
- Appoint a PIC responsible for carrying out monitoring and implementation of OHS

Corrective Action (filled by organization audited):

- Make an evaluation of the results of inspection / monitoring of OHS supporting facilities and infrastructure every month
- Make a conformity checklist of existing OHS infrastructure in the field with the results of monitoring that has been carried out

Assessor Evaluation and Conclusion (filled by auditor):

Verification on 05 April 2019

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

- Results of OHS facility and infrastructure inspection evaluations dated 26 February 2019 at Bah Jambi POM
- Assignment Letter No. PKS.BAJ / SE-05 / II / 2019 dated 27 February 2019 for Suwito & Surianto as PIC inspection and K3 infrastructure facilities investigation
- Records of results of inspection and investigation of OHS infrastructure such as fire extinguisher, first aid kit, and hydrants in Jambi Bah Unit
- Photo of completeness of first aid kit in engine room location, workshop and solar tank to 21 items
- APAR replacement photos at the sterilizer and kernel stations
- Photos of first aid kit items that have expired with new ones

Based on the evidence of the remedies submitted and the determination of the root of the problem, the corrective and corrective actions provided, there is still some information needed by the auditor. Then Non-compliance No. 2019.02 is still **OPEN**.

Verification on 18 April 2019

The company has shown proof of improvement in the form of:

- Decision letter for appointment of PIC responsible for monitoring and implementing OHS in Marihat Unit, Marjandi, Bah Jambi and Bah Jambi POM
- The designated PIC is the HR, General and Security Assistant of each unit

Based on the explanation above, the company has determined that the PIC is responsible for monitoring and implementing OHS so that the precautionary measures for repeating the same occurrence of nonconformities in the next assessment have been carried out. Then nonconformity No. 2019.02 is stated to be **CLOSED** and its application will be observed again in the next assessment.

Verified by	: Rindu Galih Rezza Rachmansyah
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NCR No.	: 2019.03	Issued by	: Rindu Galih Rezza Rachmansyah
Date Issued	: 4 February 2019	Time Limit	: 5 Mei 2019
NC Grade	: Recurrent Minor (Raised to Major)	Date of Closing	: 18 April 2019
Standard Ref. & Requirement	: 4.7.6 All workers shall be provided with medical care, and covered by accident insurance (see criterion 6.5.3).		
Evidence observed (filled by auditor):			
<p>Based on the results of document observations and interviews with estate / factory staff and contractor employees, it was found that there were several estate / factory operational works carried out by third parties. The results of the study of documents related to the membership of "BPJS Ketenagakerjaan" are known that CV Senang Jaya and PT Jaya Wira Manggala (nursery maintenance contractor and security of the Jambi Bah Estate) has shown proof of "BPJS Ketenagakerjaan" payments for its employees. However, the same evidence cannot be shown for the contractors CV Putra Simbodu Maju (FFB transporter from Marjandi estate) and CV Alghifari (FFB transporter from Marihat estate).</p>			
Non-Conformance Description (filled by auditor):			
<p>The company has not been able to show an adequate system to ensure all contractor workers have been included in the "BPJS Ketenagakerjaan" program.</p>			
Root Cause Analysis (filled by organization audited):			
<ul style="list-style-type: none"> • There is no monitoring of compliance with documents related to the application of RSPO certification principles and criteria • There has been no evaluation made on fulfilling the requirements in carrying out the work carried out by the vendor • There is no PIC responsible for ensuring all contractor workers have been included in the "BPJS Ketenagakerjaan" program. 			
Correction (filled by organization audited):			
<ul style="list-style-type: none"> • Showing proof of "BPJS" payment for contractor workers CV. Putra Simbodu Maju and CV. Al Ghifari • Appointment in writing that the party responsible for ensuring all contractor workers have been included in the BPJS Employment Program is the HR and General Section in Estate (HR, General and Security Assistant) 			
Corrective Action (filled by organization audited):			
<ul style="list-style-type: none"> • Make monitoring of the fulfillment of documents related to the application of RSPO certification principles and criteria • Evaluate the fulfillment of the requirements in carrying out the work carried out by the vendor • Add a clause that reads, "All workers must be included in the <i>BPJS Ketenagakerjaan</i> Program." Into the Agreement • Adding conditions for proof of payment of "BPJS Ketenagakerjaan" contributions for payment of work 			
Assessor Evaluation and Conclusion (filled by auditor):			
Verification on April 5, 2019			
<p>The company has shown evidence in the form of:</p> <ul style="list-style-type: none"> • Proof of CV Putra Simbodu Maju's "BPJS Ketenagakerjaan" payment for the period February 2019 on February 27, 2019 for 11 workers • Socialization related to registration and payment of "BPJS Ketenagakerjaan" of CV Putra Simbodu Maju workers 			

on February 27, 2019

- Program for monitoring the requirements for the implementation of the ISPO RSPO certification in 2019. But additional information is still needed regarding the determination of the root of the problem, the corrective and corrective actions provided by the company, then the non-conformity No. 2019.03 is still **OPEN**.

Verification on April 18, 2019

The company has shown proof of improvement in the form of:

- Proof of "BPJS Ketenagakerjaan" payments for CV Al-Ghifari workers on 05 April 2019 through BNI Bank
- Proof of "BPJS Ketenagakerjaan" payments for CV Indo Karya workers on April 5, 2019 through BNI Bank
- Proof of "BPJS Ketenagakerjaan" payments for workers at CV Hizkia Jaya on April 5, 2019 through BNI Bank
- Proof of "BPJS Ketenagakerjaan" payments for CV Ridho Akbar workers on April 9, 2019 through Bank BNI
- Proof of "BPJS Ketenagakerjaan" payments for CV Marsanina workers on April 8, 2019 through BNI Bank
- Proof of "BPJS Ketenagakerjaan" payments for CV Al-Ghifari workers on 05 April 2019 through BNI Bank
- Dissemination on February 25, 2019 to local vendors and contractors in Marihat Unit which was attended by 9 participants
- Decree concerning Monitoring and Archiving of ISPO and RSPO related documents in Marihat, Marjandi and Bah Jambi Unit
- TBS Transportation Contracts between contractors and the Marihat Management Unit, Marjandi and Bah Jambi which have added a clause "All workers must be included in the Employment BPJS Program."
- Form evaluation of the implementation of compliance with ISPO and RSPO requirements for contractors in Marihat, Marjandi and Bah Jambi Unit

Based on the proof of improvement given above, then non-conformity No. 2019.03 declared **Closed**.

Verified by : **Rindu Galih Rezza Rachmansyah**

<i>NCR No.</i>	: 2019.04	<i>Issued by</i>	: Rizliani Aprianita Hsb
<i>Date Issued</i>	: 4 February 2019	<i>Time Limit</i>	: ASA-2
<i>NC Grade</i>	: Minor	<i>Date of Closing</i>	: 3 May 2019
<i>Standard Ref. & Requirement</i>	: 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 managements shall appoint the responsible person for the implementation of the document.		
<i>Evidence observed (filled by auditor):</i>			
BahJambi			
Based on the 2004 RKL-RPL document, the types of managed include impacts:			
<ul style="list-style-type: none"> - Air quality - Noise - Groundwater - Liquid waste - Increased regional economy - Employment Opportunity - Business opportunity - Community income - Public and social facilities - Security and order 			

- Public perception
- Vector of disease
- Prevalence of disease

The unit showed the RKL-RPL report of the second semester in 2018. The aspects managed according to the document include:

- Air quality
- Exhaust gas emissions
- Noise
- Quality of waste water
- Groundwater quality
- Public perception

The management unit revised the RKL-RPL report of the second semester in 2018 by adding aspect community perception, employment and bussiness opportunities, increased community income/regional economy, increased public and social facilities, public health, security and order. However, the revision has not been submitted to the related agency. Furthermore, there are still several management activities that not have been shown the evidence of implementation, for example: air quality, noise, public perceptions, etc.

Marjandi

Based on the review of the RKL-RPL matrix and the RKL-RPL report of the second semester of RKL-RPL in 2018, the types of impacts managed include:

- Air, dust and noise quality
- Decreasing groundwater quality
- Decreased quality of surface water
- waste Increased (solid waste)
- Liquid waste
- Hazardous waste
- Land carrying capacity
- Job opportunities and business opportunities
- Increased community income
- Community perceptions and attitudes

However, it has not been shown the evidence that all management activities have been carried out according to the type of impact managed.

Marihat

Based on a review of the RKL-RPL matrix in the DELH document, the types of impacts managed include:

- Decreasing of air quality
- Increasing of noise
- Decreasing of quality of surface water
- Increasing of surface flow discharge
- Soil erosion and sedimentation
- Decreasing of soil fertility
- Solid waste
- Hazardous waste
- Fire potential
- Road damage
- Disruption of traffic
- Job opportunities and business opportunities
- Community attitudes and perceptions
- Repair of community facilities
- Occupational health and safety disorders
- Decreasing of public health

However, the results of the review of RKL-RPL report semester 2 in 2018, there were still unmanaged parameters such as soil erosion, sedimentation and decreased soil fertility. In addition, there were still management plan that has not been able to show the evidence of implementation, for example: air quality, increasing of noise, disruption of traffic, etc

Non-Conformance Description (filled by auditor):

Based on the explanation above, it was concluded that not all the impacts had been managed in accordance with the direction of the RKL-RPL matrix (Marihat) and the preparation of the report was not in accordance with KEPMENLH No. 45 of 2005 concerning Guidelines for Preparation of the Implementation of RKL and RPL (Bah Jambi, Marjandi and Marihat).

Root Cause Analysis (filled by organization audited):

- There has not been a training / socialization of RKL and RPL reports so that the designated PIC (PPD) do not understand how to prepare the RKL-RPL report.
- There has not been an evaluation of the RKL and RPL reports that have been made whether they are in accordance with or not yet with the Decree of Minister of Environment No. 45 of 2005.

Correction (filled by organization audited):

- Revise the RKL RPL report by including all impacts that have not been managed in accordance with the RKL and RPL document matrices owned by each estate
- Report back the revised report to the district environmental agency
- Giving socialization to the officers who have participated in the training / socialization of the RKL and RPL reports that have been carried out
- Evaluate the RKL and RPL reports that have been made whether they are in accordance with or not yet with the Minister of Environment Decree No. 45 of 2005

Corrective Action (filled by organization audited):

- Evaluate the officers who have participated in the training / socialization of the RKL and RPL reports that have been carried out
- Evaluate the RKL and RPL reports that have been made whether they are in accordance with or not yet with the Minister of Environment Decree No. 45 of 2005

Assessor Evaluation and Conclusion (filled by auditor):

Verification on 5 April 2019

The company shows evidence of improvement in the form of :

BahJambi, Marjandi & Marihat.

- Minutes of Socialization on Preparation of Environmental Management and monitoring Reports and Meeting the needs of Documents in accordance with the RSPO Principles and Criteria February 19, 2019 attended by 10 participants who were also represented by each PPD/officer Marihat, Marjandi and Bahjambi.
- Evaluation of training / socialization participants to 6 PPD from Marjandi, Marihat and Bahjambi.
- 2nd semester RKL-RPL report 2018 of Bahjambi, Marihat & Marjandi estate. The document describes the environmental management measures in accordance with the RKL-RPL matrix. The report also includes evidence (photos / data etc.) of management activities that have been carried out.
- Delivery of the 2nd semester RKL-RPL Implementation Report 2018 (Bahjambi) submitted to the District Environmental Agency through Pos Indonesia on March 20, 2019.

- But it has not been shown evidence of the delivery of the Report to the relevant agency (Marihat & Marjandi).

Based on the above explanation, nonconformities have not been fulfilled.

Verification on 15 April 2019

The company shows evidence of improvement in the form of

- Marjandi: Evidence of delivery of the revised RKL-RPL Report on April 10, 2019.
- Bahjambi: Training evaluation / socialization of making RKL-RPL Report
- Marihat: Certificate of Environmental Management and Monitoring Reporting Training.

Verification on 3 May 2019

The company showed evidence of improvement in the form of evidence of delivery of the revised RKL-RPL report on April 18, 2019 (Marihat Estate) to the Environment Agency. The company also showed an evaluation of the RKL-RPL report based on decree of Environmental Minister 45 of 2005 for each unit.

Based on the explanation above, it was concluded that nonconformities were declared fulfilled.

Verified by : **Rizliani Aprianita Hsb**

<i>NCR No.</i>	: 2019.05	<i>Issued by</i>	: Rizliani Aprianita Hsb
<i>Date Issued</i>	: 4 February 2019	<i>Time Limit</i>	: 5 May 2019
<i>NC Grade</i>	: Recurrent Minor (Raise to Major)	<i>Date of Closing</i>	: 3 May 2019
<i>Standard Ref. & Requirement</i>	: 5.1.3 Environment monitoring plan document, its implementation report, and the corrective plan (if non-conformance arised from the monitoring result) shall be available. This plan is reviewed on two-yearly basis.		

Evidence observed (filled by auditor):

BahJambi

Based on the 2004 RKL-RPL document, the type of impact monitored:

- Air quality
- Noise
- Groundwater
- Liquid waste
- Increased regional economy
- Employment Opportunity
- Business opportunity
- Community income
- Public and social facilities
- Security and order
- Public perception
- Vector of disease
- Prevalence of disease

The unit showed the RKL-RPL report of the second semester in 2018. The aspects that monitored according to the document include:

- Air quality
- Exhaust gas emissions
- Noise

- Quality of waste water
- Groundwater quality
- Public perception

The management unit revised the RKL-RPL report of the second semester in 2018 by adding aspect community perception, employment and bussiness opportunities, increased community income/regional economy, increased public and social facilities, public health, security and order. However, the revision has not been submitted to the related agency. Furthermore, there are still several monitoring activities that not have been shown the evidence of implementation, for example: employment and bussiness opportunities, increased community income/regional economy, etc.

Marjandi

Based on the review of the RKL-RPL matrix and the RKL-RPL report of the second semester of RKL-RPL in 2018, the types of impacts that monitored include:

- Air, dust and noise quality
- Decreasing groundwater quality
- Decreased quality of surface water
- waste Increased (solid waste)
- Liquid waste
- Hazardous waste
- Land carrying capacity
- Job opportunities and business opportunities
- Increased community income
- Community perceptions and attitudes

In the RKL-RPL Report semester 2 2018, evidence of monitoring activities that have been carried out include:

- Noise
- Odor
- Air quality
- Groundwater quality
- Surface water quality

Not all types of impacts have been shown the evidence of monitoring.

Marihat

Based on a review of the RKL-RPL matrix in the DELH document, the types of impacts that monitored include:

- Decreasing of air quality
- Increasing of noise
- Decreasing of quality of surface water
- Increasing of surface flow discharge
- Soil erosion and sedimentation
- Decreasing of soil fertility
- Solid waste
- Hazardous waste
- Fire potential
- Road damage
- Disruption of traffic
- Job opportunities and business opportunities
- Community attitudes and perceptions
- Repair of community facilities
- Occupational health and safety disorders
- Decreasing of public health

However, the results of the review of RKL-RPL report semester 2 in 2018, there were still unmonitored parameters

such as soil erosion, sedimentation and decreased soil fertility. In addition, there were still monitoring plan that has not been able to show the evidence of implementation, for example: solid waste, road damage, disruption of traffic, etc.

Non-Conformance Description *(filled by auditor):*

Based on the explanation above, it was concluded that not all the impacts had been monitored in accordance with the direction of the RKL-RPL matrix (Marihat) and the preparation of the report was not in accordance with KEPMENLH No. 45 of 2005 concerning Guidelines for Preparation of the Implementation of RKL and RPL (Bah Jambi, Marjandi and Marihat).

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

- There has not been a training / socialization of RKL and RPL reports so that the designated PIC (PPD) do not understand how to prepare the RKL-RPL report.
- There has not been an evaluation of the RKL and RPL reports that have been made whether they are in accordance with or not yet with the Decree of Minister of Environment No. 45 of 2005.

Correction *(filled by organization audited):*

- Revise the RKL RPL report by including all impacts that have not been managed in accordance with the RKL and RPL document matrices owned by each estate
- Report back the revised report to the district environmental agency
- Giving socialization to the officers who have participated in the training / socialization of the RKL and RPL reports that have been carried out
- Evaluate the RKL and RPL reports that have been made whether they are in accordance with or not yet with the Minister of Environment Decree No. 45 of 2005

Corrective Action *(filled by organization audited):*

- Evaluate the officers who have participated in the training / socialization of the RKL and RPL reports that have been carried out
- Evaluate the RKL and RPL reports that have been made whether they are in accordance with or not yet with the Minister of Environment Decree No. 45 of 2005

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

Verification on 5 April 2019

The company shows evidence of improvement in the form of :

BahJambi

- Minutes of Socialization on Preparation of Environmental Management and monitoring Reports and Meeting the needs of Documents in accordance with the RSPO Principles and Criteria February 19, 2019 attended by 10 participants who were also represented by each PPD/officer Marihat, Marjandi and Bahjambi.
- Evaluation of training / socialization participants to 6 PPD from Marjandi, Marihat and Bahjambi.
- 2nd semester RKL-RPL report 2018. The document describes the environmental management measures in accordance with the RKL-RPL matrix. The report also includes evidence (photos / data etc.) of management activities that have been carried out.
- Delivery of the 2nd semester RKL-RPL Implementation Report 2018 submitted to the District Environmental Agency through Pos Indonesia on March 20, 2019.

Marjandi

- Minutes of Socialization on Preparation of Environmental Management and monitoring Reports and Meeting the needs of Documents in accordance with the RSPO Principles and Criteria February 19, 2019 attended by 10 participants who were also represented by each PPD/officer Marihat, Marjandi and Bahjambi.
- Evaluation of training / socialization participants to 6 PPD from Marjandi, Marihat and Bahjambi.
- 2nd semester RKL-RPL report 2018. In the Report, has been explained the monitoring activities that have been carried out and evidence of the monitoring carried out. however, there is no evaluation of the test results parameters that exceed thresholds.
- Unit also has not been able to show evidence of the delivery of the Report to the relevant agency

Marihat

- Minutes of Socialization on Preparation of Environmental Management and monitoring Reports and Meeting the needs of Documents in accordance with the RSPO Principles and Criteria February 19, 2019 attended by 10 participants who were also represented by each PPD/officer Marihat, Marjandi and Bahjambi.
- Evaluation of training / socialization participants to 6 PPD from Marjandi, Marihat and Bahjambi.
- 2nd semester RKL-RPL report 2018. The report has attached several test results. However, there are inconsistencies between the data attached to the data described in the report. There are still parameters that are not explained and are shown evidence of monitoring.
- Unit also has not been able to show evidence of the delivery of the Report to the relevant agency

Based on the above explanation, nonconformities have not been fulfilled.

Verification on 15 April 2019

The company showed evidence of improvement:

- Marjandi: Revision of semester 2 of RKL-RPL 2018 which has been completed with evaluation of water quality testing, the follow-up and evidence of delivery of the revised RKL-RPL Report on April 10, 2019.

Verification on 3 May 2019

The company showed evidence of improvement in the form of:

- Evidence of delivery of the revised RKL-RPL report on April 18, 2019 (Marihat unit) to the Environmental Agency.
- Evaluation of the RKL-RPL report based on Decree of Environmental Minister 45 of 2005 for each unit.
- Revision of the RKL-RPL Marihat and Marjandi that have included all monitoring activities that have been carried out along with the results of the evaluation.

Based on the explanation above, non-conformities are stated to be fulfilled.

<i>Verified by</i>	:	Rizliani Aprianita Hsb
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<i>NCR No.</i>	:	2019.06	<i>Issued by</i>	:	Rizliani Aprianita Hsb
<i>Date Issued</i>	:	4 February 2019	<i>Time Limit</i>	:	5 May 2019
<i>NC Grade</i>	:	Major	<i>Date of Closing</i>	:	3 May 2019
<i>Standard Ref. & Requirement</i>	:	5.3.2 There shall be evidence that all chemicals and their empty containers are disposed of responsibly			
<i>Evidence observed (filled by auditor):</i>					
BahJambi					
- Based on field visit in housing complex of afdeling 5 Bahjambi Estate, found that chemical containers stored at					

<p>unlicense storage.</p> <ul style="list-style-type: none"> - Bah Jambi Estate has shown evidence of submission chemical containers found in the field at the hazardous waste storage. <p>Marjandi</p> <ul style="list-style-type: none"> - Based on field visit in housing complex of afdeling 2 Marjandi Estate, found that chemical containers (hydrogen peroxide) which is used to hold water for housing needs. - Marjandi Estate has shown evidence of submission chemical containers found in the field at the hazardous waste storage. - The results of a hazardous waste document review of handling of Marjandi estate including stock card, Hazardous Waste Management reports for semester 1-4 of 2018, Hazardous waste logbook, and Hazardous waste manifest, known that hazardous waste was last carried by license transporters/collectors on July 13, 2017. <p>Marihat</p> <p>The results of a hazardous waste document review of handling of Marihat estate including stock card, Hazardous Waste Management reports for semester 1-4 of 2018, Hazardous waste logbook, and Hazardous waste manifest, known that hazardous waste was last carried by license transporters/collectors on January 5, 2018</p> <p><i>Non-Conformance Description (filled by auditor):</i></p> <p>Based on the explanation, it concluded that the company has not been able to show mechanism that monitor the chemical containers (hazardous waste) that has been managed and sent to the license hazardous waste collectors in accordance with applicable regulations (Regulation No. 101 of 2014).</p>
<p>Root Cause Analysis (filled by organization audited):</p> <ul style="list-style-type: none"> - The company has not monitored the period of hazardous Waste storage entering the hazardous waste storage whether it is suitable or not with the Permit of hazardous waste storage and applicable regulation - There is no determination of the PIC responsible for controlling the management of hazardous waste produced by the plantation - Housing residents including employees do not understand hazardous waste management
<p>Correction (filled by organization audited):</p> <ul style="list-style-type: none"> - Showed evidence of submission chemical containers found in the field at the hazardous waste storage - Sending hazardous waste at hazardous waste storage to licensed hazardous waste collectors so there is no hazardous waste is stored past the valid permit period. - Socialize the management of domestic waste and hazardous waste to workers and housing residents.
<p>Corrective Action (filled by organization audited):</p> <ul style="list-style-type: none"> - Monitoring hazardous waste storage period whether it is accordance or not with hazardous waste storage permit and applicable regulation. - Creating a circular letter stipulating the PIC responsible for controlling the management of hazardous waste produced by the unit - Sending hazardous waste Balance Sheet every month to the Planning Division as a double checking function so that Planning Division can also control the hazardous waste hazardous waste storage period for each unit at PTPN IV - Conduct routine inspections of hazardous waste around the housing
<p>Assessor Evaluation and Conclusion (filled by auditor):</p> <p>Verification on 5 April 2019.</p>

The company showed evidence of improvement in the form of :

Marihat

- Socialization of the hazardous Waste Management SOP on 12 February 2019 was attended by 28 participants. There are also minutes, attendance lists and photo.
- Circular Letter No. MAT / SE / Intrn / II / 2019 dated 2 February 2019 concerning Management of used packaging of pesticide .
- Decree of Marihat Unit Manager No. MAT / MU / Kpts / II / 2019 dated February 2, 2019 concerning hazardous Waste Management and Monitoring Officers.
- Letter No. MAT / SE / intr / 09 / II / 2019 dated February 27, 2019. In the letter, it was explained that hazardous waste officers responsible to monitor hazardous waste storage period
- Records of monitoring of hazardous waste storage period on February 2019.
- News of the handover of hazardous waste to licensed collectors and carriers on 9 February 2019 by PT Jagar Prima Nusantara along with manifest of hazardous waste.

Marjandi

- Letter No. MAR / SE / Intrn / 094 / II / 2019 dated February 19, 2019 concerning PIC responsible for Supervision of hazardous Waste Used Packaging Management. The letter explains the monitoring of hazardous waste including hazardous waste storage period.
- Records of monitoring hazardous waste storage periode in January and February 2019.
- Hazardous waste balance sheet for the period January - February 2019.
- Letter of collection of hazardous Waste along with manifests of hazardous waste on 12 February 2019.

Marjandi and Bahjambi Units have not been able to show evidence of socialization of hazardous waste management and evidence in the form of routine inspections especially in housing related to the use of hazardous waste in accordance with the root cause analysis presented.

Based on the explanation above, it was concluded that nonconformities were stated to have not been fulfilled.

Verification on 15 April 2019

The company showed evidence of improvement in the form of:

- Marihat: Circular Letter regarding PIC that responsible for Monitoring of management hazardous used packaging No. MAT / SE / Intrn / 16 / IV / 2019 April 8, 2019.
- Marjandi: inspection / Monitoring of hazardous Waste Management in the company's operational area, but there is no implementation date

Verification on 3 May 2019

The company showed evidence of improvement in the form of:

- Socialization of Management of hazardous waste in Bahjambi unit on April 22 attended by 43 participants.
- Socialization of hazardous waste and domestic waste management in Marjandi on 15 February 2019 attended by 22 participants and 14 February 2019 attended by 168 participants.
- Inspection of monitoring hazardous waste management on 22 April 2019 at Bahjambi and Marjandi Units.

Based on the evidence submitted, the non-conformities are stated to be fulfilled.

Verified by : **Rizliani Aprianita Hsb**

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

<i>NCR No.</i>	: 2019.01	<i>Issued by</i>	: Rizliani Aprianita Hsb
<i>Date Issued</i>	: 16 November 2019	<i>Time Limit</i>	: ASA-3
<i>NC Grade</i>	: Minor	<i>Date of Closing</i>	:
<i>Standard Ref. & Requirement</i>	: 1.1.1 List of information related to criterion 1.2 that can be accessed by relevant stakeholders shall be available.		
<i>Evidence observed & Non-Conformance Description (filled by auditor):</i>			
The company showed evidence of the Environmental Monitoring Report for semester 1 of 2019 which informs the hazardous waste and liquid waste management report and has been sent to the Simalungun Regency and the North Sumatra Province Environmental Agency on July, 30 2019. However, there was not enough evidence that the liquid waste and hazardous waste reports (Bahjambi) have been submitted quarterly (quarter III) in accordance with applicable regulations.			
<i>Root Cause Analysis (filled by organization audited):</i>			
<i>Correction (filled by organization audited):</i>			
<i>Corrective Action (filled by organization audited):</i>			
<i>Assessor Evaluation and Conclusion (filled by auditor):</i>			
<i>Verified by</i>	:		

<i>NCR No.</i>	: 2019.02	<i>Issued by</i>	: Briyogi Shadiwa
<i>Date Issued</i>	: 16 November 2019	<i>Time Limit</i>	: 14 February 2020
<i>NC Grade</i>	: Major	<i>Date of Closing</i>	: 12 February 2020
<i>Standard Ref. & Requirement</i>	: 4.7.2 There must be a risk assessment available, documented and there is a record of implementation		
<i>Evidence observed and Non-Conformance Description:</i>			
Based on the review of the HIRAC (Hazard Identification, Risk Assessment & Control) document form, there are a number of activities in the field that have not yet been identified as potential hazards and risks, for example, but not limited to:			
<ul style="list-style-type: none"> • Potential Danger for HGU Benchmark Monitoring Activities. • Potential Danger for monitoring protected or HCV activities. • Potential Danger for harvesting or maintenance activities in the ditch border. • Operational activities around cattle 			
The Hazard Identification, Assessment and Accident Risk Control Documents do not cover all activities in the company's operational area.			

<p>Root Cause Analysis <i>(filled by organization audited):</i> Lack of understanding of staff in making HIRAC (Hazard Identification, Risk Assessment & Control), so that not all activities in the company's operational area are identified.</p>	
<p>Correction <i>(filled by organization audited):</i></p> <ul style="list-style-type: none"> • Updating a HIRAC (Hazard Identification, Risk Assessment & Control) that covers all activities in the company's operational area. • Providing understanding in the making of HIRAC (Hazard Identification, Risk Assessment & Control) to the PIC officers so that all operational activities can be identified. • Socialize the newest HIRAC to the all workers concerned. 	
<p>Corrective Action <i>(filled by organization audited):</i> Monitoring the making of HIRAC (Hazard Identification, Risk Assessment & Control) periodically on P2K3 monthly meeting.</p>	
<p>Assessor Evaluation and Conclusion <i>(filled by auditor):</i></p> <p>Verification on February 10th, 2020</p> <p>The company has shown evidence of improvement in the form of HIRAC documents that have included activities with high potential hazard and risk (HCV monitoring, HGU pole monitoring, harvesting / maintenance activities on river banks and ditches). However, the company has not shown any socialization to all workers (related to the activity) related to the updating of the HIRAC document. Nonconformities Not Yet Fulfilled</p> <p>Verification on February 12th, 2020</p> <p>The company shows evidence of the recording of socialization of risk assessment documents (HIRAC) to the employees concerned (on 10 December 2019 at Marjandi Estate, 3 December 2019 at Bah Jambi Estate and 20 December 2019 at Marihat Estate).</p> <p>Based on this evidence the non-conformities has been fulfilled and will be further verified related to its implementation in the next assessment (closed with observation)</p>	
Verified by	: Briyogi Shadiwa

NCR No.	: 2019.03	Issued by	: Rizliani Aprianita Hsb
Date Issued	: 16 November 2019	Time Limit	: ASA-3
NC Grade	: Minor	Date of Closing	:
Standard Ref. & Requirement	<p>: 5.2.4 Once the management plan is prepared, continuous monitoring documentation and report regarding the status of the RTE and HCVs are affected by the operations of the plantation and palm oil mill shall be available, and the results of monitoring are to be used to follow-up on the improvement of the management plan.</p>		

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

Document review results:

- Bah Jambi Unit has demonstrated animal monitoring record in 2019. However, the document has not informed the date of monitoring, location of monitoring blocks, number of species encountered etc.
- The Marihat Unit has demonstrated animal monitoring record in 2019 period which has informed the monitoring implementation date and location (almost all afdeling blocks). However, it has not yet specifically provided the location of the monitoring carried out.
- The Marjandi Unit has demonstrated animal monitoring record in 2019 period which has informed the monitoring implementation date and location. However, the information conveyed was not clear. For example, the document inform that directly found species of raja udang, burung cabe and burung cengak. But from the monitoring information carried out not found these species.
- The Bahjambi Unit has not been able to show all the documentation of the management and monitoring activities that have been carried out in accordance with the 2019 HCV management and monitoring plan that has been prepared.
- The Bahjambi Unit has not yet demonstrated an evaluation and follow-up of the HCV management and monitoring activities that have been carried out.
- Marjandi and Marihat units have demonstrated an evaluation of HCV management activities. However, it has not yet explained the follow-up of the evaluation carried out. (For example, based on the results of the 2019 HCV monitoring in Marjandi it was found that the water spring at block 05 AT was missing).

Based on the explanation above, it was concluded that there was not enough evidence that the company had conducted an evaluation and follow-up of all HCV management and monitoring activities carried out.

Root Cause Analysis (filled by organization audited):

Correction (filled by organization audited):

Corrective Action (filled by organization audited):

Assessor Evaluation and Conclusion (filled by auditor):

Verified by :

NCR No.	: 2019.04	Issued by	: Rizliani Aprianita Hsb
Date Issued	: 16 November 2019	Time Limit	: 14 February 2020
NC Grade	: Minor Raise to Major	Date of Closing	: 14 February 2020
Standard Ref. & Requirement	: 5.3.3 A documented waste management plan to avoid or reduce pollution and its implementation shall be available		

Evidence observed and Non-Conformance Description:

Field observations:

- The results of field observations in the afdeling 8 of Bahjambi residential area, WTP area and Marjandi afdeling 1 area were known that there was domestic waste littered in these areas.
- The results of observations to the Land Application area of block 41 afdeling 1 were known that the trench / rorak of the application has been shallow so that wastewater has run off to other environmental bodies and there was also a

trace of runoff of liquid waste that almost reaches the water body.

Based on the explanation above, it was concluded that there was not enough evidence that the waste management plan has been implemented to avoid and reduce pollution.

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

- Lack of understanding employees and housing residents of Afdeling 8 Bahjambi Estate, WTP area and afdeling 1 Marjandi Estate in managing domestic waste
- That the application ditch / rorak land happened siltation due to liquid waste that has been compacted and has never been done to check the ditch / rorak land application
- There is no monitoring of domestic waste management in the BahJambi Estate, Marjandi Estate and BahJambi POM

Correction *(filled by organization audited):*

- Cleaning domestic waste in the housing complex
- Conducting socialization of domestic waste management to workers and residents of housing
- Doing temporary ditch / rorak land application manually and prevent runoff to river bodies/waterflow
- Demonstrate a plan and realization of the improvement of the liquid waste application plan (and temporarily not apply the liquid waste application)

Corrective Action *(filled by organization audited):*

- Socializing the management of Domestic Waste in BahJambi Estate, Marjandi Estate and BahJambi POM.
- Monitor the management of Domestic Waste routinely in the Bahjambi Estate, Marjandi Estate and BahJambi POM
- Conduct an evaluation of the socialization that has been given
- Shows the mechanism that regulates / explains the condition of the rorak / trench application of liquid waste prior to the application, monitoring the condition and maintenance of the rorak / trench application and shows the PIC responsible for carrying out the monitoring.

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

Verification on January 28, 2020

The company shows evidence of improvements in the form of:

- Checklist of completeness of domestic waste management facilities in the third quarter of 2019
- Minutes of the socialization of hazardous waste management and domestic waste in Marjandi Estate on February 1, 2019. Attendance list and attendance photos were also attached. Please re-evaluate the evidence sent. The minutes held on February 1, 2019, while the audit will be carried out in November 2019.
- Attendance list of socialization of waste management in Bahjambi POM on November 13, 2019, photos of cleaning up domestic waste in POM areas, and photos of landfill in residential areas
- Circular letter No. BAJ / SE / Intrn / 03 / II / 2019 dated February 25, 2019 concerning the prohibition of Burning Domestic Waste.
- Attendance list of socialization of waste management in Bahjambi Estate on November 25, 2019 to 24 workers along with photos of implementation.
- Barchart of Land application Recondition work object of the Bah Jambi estate consists of receipt of PABI (Request for Investment Expenditure Budget), Financial Verification, Logistics section, and Contract making. The barchart outlines the activities up to the contract making activity which is planned to be carried out at the end of February.
- Request for Investment Budget No. BAJ / PABI / TEK / 01/2020

Verification on February 10, 2020

The company shows evidence of improvements in the form of:

- Minutes of temporary repairs of LA trenches in the form of photos of trenching on 6 February 2020

- The domestic waste socialization in Marjandi Estate on 10 December 2019 was attended by 54 participants.

Verification February 14, 2020

The company shows evidence of improvements in the form of:

- IPAL and LA photos
- Letter of Assignment No. PKS BAJ / S.Tugas / 03 / II / 2020 on 11 February 2020
- Letter No. PKS.BAJ / 04.06 / 26 / II / 2020 dated 13 February 2020 related to the BahJambi POM Wastewater treatment plant.
- Implementation of Civil Engineering Maintenance Document No. PKS BAJ / PPAB / 01 / II / 2020 for dredging waste ponds
- Request for investment budget BAJ / PABI / TEK / 01 / I / 2020 related to Land Application Reconditioning
- Simulation not to dispose of liquid waste to land applications during the LA dredging process. The document explains the details of the capacity of the waste ponds.

Verification February 14, 2020

The company shows evidence of improvements in the form of:

- Barchart of Land Application in BahJambi Estate. Based on the document, it is informed the work activities to fix/improve the waste application and the percentage of activity implementation.
- Evaluation of domestic waste socialization on December 13, 2019 for Bahjambi Estate, December 11 2019 for Bahjambi POM and Marjandi Estate.
- Mechanism of Management and Monitoring of palm oil liquid waste to the Land application No. PKS BAJ / SE / Intrn / 04 / III / 2020 dated February 14, 2020. The mechanism explains the monitoring of facilities in the area of land application / condition of land application trench/orak, PIC designated to conduct monitoring, and implementation of trench/orak application maintenance.

Based on the explanation above, it was concluded that the non-conformity was declared Closed with Observation

<i>Verified by</i>	:	Rizliani Aprianita Hsb
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NCR No.	:	2019.05	Issued by	:	Sandra Purba
Date Issued	:	16 November 2019	Time Limit	:	14 February 2020
NC Grade	:	Minor raised to major	Date of Closing	:	13 February 2020
Standard Ref. & Requirement	:	6.1.4 The documented management and monitoring of social impacts is reviewed at least every 2 years. If needed, the plan should be improved. Evidence must be provided that the review process involves the participation of all affected parties			

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

Based on document verification known that the three estates has been prepared the SIA management plan for periode of 2018 and has shown the record of SIA management plan review which done on Jan 2019.

Based on interview with community around in three estate it was told that there was the impact of flooding and road damage which not yet included in the SIA program of 2019.

Refer to the explanation above, the company not yet shown that the review of SIA Plan has been done in all estates through communication with all affected parties and the result are become feedback to the next plan.

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

Lack of understanding of the assigned personel who will in charge for SIA management plan preparation.

Correction *(filled by organization audited):*

- The issues related to road damage and increasing of flooding has been inputted to the existing SIA management plan.
- All the issues ghartered during audit has been managed by the units however not inputted in the SIA management plan, further all the issue managed will be documented in the program
- The training and socialization has been conducted to the personnel in charge in all estates
- Re-identification for social impact and issues has been done by the units
- The management review of SIA has been done in partisipatory way with stakeholder

Corrective Action *(filled by organization audited):*

- The training and socialization has been done to the personnel in charge for the SIA management
- Monitoring of SIA program and its review will be done by the assistant of SDM Umum
- The mekanisme for SIA review and PIC has been prepared on internal circular letter.

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

Verification on 10 Feb 2020.

The company shows the correction evidence such as document of program and implementation of social impact as well as its review for period 2019, in the program has been include the issues captured during audit.

Verification on 12 Feb 2020,

The company submit the evidence such as:

- Official report of socialization to the SDM Umum department and Security Dept related to SIA program preparation shall be conducted based on consultation with the stakeholder related, the socialization held on 20 Dec 2019 (Marjandi), 11 Feb 2020 (Marihat) and 21 Nov 2019 (Bah Jambi)
- Letter of PIC appointment for personnel in charge on SIA monitoring namely assistant of SDM, general assistant and security dept for all estates
- The existing of SIA plan and program has been monitored, all the issues has been included in the program

Verification on 13 February 2020

The company shown the mechanism for SIA plan review which stated in the Estate Manager Circular Letter: Marjandi (MAR/SE/Intrn/06/III/2020 on 12 Feb 2020), Bah Jambi (BAJ/SE/Intrn/02/III/2020 on 12 Feb 2020) and Marihat (MAT/SE/Intrn/08/III/2020 on 12 Feb 2020). In the document stated that the identification of issues done by method of document verification, field observation and interview/FGD, involves related stakeholder once a year, the result reported to unit manager. The non-conformity stated fulfilled.

Verified by	:	Sandra Purba
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3.5.3 Opportunity for Improvement

No	Ref. Std.	Description
1.	2.2.2	Ensure the making and installing the HGU poles which is lost and damage
2.	2.2.3	To ensure the process of land dispute settlement
3.	4.4.3	To ensure the sampling point of effluent
4.	4.5.1	Ensure the administration of rat monitoring in all estate
5.	4.6.4	To ensure the process of paraquat stock removal
6.	5.1.2	To ensure the maintenance of effluent drainage to WWTP and ensure the RKL / RPL report preparation
7.	5.2.1	Review of HCV existence
8.	5.2.2	Ensure the HCV signboard installment and chemical ban sign
9.	4.7.5	<ul style="list-style-type: none"> • Considered to ensure all MSDS • Ensure the OHS signage • Evaluation of firefighting facility
10.	6.3.1	Socialization of grievance and complaint mechanism
11.	6.5.2	Understanding of workers regarding to their grade
12.	6.5.3	Housing and it drainages maintenance
13	6.9.1	Considered to ensure the understanding of gender committee board related to their task and responsibility in Marjandi Estate
14	SCCS CoC 5.91	Accurately of sustainable product sales recording and coordinating with the Marketing Dept.

5.5.4 Noteworthy Positive Components







No	Ref Std	Descriptions
1	-	Management's commitment to implement sustainable palm oil development.
2	-	Marihat unit business has been ISO 9001:2008 certified.
3	-	Has been PROPER certified on 2017-2018 period

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

Issues from Stakeholders	Auditor response
<p>Simalungun Regency Manpower and Transmigration Office.</p> <ol style="list-style-type: none"> 1. From the consultation results, the agency explained that P2K3 was authorized by the provincial Disnaketrans. The Office also explained that the company always did routine reporting, the third quarter reporting was received in early October 2019. 2. From the results of the consultation, it was explained that starting in 2018 compulsory labor reports must be submitted online to the Ministry of Manpower. 3. From the results of the consultation, it is known that the business unit has reported work accident reports, but the agency has not conducted further verification. 4. That the company has registered and reported employees as BPJS employment participants 5. That there are no labor-related issues in each business unit. 6. That the company does the payment above minimum wage 7. The company also has a CLA (Collective Labor Agreement) which was ratified on February 9, 2019 by the Head of Manpower Office of North Sumatra Province. 8. From the results of the consultation, it was explained that the company already had a trade union and had been registered with the Disnakertrans of Simalungun Regency. 9. Regarding the licensing of boiler operators, generators and electrical installations issued directly by the Manpower Office of North Sumatra Province. 10. From the results of public consultations, it is known that the company has never invited DISNAKERTRANS for OSH training and related to labor issues. For socialization is still based on the initiative of the Simalungun District DISNAKERTRANS. 11. That there are no issues related to child labor or the issue of discrimination. 12. The Office has submitted a letter to the company on 20 August 2019 regarding company registration in Simalungun Regency. 	<p>Based on document review, field observation and interview with workers and management, there's no negative issue related to worker welfare and OHS. Every worker whom auditor meet is already registered on BPJS program and no other issue related to force labor.</p>
<p>Simalungun Regency Plantation Office.</p> <ol style="list-style-type: none"> 1. The company has reported LKUP in June 2019 2. the official of the service explained that there was no change in the plantation class for the three Business Units. 3. service officers explain that the area of business permit, IUP, and HGU are still the same. 4. service officers also explained that the business unit had reported CSR activities, but the report was made to Bapeda. 	<p>No negative issues</p>
<p>Simalungun Regency Environmental Agency.</p> <ol style="list-style-type: none"> 1. Reporting must be routine but reporting has not been done on time 2. The Office explained that the reporting by the company was not good, the agency had sent a notification letter to the Marjandi unit and the Marihat Unit. 	<p>Has been verified and explained in C5.1</p>

Issues from Stakeholders	Auditor response
<ol style="list-style-type: none"> 3. The Office said that the company already has a waste utilization permit (Land Application) 4. For the RKL / RPL report, only the Marihat unit has not sent the report to the department. 5. According to DLH Kab. Simalungun, the company has not yet informed the LB3 transportation contract, which has expired as of August 2019. 6. From the consultation results it is known that the company always conducts consultations with DLH when delivering reports. 7. From the results of the consultation, it was found that there were no problems related to environmental pollution and AMDAL. 	
<p>Simalungun Regency Land Office.</p> <ol style="list-style-type: none"> 1. From the consultation results, it is known that there is no new location permit 2. From the consultation results, it is explained that related to the addition of HGU becomes the authority of the Provincial Regional Office. 	<p>No negative issues, related to land tenure has been explained in C2.2</p>
<p>Community representative of Mekar Sari Village, Marjandi Village, Simpang Raya Dasman, Marihat Baris Village and Parbalokan Village.</p> <ul style="list-style-type: none"> • The communication and relation between communities and company are relatively good, the PIC for communication in all units are known by the head villages, and the contact number are kept by them • There is no complaint from communities regarding to the plantation and mill operation, there is no land dispute and there is no pollution issues. • The company has conducted the assistance in many areas through CSR program, including facilities development, health and education. • There was an issue of flooding in all villages sampled, the company has conducted the effort to minimize the flooding impact by maintaining drainage and so on. 	<p>Has been verified by the auditor, the explanation can be found in C6.1, C6.11</p>
<p>Gender committee of Marihat.</p> <ul style="list-style-type: none"> • Gender committee are actively to socialize the SOP and the mechanism of sexual/gender harassment to workers <p>There is no case of sexual/gender harassment reported to the committee in the last 12 months</p>	<p>Based on document review, field observation and interview with workers and management, there's no negative issue related to gender. There's no sexual harassment issue on company operational area. Based on worker list document, all workers based from various backgrounds (religion, gender and ethnic group).</p>
<p>SP Bun of Marihat (workers union)</p> <ul style="list-style-type: none"> • The communication between union and company's management are good • The member meeting are conducted routinely and meeting with management are conducted if there were workers issues that can not settled in internal of union. • There is no crucial issue, the union board told that the harvesting workers has a grievance related to limitation of workers grade, and a fairly long increase of grade (promotion). 	<p>Based on document review, field observation and interview with workers and management, there's no negative issue related to worker welfare and OHS. Every worker whom auditor meet is already registered on BPJS program and no other issue related to force labor. Companies are encouraged to re-remind all employees so that they know each group in each position and the maximum group for each position. OFI</p>

Issues from Stakeholders	Auditor response
<p>Marjandi Local Contractor (CV Putra Sumber Maju)</p> <ul style="list-style-type: none"> • Work is based on a work contract • Contract payments are always on time. • The contractor understands the contents of the contract agreement and must follow the contents of the contract agreement. 	<p>No negative issues</p>
<p>Marjandi Gender Committee</p> <ul style="list-style-type: none"> • The gender committee has not actively socialized SOPs and mechanisms for sexual / gender harassment to workers. - No cases of sexual / gender harassment have been reported to the committee in the last 12 months. 	<p>Based on document review, field observation and interview with workers and management, there's no negative issue related to gender. There's no sexual harassment issue on company operational area. Based on worker list document, all workers based from various backgrounds (religion, gender and ethnic group).</p>
<p>SP Bun Marjandi (workers union)</p> <ul style="list-style-type: none"> - Communication between unions and company management is good - Members' meetings are held routinely and meetings with management are held if there are worker problems that cannot be resolved internally in the union. - There was no war problem, the union council said that harvesting workers had complaints regarding restrictions on the level of workers, and a long increase in levels (promotion). - SP Bun Marjandi always conducts socialization to members related to labor issues 	<p>Based on document review, field observation and interview with workers and management, there's no negative issue related to worker welfare and OHS. Every worker whom auditor meet is already registered on BPJS program and no other issue related to force labor. Companies are encouraged to re-remind all employees so that they know each group in each position and the maximum group for each position. OFI</p>

4.0	CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY		
4.1	Formal Sign-off of Assessment Findings		
	<p>Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.</p> <p>Signed on behalf of:</p> <table border="0" data-bbox="438 756 1299 1050"><tr><td data-bbox="438 756 747 1050">PT Perkebunan Nusantara IV Ka Bagian Perencanaan  Khayamuddin Panjaitan Friday, 14 February 2020</td><td data-bbox="1039 756 1299 1050">Mutuagung Lestari Lead Auditor  Sandra Purba Friday, 14 February 2020</td></tr></table>	PT Perkebunan Nusantara IV Ka Bagian Perencanaan  Khayamuddin Panjaitan Friday, 14 February 2020	Mutuagung Lestari Lead Auditor  Sandra Purba Friday, 14 February 2020
PT Perkebunan Nusantara IV Ka Bagian Perencanaan  Khayamuddin Panjaitan Friday, 14 February 2020	Mutuagung Lestari Lead Auditor  Sandra Purba Friday, 14 February 2020		

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	Marihat Estate: - 2 Harvester - 2 Spraying Workers - 1 Circle Weeding Worker Marjandi Estate: - 2 Manual Weeding Workers - 1 Global Telling Worker - 2 Road Maintenance Workers	PT Perkebunan Nusantara IV	-	Observation and Interview	6 -7 November 2019	V	-
2	Head of Baja Dolok Village	Simalungun Regency	-	Consultation Public	5 November 2019	V	-
3	Head of Moho Village	Simalungun Regency	-	Consultation Public	5 November 2019	V	-
4	Manpower and Transmigration Office	Simalungun Regency	-	Consultation Public	12 November 2019	V	
5	Simalungun Regency Land Office	Simalungun Regency		Consultation Public	12 November 2019	V	
6	Simalungun Regency Environmental Agency.	Simalungun Regency		Consultation Public	12 November 2019	V	
7	Simalungun Regency Plantation Office.	Simalungun Regency		Consultation Public	12 November 2019	V	
8	Marjandi Estate • SP Bun Marjandi (workers union) • Gender Committee • Local Contractor (CV Putra Sumber Maju)	PT Perkebunan Nusantara IV, Marjandi Estate		Interview	13 November 2019	V	

Appendix 2. Assessment Program		
DATE	11 to 17 November 2019	
PROGRAM	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
Monday, 11 November 2019		
05.35 – 08.00	JAKARTA (CGK) → MEDAN (KNO)	All Team Member
09.00 – 12.00	MEDAN (KNO) → PTPN IV UNIT BAHJAMBI	
12.00 – 14.00	Break	All Team Member
14.00 – 15.00 15.00 – 17.00	Opening Meeting Document Review: <ul style="list-style-type: none"> Review of Previous Visit Non-conformance Collect Basic Information (Mill and Estates) Review of Partial Certification and Time Bound Plan 	All Team Member
Tuesday, 12 November 2019		
08.00 – 12.00	<ul style="list-style-type: none"> Public Consultation with Government in Simalungun Stakeholder consultation to nearest village/community, labour union, gender committee, local contractor and others. Field Observation BAH JAMBI ESTATE <ul style="list-style-type: none"> Manuring, Spraying, Harvesting, Integrated Pest Management (IPM), and Worker Welfare (payments, complaint mechanism) Legal operational High Conservation Value Area, Empty Fruit Bunch Application, Fragile Soil Management Worker facilities (housing, health clinic, clean water, etc) and Hazardous Waste Material (LB3) management, Land Fire facilities, Storage, Workshop, Landfill, etc. 	<ul style="list-style-type: none"> JHP/BSH AFF SDP RAH
12.00 – 14.00	Break	
14.00 – 17.00	Field Observation BAH JAMBI POM <ul style="list-style-type: none"> Supply Chain verification (FFB Receiving, Weighbridge) FFB Sorting, Processing Activity, CPO/PK Dispatch, Fire Fighting Simulation, workshop, etc. Occupational Health & Safety Aspect (Inspection to Chemical Storage, Hazardous Waste Storage, POME Pond, Land Application, WTP, Water Intake). 	<ul style="list-style-type: none"> SDP BSH/JHP RAH/AFF
Wednesday, 13 November 2019		
08.00 – 12.00	<ul style="list-style-type: none"> Continue Field Observation and field observation clarification Verification of field visit and completing checklist 	All Team Member
12.00 – 14.00	Break	

DATE	11 to 17 November 2019	
PROGRAM	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
14.00 – 17.00	<ul style="list-style-type: none"> Continue Field Observation and field observation clarification Verification of field visit and completing checklist 	All Team Member
Thursday, 14 November 2019		
08.00 – 12.00	Field Observation MARJANDI ESTATE <ul style="list-style-type: none"> Manuring, Spraying, Harvesting, Integrated Pest Management (IPM), and Worker Welfare (payments, complaint mechanism) Legal operational High Conservation Value Area, Empty Fruit Bunch Application, Fragile Soil Management Worker facilities (housing, health clinic, clean water, etc) and Hazardous Waste Material (LB3) management, Land Fire facilities, Storage, Workshop, Landfill, etc. Stakeholder consultation to labour union, gender committee, local contractor. Stakeholder consultation to nearest village/community 	<ul style="list-style-type: none"> BSH AFF RAH JHP / SDP
12.00 – 14.00	Break	
14.00 – 17.00	<ul style="list-style-type: none"> Continue Field Observation and field observation clarification Verification of field visit and completing checklist 	All Team Member
Friday, 15 November 2019		
08.00 – 12.00	Field Observation MARIHAT ESTATE <ul style="list-style-type: none"> Manuring, Spraying, Harvesting, Integrated Pest Management (IPM), and Worker Welfare (payments, complaint mechanism) Legal operational High Conservation Value Area, Empty Fruit Bunch Application, Fragile Soil Management Worker facilities (housing, health clinic, clean water, etc) and Hazardous Waste Material (LB3) management, Land Fire facilities, Storage, Workshop, Landfill, etc. Stakeholder consultation to labour union, gender committee, local contractor. Stakeholder consultation to nearest village/community 	<ul style="list-style-type: none"> BSH AFF RAH JHP/SDP
12.00 – 14.00	Break	
14.00 – 17.00	<ul style="list-style-type: none"> Continue Field Observation and field observation clarification Verification of field visit and completing checklist 	All Team Member
Saturday, 16 November 2019		
08.00 – 12.00	<ul style="list-style-type: none"> Continue Field Observation and field observation clarification Verification of field visit and completing checklist 	All Team Member
12.00 – 14.00	Break	

DATE	11 to 17 November 2019	
PROGRAM	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
14.00 – 15.00	<ul style="list-style-type: none"> • Internal Meeting Auditor Team • Closing meeting • Site → Medan 	All Team Member
15.00 – 17.00		
17.00 -		
Sunday, 17 November 2019		
08.00 – 11.00	Kuala Namu → Jakarta	All Team Member