

Roundtable on Sustainable Palm Oil Certification
R S P O

[✓] Surveillance

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

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ASA-4	05 to 08 August 2019	Leonada, Asystasya Aishah Silalahi, Hasiholan Sihombing, Bayu Yogatama	Ardiansyah	Octo H.P.N Nainggolan

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-4	06 November 2019

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

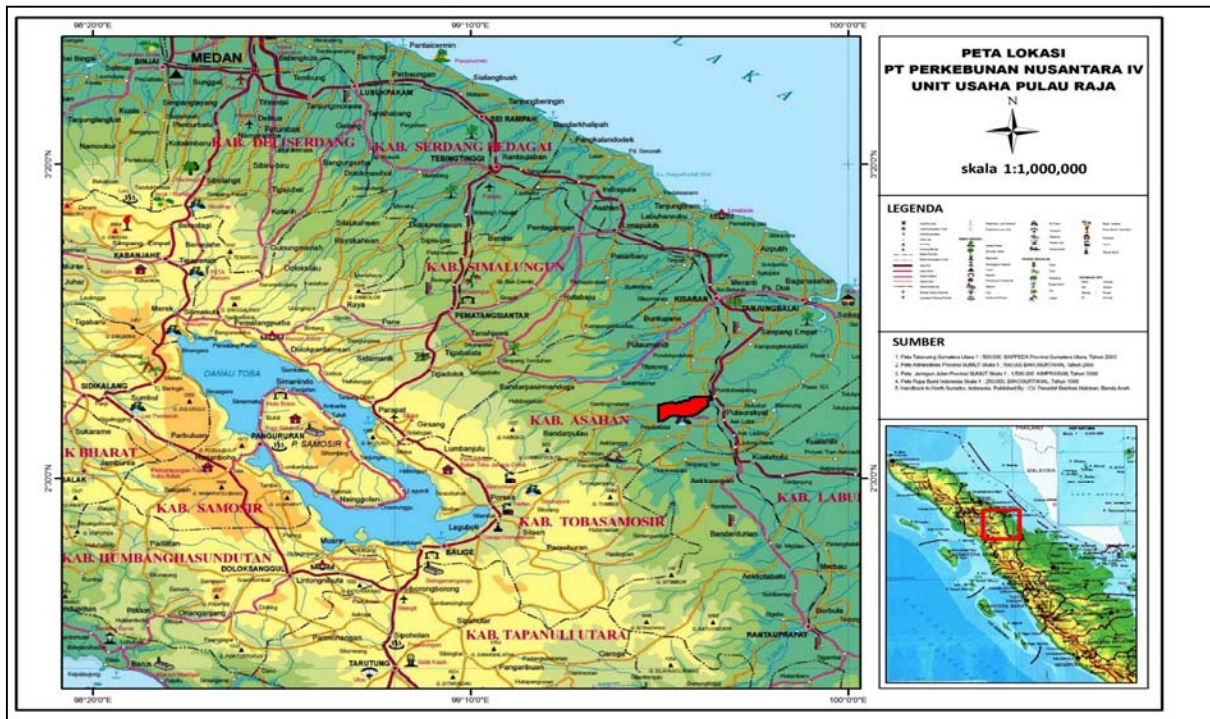
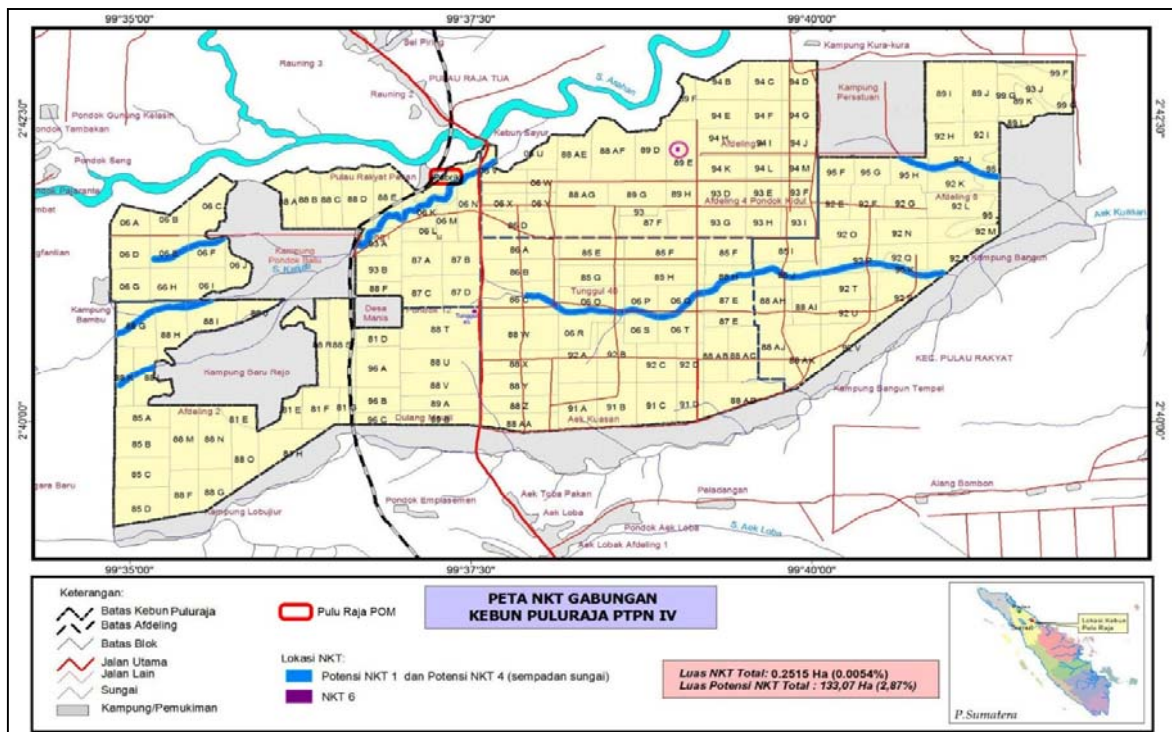


Figure 2. Operational Map of PT Perkebunan Nusantara IV - Pulu Raja Business Unit



Abbreviations Used

ASA	:	Annual Surveillance Assessment
BPJS	:	<i>Badan Penyelenggara Jaminan Sosial</i> / Social Security Agency
CB	:	Certification Body
CH	:	Certificate Holder
CPO	:	Crude Palm Oil
CSPK	:	Certified Sustainable Palm Kernel
CSPO	:	Certified Sustainable Palm Oil
EBA	:	Empty Bunch Area
EFB	:	Empty Fruit Bunch
EIA	:	Environment Impact Assessment
FFB	:	Fresh Fruit Bunches
FFB	:	Fresh Fruit Bunch
FR	:	Frequency Rate
GHG	:	Green House Gasses
HCV	:	High Conservation Value
HGU	:	<i>Hak Guna Usaha</i> (Land Use Rights)
IPM	:	Integrated Pest Management
KER	:	Kernel Extraction Rate
KER	:	Kernel Extraction Rate
LSU	:	Leaf Sampling Unit
MSDS	:	Material Safety Data Sheet
MSDS	:	Material Safety Data Sheet
OER	:	Oil Extraction Rate
OER	:	Oil Extraction Rate
OHS	:	Occupational Health and Safety
OHS	:	Occupational Health and Safety
P2K3	:	<i>Panitia Pembina Keselamatan dan Kesehatan Kerja</i> /OHS Committee
PK	:	Palm Kernel
POM	:	Palm Oil Mill
PPE	:	Personal Protective Equipment
PTPN	:	PT Perkebunan Nusantara
RKL/RPL	:	Environmental Management and Monitoring Plan
RSPO	:	Roundtable on Sustainable Palm Oil
RTE	:	Rare Threatened and Endangered
SCCS	:	Supply Chain Certification System
SIA	:	Social Impact Assessment
SOP	:	Standard Operating Procedure
SR	:	Severity Rate
SSU	:	Soil Sampling Unit
WWTP	:	Waste Water Treatment Plant

1.0	SCOPE of the CERTIFICATION ASSESSMENT		
1.1	Assessment Standard Used	<ul style="list-style-type: none"> Indonesian National Interpretation of RSPO P&C 2013 by INA-NITF (Indonesian National Interpretation Task Force) July 2016, endorsed by the RSPO BoG 30th September 2016. RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 revised on 14 June 2017 (Module D / E for CPO Mill) RSPO Certification System for Principles and Criteria, 14 June 2017 	
1.2	Organisation Information		
1.2.1	Organisation name listed in the certificate	Pulu Raja Palm oil Mill - PT Perkebunan Nusantara IV	
1.2.2	Contact person	Khayamuddin Panjaitan	
1.2.3	Organisation address and site address	Head Office: Jln Letjen Suprpto No.2, Medan, Sumatera Utara, 20151, Indonesia Mill & Estate Orika Village, Sub district of Pulau Rakyat, Asahan Regency	
1.2.4	Telephone	(62-61) 415 4666	
1.2.5	Fax	(62-61) 457 3117	
1.2.6	E-mail	perencanaan@ptpn4.co.id	
1.2.7	Web page address	www.ptpn4.co.id	
1.2.8	Management Representative who completed the application for certification	Khayamuddin Panjaitan	
1.2.9	Registered as RSPO member	1-0082-09-000-00 29 June 2009	
1.3	Type of Assessment		
1.3.1	Scope of Assessment and Number of Management Unit	One (1) unit of Palm Oil Mill supply by one (1) estate <ul style="list-style-type: none"> Pulu Raja Mill and Pulu Raja Estate 	
1.3.2	Type of certificate	Single	
1.4	Locations of Mill and Plantation		
1.4.1	Location of Mill		
	Name of Mill	Location	Coordinate
			Latitude Longitude
	Pulu Raja Mill	Village of Orika, Sub district of Pulau Rakyat, District of Asahan, Province of Sumatera Utara, Indonesia	N 02° 42' 07" E 99° 37' 27"
1.4.2	Location of Certification Scope of Supply Base		

	Name of Supply Base	Location	Coordinate	
			Latitude	Longitude
		Pulu Raja Estate	Village of Orika, Sub district of Pulau Rakyat, District of Asahan, Province of Sumatera Utara, Indonesia	N 02° 41' 56"
1.5	Description of Area Statement			
1.5.1	Tenure			
	• State		4,630.54 Ha	
	• Community		Ha	
1.5.2	Area Statement			
	• Total area		4,630.54 Ha	
	• Mature area		3,405.00 Ha	
	• Immature area		950.00 Ha	
	• Infrastructure		146.00 Ha	
	• Housing		116.54 Ha	
	• Nursery		5.00 Ha	
	• Hyaten area		8.00 Ha	
	• HCV*		0.25 Ha	
1.6	Planting Year and Cycles			
1.6.1	Age profile of planting year			
	Planting Year	Hectarage (Ha)		
		Pulu Raja Estate		Total
	1994	266.00	266.00	
	1996	168.00	168.00	
	1998	97.00	97.00	
	2006	529.00	529.00	
	2009	200.00	200.00	
	2010	302.00	302.00	
	2011	185.00	185.00	
	2012	380.00	380.00	
	2013	626.00	626.00	
	2014	652.00	652.00	
	Subtotal Mature Area	3,405.00	3,405.00	
	2017	581.00	581.00	
	2018	369.00	369.00	
	Subtotal Immature area	950.00	950.00	
TOTAL	4,355.00	4,355.00		
1.6.2	New Planting area after January 2010		- Ha	
1.6.3	Planting Cycle		3 rd Cycle	

1.7	Description of Mill and Supply Base						
1.7.1	Description of Mill						
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel	
				Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)
	Pulu Raja	30	103,946.90	24,704.11	23.77	3,420.21	3.29
<i>*Production data source from August 2018 to July 2019</i>							
1.7.2	Description of Certification Scope of Supply Base						
	Name of Estate	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ ha/year)	Supplied to Mill	
						FFB (tonnes/year)	%
	Pulu Raja	4,630.54	4,355.00	74,609.31	17.13	74,609.31	100
	TOTAL	4,630.54	4,355.00	74,609.31	17.13	74,609.31	100
<i>*Production data source from August 2018 to July 2019</i>							
1.7.3	FFB description from other source						
	Name of sources/Organisation (RSPO certified / non- certified)	Type of Organisation	Number of smallholders	Production Area (Ha)	Supplied to Mill		
					FFB (tonnes/year)		
	Meranti Paham Estate (RSPO Non-Certified)	PT Perkebunan Nusantara IV	-	4,651	6,549.10		
	Ajamu Estate (RSPO Non-Certified)		-	3,920	2,292.20		
	Air Batu Estate (RSPO Certified)		-	7,029	1,321.31		
	Berangir Estate (RSPO Certified)		-	4,222	6,743.24		
	Panai Jaya Estate (RSPO Non-Certified)		-	3,342	1,826.18		
	Sungai Kopas Estate (RSPO Non-Certified)		-	4,154	5,461.05		
	Tanah Itam Ulu Estate (RSPO Non-Certified)		-	2,454	66.95		
	Kebun PTPN 3 Bandar Selamat (RSPO Non-Certified)	PT Perkebunan Nusantara III	-	-	5,142.02		
TOTAL					29,402.05		
<i>*Source Production Data on August 2018 to July 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 for last year (tonnes/year)		
	FFB Processed		92,699		87,608.71		
	CPO Production		21,320		21,311.93		
	Palm Kernel (PK) Production		3,820		2,917.01		

	*The projected volume has been extended on 25 July 2019.							
1.8.2	Product selling							
	Type of selling product		Actual selling product period for last year (MT)					
	CSPO sold as RSPO certified product		3,222.85					
	CSPK sold as RSPO certified product		3,130.82					
	CSPO sold under other scheme		0					
	CSPK sold under other scheme		0					
	CSPO sold as conventional		16,139.71					
	CSPK sold as conventional		0					
1.8.3	Estimate of Certified FFB Claim							
	Name of Estate		Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)		
	Pulu Raja		4,630.54	4,355.00	78,400	18.00		
	TOTAL		4,630.54	4,355.00	78,400	18.00		
	*Projected FFB production for 25 August 2019 to 24 August 2020							
1.8.4	Estimate of Certified Palm Product Claim							
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO Out put (tonnes)	CPO Extraction (%)	Palm Kernel Out put (tonnes)	Palm Kernel Extraction (%)	Supply Chain Module
	Pulu Raja	30	78,400	19,600	25.00	3,136	4.00	MB
	*Projected CSPO and CSPK production for 25 August 2019 to 24 August 2020							
1.9	Other Certifications							
	ISPO			TNI-ISPO-D1702, valid until 4 April 2017 to 3 April 2022				
1.10	Time Bound Plan							
1.10.1	Time Bound Plan for Other Management Units							
	Management Unit		Estate (Supply Base)	Time Bound Plan	Location	Status		
	Mill	Time bound						
	Pabatu	2015	Pabatu	2015	Serdang Bedagai, Sumatera Utara	Certified		
		2018	KCP Pabatu	2018		Certified		
	Dolok Ilir	2015	Dolok Ilir	2015	Simalungun, Sumatera Utara	Certified		
			Laras	2018	Simalungun, Sumatera Utara	Certified		
	Pulu Raja	2015	Pulu Raja	2015	Asahan, Sumatera Utara	Certified		
	Adolina	2018	Adolina	2018	Serdang Bedagai and Deli Serdang, Sumatera Utara	Certified		
	Bah Jambi	2018	Bah Jambi	2018	Simalungun, Sumatera Utara	Certified		
			Marihat	2018	Simalungun, Sumatera Utara	Certified		
			Bah Birung Ulu	2021	Simalungun, Sumatera Utara	ST-1		

			Marjandi	2019	Simalungun, Sumatera Utara	Certified
			Marjandi HGU on process (30 Ha)	2021	Simalungun, Sumatera Utara	-
Dolok Sinumbah	2018		Dolok Sinumbah	2018	Simalungun, Sumatera Utara	Certified
			Dolok Sinumbah HGU on progress (35.94 Ha)	2021	Simalungun, Sumatera Utara	-
			Balimbingan	2018	Simalungun, Sumatera Utara	Certified
Mayang	2018		Mayang	2019	Simalungun, Sumatera Utara	Certified
			Bukit Lima	2019	Simalungun, Sumatera Utara	-
Gunung Bayu	2019		Gunung Bayu	2019	Simalungun, Sumatera Utara	IC
			Tanah Itam Ulu	2019	Simalungun, Sumatera Utara	IC
Tinjowan	2018		Tinjowan	2018	Simalungun, Sumatera Utara	Certified
			Aek Nauli	2018	Simalungun, Sumatera Utara	Certified
			Padang Matinggi	2018	Simalungun, Sumatera Utara	Certified
Air Batu	2018		Air Batu	2018	Asahan, Sumatera Utara	Certified
			Air Batu HGU on progress (459.02 Ha)	2021	Asahan, Sumatera Utara	-
Berangir	2018		Berangir	2018	Labuhan Batu Utara, Sumatera Utara	Certified
			Berangir HGU on progress (10 Ha)	2021	Labuhan Batu Utara, Sumatera Utara	-
Sawit Langkat	2018		Sawit Langkat	2018	Langkat, Sumatera Utara	Certified
			Sawit Langkat HGU on progress (301.50 Ha)	2021	Langkat, Sumatera Utara	-
Pasir Mandoge	2021		Pasir Mandoge	2021	Asahan, Sumatera Utara	IC
			Sei Kopas	2021	Asahan, Sumatera Utara	IC
			Tonduhan	2021	Simalungun, Sumatera Utara	IC
Timur	2021		Timur	2021	Mandailing Natal, Sumatera Utara	-
			Balap	2021	Mandailing Natal, Sumatera Utara	-
Ajamu	2019		Ajamu	2019	Labuhan Batu Utara, Sumatera Utara	Certified
			Meranti Paham	2019	Labuhan Batu Utara, Sumatera Utara	Certified
			Panai Jaya	2021	Labuhan Batu Utara, Sumatera Utara	-
Sosa	2021		Sosa	2021	Padang Lawas, Sumatera Utara	-

	PT Agro Sinergi Nusantara		PT Agro Sinergi Nusantara	2021	Aceh Barat, Aceh	-
	PT Sinergi Perkebunan Nusantara		PT Sinergi Perkebunan Nusantara	2021	Morowali Utara, Sulawesi	-
	Time bound plan April 2019 signed by head of plan and development department (Sustainability)					
1.10.2	Progress of Associated Smallholders and Outgrowers for Certifiable Standard					
	PTPN IV- Pulu Raja POM does not have scheme smallholders or outgrowers					

1.0 ASSESSMENT PROCESS	
2.1 Assessment Team	
ASA-4	<p>1. Leonada (Lead Auditor). Bachelor of agriculture for plant breeding and seed technology programme study, department of agronomy, faculty of agriculture in Bogor Agricultural University. Having experience of more than five years working as a plantation operations staff and sustainability in private company of Indonesian oil palm plantations and is currently working on independent certification bodies as auditor. Training have been followed are: training of Indonesian sustainable palm oil (ISPO) lead auditor, training of RSPO lead auditor, RSPO SCCS training, SA 8000, ISO 17021; 2011, ISO 17065; 2012, ISO 19011; 2011, lead auditor ISO 9001; 2008, ISO 14001; 2005, training of management development program agronomy, training of analysis base solution for operation, training of integrated pest management (IPM), use of limited pesticides training, training management of waste pesticides and fertilizers, training mediation and conflict resolution, RSPO social and worker welfare training, general safety specialist training, health and safety management system (SMK3) auditor. In this audit He conducted an assessment on transparency, Legal and land dispute.</p> <p>2. Hasiholan Sihombing (Auditor). Indonesian citizen. Bachelor of Agriculture Majoring in Agronomy, Agriculture Faculty. He has working experienced for 7 (seven) years since 2009 as an Operational Staff in an Oil Palm Plantation Company in Indonesia. The training he has followed namely: Lead Auditor ISPO, RSPO P&C Lead Auditor Course by Checkmark, SA 8000 Awareness, Quality Management Systems (ISO 9001:2015), Environmental Management Systems (ISO 14001:2015), OHS General Expert, OHSAS 18001:2007, ISO 19011:2018, ISO 17021:2011 and ISO 17065:2012. He has experienced in various audit activities related to the certification system of sustainable palm oil plantation since 2016. During this audit, he assigned to verify best management practices, long term plan, OHS aspects.</p> <p>3. Asystasya Aishah Silalahi (Auditor). Indonesia Citizen, Bachelor of Economy, Major of Agribusiness, Faculty of Economic and Management. She has one year experience in consultancy. She has followed training such as ISPO Auditor Training, Lead Auditor ISO 9001:2015, OHS General Expert, RSPO lead auditor training course, SCCS, and several in house training related to environmental, BMP, SA 8000, etc. Has been involved in several audit activities since 2016 related to sustainable palm oil certification covering waste management aspect, Social Aspect, Health and Safety Aspect, and Worker Welfare. During this audit, she verify Social, Worker Welfare aspects and SCCS.</p> <p>4. Bayu Yogatama (Auditor). Bachelor of Forestry, Department of Forest Resources Conservation and Ecotourism, Bogor Agricultural University. Has attended the ISO 9001: 2015 Quality Auditor / Lead Auditor Course Quality Management System (QMS) course and ISO 19011: 2011 Guidelines for Auditing Management System, ISPO Lead Training, SA 8000, RSPO Lead Training, IHT RSPO NPP, IHT RSPO RaCP, IHT ISO 17021, and IHT ISO 17065. Having experience working in plywood field as Inspector in foreign private company. Currently working for an independent certification body. During this audit, he verify Environmental Aspect, HCV, and Green House Gases.</p>
2.2 Assessment Methodology, Assessment Process and Locations of Assessment	
2.2.1	Figure of person days to implement assessment
ASA-4	<p>Number of auditors : 4 auditor</p> <p>Number of days for ASA-4 at site: 4 days</p> <p>Number of working days for ASA-4 at site : 16 Working days</p>
2.2.2	Assessment Process
ASA-4	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT Perkebunan Nusantara IV Unit Pulu Raja to the requirements of Indonesian National Interpretation of RSPO Principles and Criteria 2013, endorsed September 2016 and Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 Revised June 2017 (Module E for CPO Mill).</p> <p>From morning until afternoon, the team traveled from Jakarta to Medan by plane and travel to site by car. Then</p>

	<p>continued holding an opening meeting. The opening and closing meeting was held in the Meeting Room attended by the Estate Manager, Mill Manager, Assistants, and other related personnel's. During audit activity, auditors always accompanied by client and the documents are presented well. The audit is conducted in accordance with audit plan.</p> <p>The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) interview, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site.</p> <p>Some opportunities for improvement of the results ASA delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (RC).</p> <p>Improvement of findings from surveillance assessment findings were observed by auditors at this ASA assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of ASA.</p> <p>The assessment program please find Appendix 2.</p>
2.2.3	Location of Assessment
ASA-4	<p>Number of unit in this certification activity is 1 (one) Mill and 1 (one) Own Estates. The auditor team used the $(0.8 \sqrt{y}) \times (z)$ formula to determine the management units sampling to be focused on and also considered the issues raised by stakeholder. (y) is the number of estate and (z) multiplier defined by the risk assessment. The consideration for risk assessment are geographic locations, distance of estate, complexity of labour, landscape setting, presence of HCV, number of communities/conflict, legality etc. Based on this formula, the auditor team determined that the sampling locations are one palm oil mill (Pulu Raja POM) and one estate (Pulu Raja Estate).</p> <p>Pulu Raja POM</p> <ul style="list-style-type: none"> • Weighbridge. Observation and interview related to SCCS, workers welfare, safety aspect and FFB received procedure • Security Post (1 security). Observation and interview with security related personnel understanding over the applicable SOP, the implementation of occupational health and safety, medical examination, trainings from company and worker welfare. • Sortation (3 workers). Observation and interview with sortation personnel related to understanding over sortation procedure, the implementation of sortation, fruit criteria, fruit separation with ripeness and rawness criteria. • Loading Ramp (3 workers). Observation and interview with sortation personnel related to understanding over sortation procedure, the implementation of sortation, fruit criteria, fruit separation with ripeness and rawness criteria. • Sterilizer Station (2 worker). Observation and interview with operator related personnel understanding over the applicable SOP, infrastructure in mill, the implementation of occupational health and safety, medical examination, trainings from company and worker welfare. • Press Station (2 worker). Observation and interview with operator related personnel understanding over the applicable SOP, infrastructure in mill, the implementation of occupational health and safety, medical examination, trainings from company and worker welfare. • Boiler Station (1 workers). Observation and interview with operator related personnel understanding over the applicable SOP, infrastructure in mill, the implementation of occupational health and safety, medical examination, trainings from company and worker welfare. • Engine Room Station (1 worker). Observation and interview with operator related personnel understanding over the applicable SOP, infrastructure in mill, the implementation of occupational health and safety, medical examination, trainings from company and worker welfare. • Kernel Station (1 worker). Observation and interview with operator related personnel understanding over the applicable SOP, infrastructure in mill, the implementation of occupational health and safety, medical examination, trainings from company and worker welfare. • Clarification Station (1 worker). Observation and interview with operator related personnel understanding over the applicable SOP, infrastructure in mill, the implementation of occupational health and safety, medical examination, trainings from company and worker welfare.

- **Chemical Storage (1 Worker)** Observation and interview 1 worker about material handling, OHS, and hazardous material handling
- **Central Storage** Observation and interview 1 worker about material handling, OHS, and hazardous material handling
- **fuel tank** observations related to the implementation of OHSAS, Waste Management, and Hazardous waste handling
- **Hazardous Waste Storage (1 worker)** Observation and interview related OHS, material handling, and hazardous waste management.
- **WTP (1 operator)** Observations and interview related to water management, recording of water use, health checks, PPE and waste management.
- **WWTP (1 operator)** Field observations and interview related about ban to entry to WWTP, run off, testing of effluent. Officers equipped with PPE and Recording of effluent debit effluent.
- **Workshop** Observation and interview related OHS and workers welfare (1 operator)
- **EBA** Observation related waste management
- **Hydrant Test** fire preparedness observation and simulation

Pulu Raja Estate

- **HGU Poles No. 63 & 64 block 06C and No. 106, 107 & 108 block 98A.** Observation on boundaries poles, coordinates, maintenance, and demarcation.
- **Potential HCV Area of riparian kalijati division 1 block 06E & 2018A.** Observation of HCV/riparian management.
- **Nursery, Afd I.** Interview with contractor worker about job description, wage, OSH implementation.
- **Oryctes census, Block 18A, Afd I.** Interview with worker about work procedure, worker welfare, OSH implementation, complaint mechanism, and training.
- **Harvesting circle & path chemist, Block 11B, Afd III.** Observation and interview with worker about work procedure, worker welfare, OSH implementation, complaint mechanism, and training.
- **Harvesting activity, Block 14A, Afd V.** Observation and interview with worker about work procedure, worker welfare, OSH implementation, complaint mechanism, and training.
- **FFB transportation, Block 14A, Afd V.** Interview with contractor worker about job description, wage, OSH implementation.
- **Housing Afd 2** Observation of the availability of infrastructure such as employee housing facilities, water facilities, educational facilities, religious facilities, health facilities and sports facilities.
- **PPE warehouse and Mixing Area Afd 2.** Observation and interviews related to washing of working tools, PPE spray teams and used pesticide containers handling.
- **Landfill block 2009 E Afd 2.** Observation of waste management.
- **Kindergarten Afd 2** observation of educational facilities
- **House of worship** observations related to religious facilities
- **Block 2012 H (88K) Potency HCV** Observation of river border management
- **Block 2012 F (88J) Potency HCV** Observation of river border management
- **Water sources and ditches** Observation of water source management
- **Housing Afd 3** Observation of the availability of infrastructure such as employee housing facilities, water facilities, educational facilities, religious facilities, health facilities and sports facilities.
- **Block 2011 E (86C) Potency HCV** Observation of river border management
- **PPE warehouse and Mixing Area Afd 3.** Observation and interviews related to washing of working tools, PPE spray teams and used pesticide containers handling.
- **Landfill block 96D Afd 3.** Observation of waste management.
- **Kindergarten Afd 3** observation of educational facilities
- **House of worship** observations related to religious facilities
- **Land Application Block 2006W** Observation POME management.

	<ul style="list-style-type: none"> • Clinic Observations related to health facilities • Fertilizer warehouse Observation for material handling, OHS, and hazardous material handling. • Pesticide Warehouse Observation and interview 1 worker about material handling, OHS, and hazardous material handling <p>Surrounding community</p> <ul style="list-style-type: none"> • Baru Village. Interview land issues, environment, social etc. • Kampung Bangun Village. Interview land issues, environment, social etc. • Persatuan Village. Interview land issues, environment, social etc.
2.3 Stakeholder Consultation and Stakeholders Contacted	
2.3.1	Summary of stakeholder consultation process.
ASA-4	<p>Summary of stakeholder consultation process</p> <p>Consultation of stakeholders for PT Perkebunan Nusantara IV Unit Pulu Raja was held by:</p> <ul style="list-style-type: none"> • Public Notification on website of PT Mutuagung Lestari (www.mutucertification.com) on 26 July 2019 (http://mutucertification.com/notification-of-rspo-surveillance-4-pulu-raja-pom-subsiary-pt-perkebunan-nusantara-iv/) • Public consultation meeting with government institution in Asahan District on 6 August 2019. • Public consultation meeting with communities including previous land owner on 7 August 2019. • Public consultation meeting with internal stakeholders and local contractor on 7 August 2019. <p>Numbers of input from stakeholders were clarified by PT Perkebunan Nusantara IV Unit Pulu Raja</p>
2.3.2	Stakeholder contacted
	<i>Please find appendix 1</i>
2.4 Determining Next Assessment	
	The next visit (<i>RC</i>) will be conducted eight (8) – twelve(12) month after date of cetificate

3.0 ASSESSMENT FINDINGS
3.1 Summary of Assessment Report of the RSPO Certification

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

During the assessment, there were four (4) Nonconformities were assigned against Major Compliance Indicator, three (3) nonconformities were assigned again minor compliance and one (2) opportunity for improvement were identified.

Further explanation of the non-conformities raised and corrective actions taken by the company are provided in section 3.5. The company has already prepared and implemented the corrective action(s) that had been reviewed and accepted by Auditor(s) in form of documentation evidence(s) e.g. (*document record/photographic/etc...*). Those corrective action(s) taken that consist of *four (4)* Major non-conformities and *three (3)* Minor non-conformity had been closed out shall be verified during next assessment.

MUTUAGUNG LESTARI found that Pulu Raja POM – PT Perkebunan Nusantara IV complied with the requirements of Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INA-NITF, July 2016 (Endorsed by the RSPO Board of Governors meeting on 30th September 2016); RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 revised on 14 June 2017 (Module E for CPO Mill); and RSPO Certification System for Principles and Criteria, June 2017 (Endorsed by the RSPO Board of Governors on 14th of June 2017).

Therefore MUTUAGUNG LESTARI Recommends RSPO Certification of compliance is continued.

Ref Std.	VERIFICATION RESULT of MUTU-Certification	
PRINCIPLE #1 COMMITMENT TO TRANSPARENCY		
1.1	Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.	
1.1.1	<p>Company has the latest list of stakeholder period of 2019, consist of statutory bodies (National, Province, Regency, Sub-District), local communities, worker organization, youth organization. Besides, there also list of information that can be accessed by public listed on Director Decree No. 04.03/Kpts/02/II/2018 about publication of company documents. Information that can be accessed by public such as environment, social, legality, OSH, worker welfare document, and so on. Based on interview with statutory bodies in Asahan Regency, stakeholders also can access the company's documents, such as company's policies, licensing, reporting, and so on. They also know the mechanism and person in charge for communication with stakeholder.</p> <p>Company also reported mandatory report to related agencies, for example:</p> <ul style="list-style-type: none"> - Land Use Report of PTPN IV Pulu Raja period of 2018 to Land National Agency of Asahan Regency on 15 July 2019. - Employee Report period of 2019 by online on 30 July 2019. 	
1.1.2	<p>Mechanism to respond information request listed in procedure of <i>Masa Simpan Permintaan Informasi dan Tanggapan</i> No SPO 06 on 1 August 2017. Based on procedure, time limit to respond information request from stakeholder is 30 days. Company recorded all incoming letter, its respond, in Recapitulation of Internal and External Communication. For example: A letter from Orika Village dated 4 July, 2019 and received by company on 6 July 2019 regarding a request to lending a transportation. The company then replied to the letter dated 8 July 2019.</p>	
	Status: Comply	

1.2

Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.

1.2.1

Company has list of document that can be accessed publicly, such as:

- Company profile
- Annual report
- Land use title
- CSR data
- SIA document
- HCV document
- Complaint and its respond
- And so on

Public document also can be seen in notice board, such as company's vision and mission, public report, or company's website. Based on interview with representative of Kampung Bangun Village, Baru Village, and Persatuan Village and related agencies of Asahan Regency, it is known that they are aware of public document and don't have difficulty to access it.

These documents are available in estate and mill office. Company also has monitoring and management report, such as OSH implementation report, report of environmental management and monitoring plan, land use report, and plantation activities report. These documents also can be accessed by public through the mechanism which has determined by the company.

Status: Comply

1.3

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

1.3.1

The company has a code of conduct that was signed by the Commissioner and President Director in November 2013. The code of conduct regulates conduct guidelines relating to conflicts of interest, bribery, political activities, drugs and gambling, business entertainment, gifts, souvenirs, donations, and disgraceful acts which constitute a prohibition for business actors. This policy is available in Indonesian Language. Based on interview with worker in estate and mill, it is known that they understand about the ethical conduct of the company and has been socialized 4 January 2019 to local contractor and worker. And also, based on interview with local contractor, company has socialized this policy whenever there is renewal work agreement and then delivered to each contractor worker.

Status: Comply

PRINCIPLE #2 COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS
2.1

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

2.1.1

The Company has list of regulations of 2019 that includes local regulations and national regulation updated annually. List of laws/regulations listed has covers several aspects such as land permit and legality, manpower, occupational health and safety, best management practices and environment. The company has shown the evidence of legal requirements compliance such as plantation bussines permit from Head of district Asahan No.503/IUP/BPPM/1609/XI/2012 dated 22 November 2012 with covering 4,630 Ha and 30 ton FFB/hour capacity. The other compliances of regulations are regarding to environment aspects are EIA management and monitoring in routinely, hazardous waste storage license approved by local government. Compliances of workers and OHS regulations are provided the minimum wage, company safety & occupational health, transporting and forklift operator etc

Based on interview with stakeholders such as government agencies and other stakeholders such as workers union and surrounding communities it is known that the company has comply the related regulations for example: has plantation business permit, land use right, no workers under age of 18, land application permit, hazardous waste storage permit, there is no environment issues etc.

2.1.2, 2.1.3, 2.1.4

Procedure of legal requirement which presented in document No. 04.01/KOL/P/034, dated 1 August 2018 mentioned that corporate legal officer, general and human resource assistant manager has responsibility to arranged and monitored legal related laws and/or regulation. The procedure mentioned that in order to monitor and update of laws and/or regulations, the corporate legal officer required to actively check and make coordination with Government Agencies or Institutions. Internal audit of regulations compliance are conducted annually as example on 1 August 2019. The internal audits have shown the company's compliance of legal requirements according to the list of regulations 2019.

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

PTPN IV – Pulu Raja has managed totaling area for about 4,630.54 Ha as scope of certification. The plantation of Pulu Raja is a former of dutch colonial era plantation that has been nationalized by Government Law No. 86/1958 dated 27 December 1958 and Government Regulation No. 19/1959 dated 2 May 1959. On that area the unit management of Pulu Raja has the documents of land ownership HGU No. 2 issued in 13 October 2006 valid until 31 December 2030 for 4,630.54 Ha.

2.2.2

Certificate holder has Standard Operating Procedures of Land use title boundaries pole Maintenance with No.SPO 12.0 (Revision 2) dated 02 January 2015 which describes the person in charge of the boundary poles, the action to be taken if the pole is damaged/lost and the monitoring period were performed every 6 months. The Estate management were able to shows location of boundary poles map as well as its coordinate points, which presented in document of Land Parcel Map No. 24/07/1999. Boundary poles monitoring record in July 2019 informed that 458 poles in Pulu Raja Estate were in good condition and satisfactory maintained.

Based on field observation to Poles No. 63 & 64 block 06C and No. 106, 107 & 108 block 98A it could be concluded that estate management has monitored their boundary legal poles, clearly demarcated and visibly maintained. Verification using GPS indicates that the pole coordinate is in accordance with the provisions of land parcel map and confirmed that there has been no planting beyond the legal demarcated boundary areas of the plantation.

2.2.3, 2.2.4, 2.2.5, 2.2.6

The Company has established the mechanism for conflict resolution and land dispute in the procedure No. SOP 04 rev 02 dated 2 January 2015. There was also available a policies explained in the Code of Conduct company that the company did not use force to maintain peace and order. Based on interview with communities and field observations, there were no significant land disputes and no indication of contractually army or paramilitaries using in plantation area of PTPN IV – Pulu Raja.

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

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

The company has no new land acquisition and the plantation of Pulu Raja is a former of dutch colonial era plantation that has been nationalized by Government Law No. 86/1958 dated 27 December 1958 and Government Regulation No. 19/1959 dated 2 May 1959, so there is no compensation carried out. Based on the interview with Communities are known that there are no indigenous rights or customary rights and there are no significant land conflicts. Based on interview with communities, it was also known that there was no land compensation carried out. But the communities has been informed by the company regarding FPIC and there is no use of the land for oil palm diminish the rights of communities.

	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													
<p>The company has documents on the long-term plan contained in the <i>Rencana Jangka Panjang</i> PT Perkebunan Nusantara IV Unit Pulu Raja period 2020 - 2024 that explain about business plan and operational management which includes: area statement, projections for production, CPO, PK, Revenue CPO and PK, cost estates, mill costs, profit and loss, and net profit and loss. Annual planning also evaluated at the end of year and compared with realization. It annual planning can be adjusted based on field condition, financial condition or another reason. Based on information from representative management (estate manager), the long-term plan has been planned well with top management (company directors) and sufficient or feasible as a management plan for achieving the long term economic and financial.</p>													
3.1.2													
<p>The company has a replanting plan until 2023. The following are outlined Pulu Raja Estate replanting plans:</p> <table border="1"> <thead> <tr> <th>Year</th><th>Pulu Raja Estate (Ha)</th></tr> </thead> <tbody> <tr> <td>2019</td><td>266</td></tr> <tr> <td>2020</td><td>-</td></tr> <tr> <td>2021</td><td>168</td></tr> <tr> <td>2022</td><td>-</td></tr> <tr> <td>2023</td><td>-</td></tr> </tbody> </table>		Year	Pulu Raja Estate (Ha)	2019	266	2020	-	2021	168	2022	-	2023	-
Year	Pulu Raja Estate (Ha)												
2019	266												
2020	-												
2021	168												
2022	-												
2023	-												
<p>The company has periodic reviews conducted monthly. The results of the review contain, among others, the progress of replanting and reporting to the Senior Operations Manager and Director.</p>													
	Status: Comply												
PRINCIPLE #4 Use of appropriate best practices by growers and millers													
4.1													
Operating procedures are appropriately documented and consistently implemented and monitored.													
4.1.1													
<p>The company has had procedures related to agronomy and processing. The agronomy procedures consist of nursery, land preparation, planting, planting legume cover crop, manual upkeep and chemical upkeep, soil and water conservation, manuring, pest and disease control, harvesting and FFB transportation. Procedures related to processing consist of FFB receiving, processing stations, to dispatch, laboratory and maintenance, as well as waster management. These procedures have been relevant and have covered all the operational aspects of existing plantations and factories. That SOP's is available on audit site (Estate and Mill office) and written in a language that is easily understandable for workers (written in Bahasa). The entire procedure both of plantation and mill has been included of safe working instruction, other than those described in the HIRAC document.</p>													
<p>Interviews were conducted to harvesters, pesticides applicators, and manuring workers in Pulu Raja Estate and also operators in Pulu Raja Mill. Based on the results of interviews can be concluded that the workers understand the duties and responsibilities of their work in accordance with the applicable SOP.</p>													
4.1.2 and 4.1.3													
<p>The company has conducted annually internal monitoring to ensure implementation of procedures. The monitoring conducted through annually operational internal audit by internal audit department and RSPO internal audit by sustainability department. The records of internal audit on 2019 has been documented. Non compliance records of internal audit has been corrected and verified by management.</p>													
<p>Each unit has documented the operations of the estate and mill production such as daily reports, supervisor workbooks, etc. The</p>													

field visit at the mill shows that the unit has been documenting the daily activities in a daily production report that documented by using computerized systems. Also, there is an internal audit from the company to check and monitoring the performance of contractor related to compliance to company procedure.

4.1.4

The certificate holder already has the RSPO Supply Chain Procedure (No. document 04.03/UNIT/SUS/P/001 dated 1 Augustus 2018, revised 1 April 2019) which regulates the acceptance of the FFB of third parties. Pulu Raja Mill has record the origins of all FFB source. The result of filed visit, document review and interview with the management, known that there are no FFB from third party, the FFB's sourced from subsidiary of PTPN IV that can be seen at basic information of this report.

Status: Comply

4.2

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

4.2.1 and 4.2.2

The company has procedure related to maintain soil fertility (No. Unit Usaha A.10 June 2013). The procedure regulates the basic of fertilization, soil and leaf analysis activities, organic and inorganic fertilization, and fertilization management. During the audit, there is no manuring activity related to stock of fertilizer not yet available in the warehouse. However based on document review, implementation of manuring activity has been well documented in book of manuring program. It shows that the dose, amount, and location has been in accordance with the recommendation.

The auditor conducted an interview with the fertilizer workers at Division 1 Pulu Raja Estate. Fertilization is done manually by workers. Workers can also explain the fertilization procedure well, which is in accordance with the dosage determined based on the recommendations.

4.2.3

The company has routinely monitored the changes on the nutrient status based on the regular soil sampling unit (SSU) and leaf sampling unit analysis (LSU) to determine fertilizers recommendation. The sampling spot has been determined in each division and block routinely by *Pusat Penelitian Kelapa Sawit (PPKS)* and it is supported by well-trained census officer in each division. SSU is conducted every 5 year, meanwhile LSU is conducted annually. The last LSU result was issued on December 2018 and the last SSU result was issued on 2017. Visual observations performed every year at the time of leaf analysis activities. Visual observation is a consideration in determining the fertilizer recommendations, deficiency of nutrients and analyze the potential of disease which is likely to become endemic of a particular disease.

Result of soil and leaf analysis published recommendation on fertilizer doses to produce an optimal production of palm fruit. Principles of fertilization are giving treatment on the ground to produce the nutrients required by palm and generating optimal results.

4.2.4

The company has a strategy of recycling nutrients, such as the use of the frond (pruning), application of effluent and EFB Mulching. The company shows a recording of the EFB applications realization until July 2019 on Pulu Raja Estate. Overall, the company has made efforts to maintain and improve soil fertility. Visually, there is no symptom of nutrient deficiency at the blocks that have been visited.

Status: Comply

4.3

Practices minimize and control erosion and degradation of soils.

4.3.1 and 4.3.6

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

slopes > 40%.

Auditor conducted field observations in POME application area and it can be concluded that the company has implemented a management strategy to optimize the potential of the land with the limiting factor.

4.3.2

Strategy of planting management in hilly areas is presented in document No. SPO.01 about land development and No. SPO.02 about new planting, replanting, under replanting, peat management and planting technique. Based on the field visit to Blok 11B Division 3 and 14A Division 5, it is known that in general the condition of the land is in a flat to wavy condition, there is no area with a slope of more than 40%.

4.3.3

The company shows a road maintenance program for 2019 period. Pulu Raja Estate have classified roads based on their conditions (good, medium and heavy). From these data the company made priority programs in road improvement. For example, the realization of road improvements in Pulu Raja Estate has reached 8,350 meters on July 2019. Based on field observations throughout the audit activities, it was concluded that the road conditions on Pulu Raja Estate were in good condition and could be passed.

4.3.4 and 4.3.5

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

Status: Comply

4.4

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

4.4.1

The company program towards surface and ground water management was presented in Environment Management and Monitoring (RKL/RPL) and High Conservation value (HCV) report. Among the program are maintenance of waste water treatment plant (WWTP), proper hazardous materials handling, monitoring of land application, monitoring of water source quality, planting of trees, etc. The company is able to shows several laboratory testing for period 2018/2019 which conducted by laboratory (KAN Accredited No. LP-001-IDN). Several testing which already conducted are monthly palm oil mill effluent (POME) quality in the WWTP outlet, water quality of Aek Nagaga River, Asahan River and Monitoring Wells, as well as ground water and water body quality. Reference used for those testing were derived from PermenLH No. 29/2003, KepmenLH No. 05/2014, KepmenLH No. 82/2001 and Permenkes No. 416/1990. According to laboratory analysis testing mentioned in the former, it could be concluded that all parameter tested were below the threshold as required by the respective regulations.

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

4.4.2

The company has identified water sources which is presented in HCV report, i.e. Aek Nagaga and Asahan River. There is no presence of wetland and peat within Pulu Raja Estate operational areas. According to RKL/RPL semester report, it could be concluded that several testing on water quality in those Rivers has been conducted. Based on field observation to Kalijati River in Block 2012F Division known sighted that there are signboard, chemical applications limit (50 meter). but based on the results of visits to other areas, the following facts are known:

- Based on the results of a field visit to the Kalijati River area Block 06 E, block 2018 A Afdeling 1 and Block 2012 H Afdeling 2 it is known that there is no management for the river border area such as marking spray boundaries, woody plant enrichment activities and still doing chemist activities.
- Based on field visits block 2018 A afdeling 1 (replanting area 2018) it is known that planting is carried out to the banks of the Kalijati River (there is no distance of 50 meters right and left of the river).

Based on this explanation, the company has not been able to show evidence, protection of all water bodies, including guarding and maintaining river border areas and other buffer zones. **Non-conformity No. 2019.01 with Major category.**

4.4.3

CH mill has managed its effluent of FFB processing as regulated based. Document review shows there is monthly effluent quality against national regulation for waste that is discharge to water body. The company has permit of land application as presented in document of Asahan Regent Decree (SK Bupati) No. 660.1/0973/LH/2014 dated November 24th 2014 with total permit area was 84 ha. The decree has valid until 23rd November 2019. Based on observation field observation to WWTP outlet and land application area, it was found that there were no leaking on piping installation system. Monitoring on the outlet has been conducted every month and reported to the Environment Agency of Asahan District and Sumatera Utara Province on July 16th 2019. For example, according to testing results in January to June 2019, it could be concluded that all important parameter tested (BOD and pH) were below the threshold required by Decree on Minister of Environment (KepmenLH) No. 29, 2003.

4.4.4

Water usages monitoring for Pulu Raja Mill are conducted daily and listed on "*Neraca pemakaian harian*" Standards of water usage for FFB process recorded on 2019 budget projected 1.20-1.50 m³/MT FFB process. Evidence for water usage monitoring periodically are available and recorded, for example on July 2019 FFB processe was 14,805 mt, process water usage 15,045 m³, and water usage efficacy was 1.01 m³/mt FFB process. Field visit on Pulu Raja mill water treatment plant found that flowmeter for water usage monitoring are served well.

4.4.2

Status: Non-conformity No. 2019.01 with Major category.

4.5

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

4.5.1

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

The company has conducted stages of monitoring of the symptoms of the caterpillar pest attack. Pulu Raja Estate conducts *global telling* (early warning system / early detection) and it is found that there are symptoms of an attack above the threshold, an effective census is conducted. After that, if results are found above the threshold, chemical control will be carried out. Then, *Natelling* (observation after controlling) is done to see the effectiveness of the control. For example, in Division 4 Pulu Raja Estate block 06Y (20 Ha) on 25 April 2019, *global telling* was carried out with the results of 5.0 caterpillars/midrib. Then the *effective telling* was carried out on 26 April 2019 with the results of 10.99 caterpillars/midrib. Then chemical control was carried out using Mantene (Asefat) with dose of 20 cc/palm on 4 May 2019. Then *Natelling* was carried out on 15 May 2019 with the results of 0.83 caterpillars/midrib. These results indicate it is below the threshold and chemical control is stopped.

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

4.5.2

The company has records of the training implementation for workers who are involved in the implementation of integrated pest management, for example, Integrated Pest Management training on 28 January 2019 with the number of participants are 9 employees consisting of census operators, supervisors, and field assistants. Based on interview with the worker revealed that the worker understand the method of plant pest and diseases census or detection.

Status: Comply

4.6

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

4.6.1

The company has SOP and work instruction on weeds management, the guidance covering about chosen, storage, application, contaminated handling, known about signs and symptoms of pesticides poison and first aid for poison case. To ensure pesticide used are in accordance with the target, company conducted identification the type of weed found in operational area. Based on field

visits and interviews with 4 pesticide applicators in division 3 Pulu Raja Estate, it was concluded that workers knew about the function of the chemical used and selective when doing the spraying activity, as for example for glyphosate material used to spray the circle and harvesting path only while the weeds in inter row not sprayed. The company used *Isopropil amina glyphosate* and *Metil metsulfuron* which have received permission from the government. Based on document verification and observation to pesticide storage, there is no prohibited chemicals use.

4.6.2

The company has documented records of pesticide toxicity in the document of Monthly Pesticide Toxicity Data. The document is recorded product name, active ingredients, LD₅₀, area treated, amount of active ingredients applied per Ha, and total application. This document is constantly recorded and updated by Estate Sustainability Officer each month.

4.6.3

Pulu Raja Estate has program to reduce the pesticide usage by replacing pesticides with biological controls such as using natural predators to control rat and planting the beneficial plant. Based on document review and field observation, several IPM program with biological approach that has been implemented such as leaf eater caterpillar by planting beneficial plant such as *Turnera subulata* and *Casia cobanensis*. Moreover, it has also conducted early detection routinely listed in the monthly report of early warning system. There is no prophylactic use.

4.6.4

The company has the complete list of pesticides belonging to the WHO Class 1A or Class1B, or those listed in the Stockholm or Rotterdam Conventions and paraquat and also has Internal Circular Letter of the Unit Manager No.04.04/Distrik-Kebun/M.1238/XII/2018, dated 19 December 2018, regarding Paraquat Reduction Program. Pulu Raja Estate will implement the paraquat reduction program in controlling weed by prioritizing manual control and pest control by emphasizing biological control. Based on document verification and field visit to pesticide storage, there is no paraquat and WHO Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions application from 2018 until July 2019.

4.6.5; 4.6.7 and 4.6.9

The results of field observation in warehouse and interview with pesticide applicator in Division 3 Pulu Raja Estate, it is known that the employees have been given regular training in safe work practices. This was evidenced by the employee can demonstrate the correct way to work in accordance with the procedures including how use and handling the risks in accordance with material safety sheets. There have been sheets of safety work (MSDS) and the symbols of hazardous and toxic materials are properly installed on the walls and doors of warehouse.

The pesticide applicator also using personal protective equipment in accordance with specified hazard identification and material safety data sheet such as respirator mask, gloves, safety shoes, apron and googles. In addition, employees are also informed about the steps of secure work in each roll call in the morning before work. Meanwhile, the spraying workers interviewed also claimed that after spraying they will be washing up and drying up the PPE and spraying tools (sprayer tank, jerry, etc), and taking shower/changing clothes in special place near pesticide store of the division office. Therefore, based on field observation to mixing area in Pulu Raja Estate, that known there are storage for keeping all PPE's and spraying tools after use.

4.6.6

The Management Unit has had SOP for Hazardous and Toxic Waste Management (B3) No. SPO 02 dated 02 January 2017 (Revision 03). In point V - Description of Procedure it is explained about temporary storage, waste identification, data collection of waste, packaging of chemical ex-container, waste placement, shelf life, and delivery of waste to the licensed carrier company. The Management Unit also has Procedure for Washing of Chemical Spraying Equipment.

The Management Unit has performed pesticide storage in accordance with best practices. For example, field observation in Pesticide Warehouse at Pulu Raja Mill Complex – herbicides (*Elang*, *Metsulindo*, and *Santafuron* and the others) have been stored by type and equipped with MSDS in a special room. The warehouse is well ventilated, also available eye shower and hand washing, safety symbols and required PPE symbols, sands to absorb pesticides in case of spilled and be collected again as hazardous waste. Based on field visit, for instance in Afdeling III, there was no used container pesticide discarded in the field. The used container pesticide stored at Temporary Hazardous Waste warehouse.

4.6.8

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

4.6.10

Field visit for examples on Afdeling III and II found that agrochemicals containers are disposed in responsible way. Field visit on housing Afdeling III and II also found there is no indications that ex agrochemicals containers are used as flower pots or water containers. Based on document review and interview with management representative, shown all ex pesticide containers on estates are managed by regularly submitted to Puluraja mill temporary hazardous waste store and hazardous waste disposal evidence for example manifest on July 19th 2019 were available and verified by auditors. Besides that each Afdeling are able to shown regular "berita acara pengiriman bekas kemasan agrokimia ke TPS LB3". Pesticides Applicator devices clean up area are located on each Afdeling, based on field visit on AFD III shown that used water from devices clean up were collected and then reused for next pesticides mixing. Evidence for workforce education related to hazardous waste and ex agrochemical handling are available for examples socialization on April 1 2019, held on Safety committee room, attended by 67 workers representative.

4.6.11

Pulu Raja Estate has list of pesticide operator based on latest data of June 2019 as many as 15 workers. Medical examination (cholinesterase) has been conducted on 29 November 2018 to all pesticides workers in Pulu Raja Estate. The result of medical examination is informed to the workers and all pesticide operators are in a healthy condition (normal result). 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

4.7

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

4.7.1

The company has a policy of occupational safety and health were written in Bahasa. The policy has been legalized and updated on January 2017 by Unit Manager. This policy is designed to control hazards in every activity that is in the working environment to prevent accidents and occupational diseases. Management have work program of occupational health safety every year. Realization of the program of work will be monitored through regular meetings Guiding Committee of Occupational Safety & Health every month. This work program applies generally to all workers in the workplace. If the plans have been made yet on target then will be evaluated in the management review to assess effectiveness.

Interviews were conducted to estate workers (harvester and pesticides applicator) and mill workers (boiler operator, engine room operator, kernel operator, etc). Based on the results of interviews can be concluded that workers understand the OHS policy and it's recognized that every morning meeting is always affirmed about the importance of safety and the use of PPE in work.

4.7.2

The company shown the document of hazard identification, risk assessment and risk control which issued on January 2019. It will be reviewed if any occupational accident happen. The document describes the description/activity, potential hazards, risk assessment and risk control. Based on site observation at workshop in Pulu Raja Mill and agrochemical warehouse in Pulu Raja Estate, it was clearly confirmed that workers had been aware related potential risk and hazards in the work place. Following up on this, the company has been reduce the potential risk by routine socialization about OHS, providing PPE, and OHS signboard are available in workplace.

4.7.3

Based on documents verification and interviews, it is known that all operators at Pulu Raja Mill and Pulu Raja Estate already have lisenze such as boiler operators, lift carrier operators, welders and electrical technician. The management unit has had the training

plan for workers exposed to high noise levels such as training of procedure, socialization of HIRAC and safety briefing before work.

The company already has a Workers' PPE Replacement Mechanism as stipulated in Circular Letter No: PUR / SE / Intern / II / 2019 dated 4 February 2019, which explains that if there is a PPE that has been damaged then administrative officer made the damage PPE reports and made a report on the request for new PPE replacement. Based on field observations and interviews with workers at the Pulu Raja Mill, it was found out the following field facts: 3 workers at the chained station, 1 worker at the press station, and 1 waste officer used PPE shoes that were not up to company standards (purchased by the workers themselves because the shoes that provided by the company are damaged before the new replacement period).

Based on the evidence, the company has not been able to demonstrate the implementation of PPE management in accordance with its procedure. This becomes a **Non-conformity No. 2019.02** with **MAJOR category**.

4.7.4

The company already has persons that responsible for the OHS program within the organizational structure of Committee of Occupational Health and Safety (*P2K3*) established in each management unit. The organization routinely conducts monthly meetings on OHS issues in the workplace. The documentation of the meeting were recorded and stored well. Based on interviews to workers who are members of the *P2K3* organization it is known that monthly meetings are always routinely conducted to discuss about OHS such as consistency of PPE usage, work accident report, fire simulation, checking of emergency response equipment, OHS sign board, cleanliness of work area, etc.

4.7.5

Procedures for accidents and emergencies are contained in SOP for Handling of Accident and Health Check date effective 23 April 2013 and SOP for Emergencies Handling (No.Document 4.3.16 revision 02 dated 23 April 2013). The procedures cover the main potential causes of emergencies such as fires, chemical spills, etc. The procedures also explained that records of all accidents shall be kept and periodically reviewed.

Pulu Raja Mill and Pulu Raja Estate has already licensed first aid officers and there was first aid internal training conducted on 30 May 2019 which was attended by 33 participants. Based on field visits and interviews, it was found that all the supervisor in each of activities were equipped with first aid kit and had been trained on the use of first aid boxes and the supervisor explained the usefulness of each first aid kit.

However, based on document verification, interviews with workers and field observations, the following facts were found:

- There was a fire incident at the Pulu Raja Mill in 2018 based on interviews with security and workers at the Pulu Raja Mill processing station. This information is strengthened by the results of the fire incident investigation report at the Pulu Raja Mill on 8 June 2018 which was investigated by OHS expert Pulu Raja Unit.
- There is information from media online (<http://www.kisaran.online/berita/2018/06/08/837/-pks-ptpn-iv-kebun-pulu-raja-terbakar>) which informs that the Pulu Raja Mill had a fire incident on 8 June 2018.
- The company has 6 units of emergency and fire fighting equipment in the form of hydrants and the company routinely monitors the condition of the hydrant every month. From the hydrant inspection and monitoring data shown in July 2019 the hydrant was in good condition.
- From the simulation results during field observation of the hydrant in the shell area (kernel station) of the Pulu Raja Mill, the hydrant cannot function properly.

Based on the evidence, the company has not been able to show that emergency response and fire fighting equipment is available at all times. This becomes a **Non-conformity No. 2019.03** with **minor category**.

4.7.6

The company has provide medical care for worker including contract and permanent worker. Medical care is covered by worker and health insurance (*BPJS*). The payment for BPJS is conducted every month according to the available rule. Besides, the company also provide medical facilities for workers if work accident is occurred. Work accident will be reported to the *BPJS* Agency and claim for it will be done if the medical process has been completed. Based on interview with worker in estate and mill, it is known that both worker and their family is have been registered in health insurance (*BPJS Kesehatan*). There are some contractors in certification unit. Based on interview with contractor representative, it is known that the accident insurance for contractor's workers is covered by the head of contractor itself.

4.7.7

The company has calculated the Lost Time Accident every month for monitoring the recording of occupational accidents. It shown the Lost Time Accident calculation per May 2019. This document informs the number of worker, number of working days, the number of non effective working days, overtime, hours of work in total, the number of accidents, the number of working days lost, hours of work a year, the number of accidents a year, lost days a year. Calculation of SR and FR is reviewed regularly and will be evaluated at monthly meeting of OHS Committee.

This indicator has been a minor non-conformity in the previous audit, and based on verification on this ASA-4 and the evidence of correction shown then it was concluded that at the time of this ASA-4, the non-conformity had been closed.

4.7.3
Status: Non-conformity No. 2019.02 with Major category.
4.7.5
Status: Non-conformity No. 2019.03 with Minor category
4.8
All staff, workers, smallholders and contractors are appropriately trained.
4.8.1

The company has conducted training need analysis for period 2019 for several fields and participants who will be included in the training. For example socialization of code of conduct, prohibition of family cup, pest control, et cetera. For training on health and the risk of pesticide exposure, and emergency response is carried out regularly every month.

Based on interview with worker in estate and mill, they have received some training related to their work, such as work procedure training, emergency response, and first aid training. The training has been documented into minutes of meeting, list of attendees, and photo activity. Company also has conducted training regarding awareness of RSPO P & C to the workers.

4.8.2

Company has showed the documentation of training or socialization whether it is internal or external training in form of minutes of meeting, list of attendees, and photo activity. Company also kept training record for each worker. For example:

- Training for FFB transporting on 21 January 2019 attended by 8 worker
- RSPO socialization on 21 January 2019 attended by 29 worker
- Internal training for boiler and sterilizer operator on 21 January 2019 attended by 10 worker.

Based on interview with contractor, training to contractor worker is conducted by socialized the OSH policy or environment management every month by the supervisor.

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

The CH has conducting environmental impact assessment for oil palm plantation and processing which endorsed by the Minister of Agriculture as presented in Minister Decree No. RC 220/275/B/II/1994 dated February 9th 1994. The CH has also conducting Environment Management and Monitoring Plan study (RKL/RPL) in 2006 which carried out by consultant namely PT Emesi Konsultan which endorsed by Environment and Tourism Agency of Asahan District on September 21st 2006, as presented in letter No. 001/IX/AS/RKL-RPL/2006. Scope of area were plantation for 4,636 ha and palm oil mill with capacity of 30 ton FFB/hours. Based on study document known the tenvironmental documents cover all areas of the company and all activities carried out in the company. Environment assessment study has recommend several management and monitoring plan which obliged to be conducted by the company, i.e. erosion management and monitoring; surface water management and monitoring; ground water (wells) quality management and monitoring; air quality and odor management and monitoring; water biota management and monitoring; opportunity of employment for locals; community income; public facility and social; community fidgetiness; community perception and attitude; health community monitoring; disturbance of land use for oil palm planting, replanting and social fidgetiness.

5.1.2

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

5.1.3

Monitoring result indicates environmental monitoring done by company (waste water testing, landfire monitoring, air emission and etc) are still comply with standard quality. Based on the review of the RKL-RPL document and the RKL-RPL Implementation Report for Semester II 2018 & Semester I 2019, it is known that not all impact parameters have been monitored according to the direction of the RKL-RPL matrix owned, such as:

- Have not monitored liquid waste in anaerobic pond (inlet) once a month.
- Groundwater quality testing has only been carried out at three sample points from 5 recommended locations.
- Has not conducted monitoring related to disturbance to the Water Biota 2 times each year.
- Has not conducted monitoring related to the increase of community income, utilization of public facilities, reduction of public health, disruption of land use of oil palm plantations, disruption of security and public order which is carried out twice a year and includes evidence of monitoring in the appendix to the RKL-RPL implementation report.
- Has not conducted an evaluation, including evaluation of trends (Trend Evaluation), critical level evaluation (Critical Level Evaluation) and compliance evaluation (Compliance Evaluation).

Based on this explanation, the company has not been able to show evidence that all environmental monitoring parameters have been monitored and the implementation report has been prepared in accordance with the Ministerial Decree No. LH 45 of 2005 concerning Guidelines for the Compilation of RKL-RPL Implementation Reports. **Non conformity No 2018.04 with Minor category**

5.1.3

Status: Non-conformity No. 2019.04 with Minor category.

5.2

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

5.2.1

The company has high conservation value (HCV) report which conducted by Yayasan Kelapa Sawit Berkelanjutan (Sustainable Oil Palm Foundation) and PT Surveyor Indonesia in 2010. The report informed that wild life identified during assessment were consist of 21 species of aves, 7 species of mamals, 13 species of reptiles and amphibian, 3 species of fish and 45 species of floras. Furthermore, it was informed that there were 12 species of fauna classified as protected as listed on Appendix II CITES. According to the study report, it was informed that total HCV areas were cover about 0.35 for HCV 6 (Cemetery) and 133.07 ha potentially HCV 4 (buffer zone), respectively. HCV map for Pulu Raja Business Unit is available.

5.2.2

The company shows HCV area management in 2019. Among the program is presented as follows:

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

The company has an RTE Species management and monitoring plan for 2019 which is conducted one year 3 times in February, July and October 2019. The result of monitoring RTE in February 2019 were known to the nape birds, Kacer bird eagle birds, ripple birds, woodpeckers, starling birds and other birds. Record of Monitoring in June 2019 informed that totaling 8 singboard has been installed in Block, A and H. Trees planted by the company and noted as satisfactory are Mahony, Bamboo, Ketapang, Sengon and Trembesi. Based on the document review and the results of the field visit it can be concluded that the management of HCV has been carried out in accordance with the management plan. In addition the company carries out management for potential HCV areas in the form of ditches and river borders.

5.2.3

The company has commits to protect HCV and RTE species identified during HCV assessment. Program of HCV areas is presented in Indicator 5.2.2. Socialization of HCV areas and RTE species has given to the employees and surrounding communities through installation of signboard which informed species protected, prohibition of hunting, keeping RTE species and destructive action which may causes environment damage. Furthermore, socialization has also conducted annually. Based on interview with inhabitant of employees housing complex in Afdeling III and II, it could be concluded that inhabitants were understood that hunting and keep at home the protected species are strongly prohibited. For example the socialization has carried out in April 2019 with 67 Participants. Sanction for workers which found to capture, harm, collect or kill RTE species is given through warning letter to deposition, depending on the scale of case. However, information towards government sanction which referring to Law No. 50/1990 has also delivered during socialization.

5.2.4

The company has a program and monitor HCV and RTE species which affected by estate and mill operational, as mentioned in Indicator 5.2.3. Monitoring record has also can be seen on RKL/RPL Semester report. As for RKL/RPL and Flora Fauna Report, the report has been sent to Environment Agency of Asahan District and *BKSDA* Sumatera Utara Province. Record of Monitoring in June 2019 informed that singboard and riparian condition were noted as satisfactory. This is confirmed during field observation to Afdeling V riparian areas. Other than that the monitoring found 8 Birds such as Bondol birds, Elang ular Bido Bird., riplel bird, nape bird, kacer bird and the other. Based on the document review and the results of the field visit it can be concluded that the management of HCV has been carried out in accordance with the management plan. evaluation and follow-up management for HCV is to maintain, clarify boundary markers and maintain signboards in cemetery areas.

5.2.5

Results of the verification documents, field visits and interviews with villagers obtained information that there are no areas of HCV-related and affect the local community. As for the HCV 6 area which is a public cemetery located within the company's Area / HGU, a management agreement has been made between the company and the community which can be seen in the document of the agreement on the management of the cemetery on July 1, 2019 between PTPN IV Pulu Raja and Tunggul 45 Village. From The contents of the agreement are explained in several points, including the routine cleaning of the cemetery area, checking.

Status: Comply

5.3

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

5.3.1

All waste (including hazardous waste) and pollutions sources from mill and estate are identified and recorded on waste identification risk assessment 2019 such as effluent are managed at waste water treatment plant before it distributed to land application bed, hazardous waste were kept at hazardous waste storehouse, etc.

5.3.2

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

The company has records waste balance and reported to Environment Agency. This is conformed during interview with Environment

Agency of Asahan District. The company shows hazardous waste transportation contract carried out by licensed Hazardous waste collectors (PT Jagar Prima Nusantara). There is a Minutes of Hazardous waste transport carried out on July 19, 2019 with details:

- Contaminated packaging (used pesticides and chemical packaging) With no manifest WY 0003228 as much as 1,700 kg
- Used rags with no manifest WY 0003227 for 29 kg
- Cartridge with no manifest WY 0003226 for 8 kg

For medical waste last transport carried out on 7 August 2019 to Pabatu Hospital, because until now clinic Pulu Raja is still making a Festronik license, while the resulting waste is still being handed over to the Pabatu hospital. **OFI**

5.3.3

Management of waste program is presented as follows:

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

Field observations at AFD III's final landfill show that the company has been sorting waste according to its type and there is no waste burning besides field observations in AFD II housing areas also found that housing has provided garbage bags for each house, but based on the results of field visits In Afdeling II and III landfills, it is known that the condition of the landfills has not been filled for a long time, companies must be more consistent in managing domestic waste in accordance with their procedure. **OFI**

Status: Comply

5.4

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

5.4.1

Procedure for fossil fuel usage efficiency are listed on procedures SPO no 17, 2015 related to mill waste utilization. PTPN IV Pulu Raja unit had planned and implemented the use of fiber and shell for fossil fuels substitution. Realization of renewable energy have been monitored every day and documented on monthly report for fi Consistency in domestic waste management ber and shell usage. During January-June 2019, the usage of fiber and shell for boiler resulted efficiency the use of diesel is 3,311,054 L or equivalent to 40L per tonne of FFB.

Status: Comply

5.5

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

5.5.1, 5.5.2

The Company has demonstrated procedures with document number 02.0 dated August 1, 2007 concerning new plants stating that the replanting method carried out by the company is land clearing method, zero burning method and under planting method. Based on the results of a field visit to block 93G, it was known that the company had carried out replanting activities. The replanting mechanism based on the Order to Start Work (No. 04.14 / SPMK / 008 / VII / 2018 dated July 6, 2018) PT Ambya Mozza Indo covers activities 1, chipping, demolition, testing II, harrow activities and making hole diggers .

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

Status: Comply

5.6

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

5.6.1, 5.6.2

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

- Providing appropriate training to spraying team
- Planting beneficial plants (cassia cobanensis, tunera spp and antigonon spp) in empty areas.
- EFB application
- Perform routine services on vehicles and generators
- Plant trees around generator houses and riparian belt areas.
- Perform leaf analysis to determine the type and dosage of fertilizer
- Land monitoring that has the potential to be fire-prone

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

- Liquid Waste quality testing
- Air quality testing
- Testing of emissions of boilers and generators
- Noise testing
- Odor testing
- Vibration testing

Mitigation measurements and plan to reduce waste, pollution, and emission including GHG from Mill and estate are identified and recorded on waste/pollution identification document and GHG identification document. Fossil fuel reducing have been implemented by fiber and shell usage. Realization of renewable energy have been monitored on monthly report for fiber and shell usage. Waste water has been monitored every months and monitoring periods Jan-June 2019 sighted that all of waste water testing parameters is compliant to the standards quality.

Noise monitoring (1st semester 2019) are conducted based on RKL/RPL matrix in kernel station (91.3 dBA), mill front yard (59.8dBA), area process (75.5 dBA), and workers housing (39.6dBA). Field visit on high noise station on Pulu Raja Mill such as sterilizer, kernel ,theresser, press found that warning signs for PPE requirement (ear muff) on those areas are available, CH already has a sound inspection mechanism that regulates audiometric tests for employees with high noise exposure, audiometric examination is conducted once a year. To prevent hearing loss of mill workers with high noise exposure CH checks the worker's PPE every day before the activity begins. And place a warning sign in each area with a noisy sound.

All waste including emmissions and pollutions sources from Mill and estate are identified and recorded on waste and pollution identification risk 2019 document. Fossil fuel reducing have been implemented by fiber and shell usage. Realization of renewable energy have been monitored on monthly report for fiber and shell usage. Waste water has been monitored every months and monitoring periods January- June 2019 sighted that all of waste water testing parameters is compliant to the standards quality.

5.6.3

CH also has conducted GHG emission calculations period 2018 use of Calculator Palm GHG version 3.0.1. Accurate data has been put into the RSPO PalmGHG Calculator (Palm GHG version 3.0.1) and has been verified. Summary of net GHG emissions from PalmGHG calculator of the audit report which calculation option is applied "Apply Full Version"

Summary of Net GHG Emissions

Emmision per product	tCO2e/tProduct
CPO	0.58
PK	0.58

Production	t/yr
FFB processed	79089.07
CPO produced	19094.92
PK produced	3130.36

Extraction	%
OER	24.14
KER	3.96

Land use	Ha
Planted area	4156
Planted on peat	0
Conservation Area	133.07

Summary of field emission and Sinks

Descriptions	Own crop		Group		3 rd party	
Emissions	tCO ₂ e	tCO ₂ e/tFFB	tCO ₂ e	tCO ₂ e/tFFB	tCO ₂ e	tCO ₂ e/tFFB
Sources						
Land conversion	41047.27	0.52	0	0	0	0
CO ₂ emissions from fertilizer	2657.57	0.03	0	0	0	0
NO ₂ emissions	2329.77	0.03	0	0	0	0
Fuel consumption	591.69	0.01	0	0	0	0
Peat oxidation	0	0	0	0	0	0
Sinks						
Crop sequestration	-	-0.49	0	0	0	0
	38907.36					
Sequestration in Conservation area	0	0	0	0	0	0
Total	7718.94	0.1	0	0	0	0

Summary Oil Mill Emissions and Credits

Remarks	tCO ₂ e	tCO ₂ e/t FFB
Emissions sources		
POME	4367.72	0.06
Fuel consumption	123.38	0
Grid electricity	675.39	0.01
Credits		
Export of grid electricity	0	0
Sales of PKS	0	0
Sales of EFB	0	0
Total	5175.49	0.07

Palm Oil Mill Effluent (POME) Treatment

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

POME Divert to Anaerobic Digestion

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

Status: Comply
PRINCIPLE #6 Responsible consideration of employees and of individuals and communities affected by growers and mills

6.1

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

6.1.1, 6.1.2, 6.1.5

Social impact assessment was conducted in July 2009 in collaboration with PT Surveyor Indonesia involving local communities. Social assessments include impacts on the socio-economic aspects, social aspects (education, health), socio-cultural aspects, customs and traditions.

The assessment was conducted by interview involving stakeholders, such as sub district head of Kampung Bangun Village, Baru Village, and Persatuan Village. After conducting interviews with affected parties, the company conducted public consultations with stakeholders and employees. The public consultation delivered the results of the interviews and was given a question and answer session for stakeholders. Company showed photo documentation of interview and minute of meeting of public consultation. Based on interview with representative of Kampung Bangun Village, Baru Village, and Persatuan Village, all issues is covered in SIA document. However, company does not conduct any partnership with smallholder.

6.1.3

The company has a social impact monitoring plan for the 2019 period compiled on January 7, 2019. The monitoring plan explains the parameters of social impacts managed, sources of impact, monitoring methods, location of monitoring, time & frequency of monitoring, and implementing monitoring. However, the company has not shown evidence that the preparation of a social impact management and monitoring plan is based on a process of consultation with affected parties.

Based on explanation above, the company has not been able to show evidence that a social impact management and monitoring plan has been prepared based on the consultation process of affected parties. It becomes **Non Conformity No. 2019. 05**.

6.1.4

Regarding the review of the social impact management and monitoring plan, it is known as follows:

- The company has a plan for managing and monitoring social impacts over the 2017-2019 period.
- The company has not been able to show evidence of a review of social impact management and monitoring plans that have been prepared during the 2017 - 2019 period at least every two years in a participatory manner involving all parties affected.

Based on explanation above, the company has not been able to demonstrate that its social impact management and monitoring plan has been reviewed at least every 2 years and is based on the participation of all parties affected. It becomes **Non Conformity No. 2019. 06**.

Major 6.1.3	Status: Non Conformity No. 2019. 05 with Major Category	
Minor 6.1.4	Status: Non Conformity No. 2019. 06 with Minor Category	

6.2

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

6.2.1

Mechanism for consultation is listed in procedure of *Komunikasi dan Konsultasi dengan Masyarakat* (SPO No. 3) dated 2 January 2017. The procedure explain that all communication and consultation managed by human resource assistants representing the manager. All communication must be submitted to the manager to be processed and will be informed to the public and follow-up that will be carried out by the company no later than 3 months after the information is received. Procedure is available in Bahasa Indonesia

Based on interview with Statutory Bodies in Asahan Regency and representative of Kampung Bangun Village, Baru Village, and Persatuan Village, it is known that they understand how to communicate and consult with PTPN IV Pulu Raja. They also know the PIC for communication and consultation.

6.2.2, 6.2.3

The PIC for consultation and communication with the community is HR asistant. The PIC is assigned to accommodate the implementation of social impact analysis, responsible for top management for communication and consultation with stakeholders

Officers

List of stakeholder is made by human resource assistant. The latest list of stakeholder is available for year of 2019, consist of statutory bodies (National, Province, Regency, Sub-District), local communities, worker organization, youth organization. The company has documented incoming letters from external stakeholders in Recapitulation of Internal and External Communication. The document records the date of the letter, letter number, the sender of the letter, subject matter, and follow-up. The information request from stakeholders is about assistance proposal and mandatory reporting information. For example, A letter from Orika Village dated 4 July, 2019 and received by company on 6 July 2019 regarding a request to lending a transportation. The company then replied to the letter dated 8 July 2019.

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

Company has a mechanism of complaint and grievance handling, as follows:

- Procedure of *Komunikasi Internal dan Penanganan Keluhan Karyawan* (No. SPO 19) on 6 November 2018
- Procedure of *Penanganan Keluhan Pelanggan dan Lingkungan* (No. SPO 13) on 2 January 2015
- Procedure of *Komunikasi dan Konsultasi Dengan Masyarakat* (No. SPO 03) on 2 January 2017

The procedure is made involve the consideration from various parties. Company also will protect the identity of complainant. Based on interview with worker in estate and mill, it is known that workers understand how to deliver their complaint if any. Based on interview with representative of Kampung Bangun Village, Baru Village, and Persatuan Village, it is known that they understand the mechanism to deliver their complaint if any.

6.3.2

The company has resolved complaints originating from the Labuhanbatu Regency Trade Union Organization and NGO Coalition, the Indonesian Metal Workers Union Federation regarding workplace accidents allegedly harvester free labor of PTPN IV Kebun Pulu Raja. Company showed the documentation of complaint resolution from complaint letter from NGO until agreement letter between Labuhanbatu Regency Trade Union Organization and NGO Coalition as representative of complainant.

Status: Comply
6.4

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

6.4.1, 6.4.2 & 6.4.3

The Company has compiled a procedure of Land Compensation describe in SOP No.4 (revise 2) dated 2 January 2015. The procedure is covered the process of identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation. The scope of procedure is all activities related to the compensation process for land over the land right cultivated by the Company, the purpose is to ensure the area of plantation free from others right. The procedure also determine the compensation done by negotiation until they reach agreement, calculations of compensation carried out with reasonable prices in accordance with the taxable value and state of the areas. In SOP does not distinguish how to calculate compensation based on gender, transmigrator, local community or ethnic group.

The company has no new land acquisition since previous assessment and the plantation of Pulu Raja is a former of dutch colonial era plantation that has been nationalized by Government Law No. 86/1958 dated 27 December 1958 and Government Regulation No. 19/1959 dated 2 May 1959, so there is no compensation carried out. Based on the interview with Communities are known that there are no indigenous rights or customary rights and there are no significant land conflicts.

Status: Comply
6.5

Pay and conditions for employees and for employees of contractors always meet at least legal or industry minimum

standards and are sufficient to provide decent living wages.
6.5.1

Company has a copy of Sumatera Utara Governor Decree No. 188.44/1365/KPTS/2018 about Minimum Wage of Sumatera Utara Province for 2019. The minimum wage for Sumatera Utara Province is Rp 2,303,403.43/month. Also copy of Sumatera Utara Governor Decree No. 188.44/575/KPTS about Minimum Wage of Sumatera Utara Province for 2018. It stated that minimum wage for 2018 is Rp 2,132,188.68.

Then, company issued decree No. 04.11/SE/10/IV/2019 30 April 2019 which explain that wage for worker consists of basic wage and special allowance for class IA – IVD. Company also has circular letter No 04.11/Kol/M-1063/V/2019 related to rice allowance for worker with class IA – IID. Company showed wage documentation for mill worker with worker number 04015759 for July 2019. The basic wage and overtime payment is in accordance with applicable regulation. Based on interview with worker, there is no complaint about wages.

Based on interview with contractor and contractor worker of CV Cahaya Indah (upkeep activity), they have received wages in accordance with minimum wage. The worker is 10 people.

6.5.2

The Company has a Collective Labor Bargaining (PKB) for the period 2018-2019 between PTPN IV and SPBUN. The PKB was registered at the Manpower Agency of Sumatera Utara Province No. 22-6/DTK/2018 on 9 February 2018, valid until 31 December 2019. Based on interview with some workers in mill and estate, it is known that they understand about PKB (collective labour bargaining). There is no change of workers policy. Based on interview with harvesting workers, they are aware about deduction if the harvest unripe fruit.

6.5.3 & 6.5.4

Based on field observation in housing complex in Pulu Raja Estate, it is known that company has been providing housing facilities, lighting and water, places of worship, school buses, clinics and educational facilities (kindergarten, elementary). Based on interview with the residents, it is known that there is no complaint related to housing facilities. The facilities provided by the company is adequate. And also it is known that one house is occupied by one family and the condition of housing is still in good shape. Adequate food supply can be accessed by the worker from nearest market.

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 policy related to form and join worker union is written in PKB which states that company admit SPBUN as worker association in all unit. The policy is written in Bahasa Indonesia. Based on interview with representative of worker union, it is informed that company is giving freedom for worker to express their opinion. And also, company did not give any intervention related to worker union activity as well as conflict of interest. Worker union has registered to Manpower Agency of Sumatera Utara Province with registration number 567/50/DSTKM/2001.

Based on interview with worker union, it is known that worker union routinely hold meetings with members (workers). The company shows examples of documentation of meetings between workers and worker union. For example, the meeting on 30 April 2018 about the socialization of gender equality policies on employment opportunities. There are photos of activities and letters of invitation for the socialization activities. Documentation can be requested by employees if needed.

Status: Comply

6.7

Children are not employed or exploited.

6.7.1

Company policy for not use child labor in Policy of *Pekerja Anak* (No. 03) on 2 January 2015. Based on the document, states that

children under the age of 18 may not work in company. Based on document verification of employee list and field observation to estate and mill, it is known that there is no children worker in operational area of PTPN IV Pulu Raja.

Status: Comply

6.8

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

6.8.1 & 6.8.2

Company has policy related to nondiscrimination and equal opportunity listed in Policy of *Persamaan Kesempatan Kerja* which explained that PT. Perkebunan Nusantara IV (Persero) abolishes all forms of ethnic, religious, racial, gender, age discrimination, work disabilities. Based on field observation and interview with spraying female worker, it is known that there is no issue or complain from worker regarding discrimination. Also, information from representative of worker union stated that there is no issue related discrimination. The workers that has been interviewed is came from various social origin, race, and religion.

6.8.3

Company kept the personal file of each worker in estate office. Based on interview with management, the recruitment is conducted through the company requirement. The new recruitment is conducted in accordance with the procedure. It is based on skill, capabilities, and health condition for all workers. Worker promotion, mutation or demotion is done through the employee performance assessment. Company shows employee recruitment documents in the form of job application letters, copies of family cards, curriculum vitae, and then obtains a letter of appointment to become a temporary daily worker and then obtains a letter of appointment for class IA orientation period according to Decree NO 04.11 / Kpts / R / 12 / 1 / 2019 date January 31, 2019.

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, 6.9.3

Based on company regulation, employees must not commit immoral acts or other actions that harm the company. Based on interview with female worker in Estate, it is known that they understand the policy. It is also known that they understand the mechanism of complaint submission. Also, interview with committee of Gender Committee, it is known that there is no issue or complaint related to sexual harassment on the workplace.

Company has formed gender committee for handling the harassment issue around female workers. Complaint can be submitted to board of bipartite cooperation, gender committee, or their foreman. Based on interview with the board of gender committee, the company provides the female worker with menstrual leave, pregnant and nursing leave for about 3 months. Pregnant and nursing female worker is prohibited to work related to chemical. And also, Company give special breast feeding time for female worker, but prohibit the worker from working with chemical material.

Status: Comply

6.10

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

6.10.1, 6.10.2, 6.10.3 & 6.10.4

Based on production data and interviews with representatives of the management representative, the company currently does not receive fruit from third parties. FFB that is received and processed in mill only comes from the own estate and estate from group, such as Meranti Paham, Ajamu, Panai Jaya, Tanah Itam Ulu, Sungai Kopas, and Berangir

Status: Comply

6.11

Growers and millers contribute to local sustainable development wherever appropriate.

6.11.1 & 6.11.2

Determination of local development programs based on proposal assistance from previous year. However, based on interview with representative of Kampung Bangun Village, Baru Village, and Persatuan Village, it is known that company has implemented CSR program in those village. However, company does not conduct any partnership with smallholder.

The company shows documentation of CSR realization, such as MDTA rehabilitation assistance (Madrasah Diniyah Takmiliyah Awaliyah) on 8 December 2018 according to a proposal from the New Village Head on 26 November 2018. In addition, contributions to local development are also carried out by collaborating with local contractors, such as CV Cahaya Indah and CV Akbar Pratama.

Status: Comply

6.12

No forms of forced or trafficked labour are used.

6.12.1; 6.12.2; 6.12.3

Based on document review, field observation, and interviews with worker and stakeholders, it is known that there is no migrant labor, including forced labor and illegal labor. The recruitment is done according to the company's procedure. All workers have work agreement that explain about the obligation and rights of the worker, and other provision. They work based on the contract and work order. Based on field observation and interviews with the workers in Estate and Mill, it is known that there is no discrimination among them. They came from local and nonlocal worker. Based on field observation in estate, auditors did not sighted any harvester accompanied by their wife or children. Based on interview bipartite cooperation member, there is no issue related to force labor.

Based on interview with the harvester and committee of worker union, there were no complaint about working hours. The payment is based on tonnage. If they did not get the tonnage after working hours is out, they will be paid by daily payment.

Status: Comply

6.13

Growers and millers respect human rights

6.13.1

Company has policy on human rights issued in November 2 January 2015. The policy explains that the company respect human rights for all employees. Based on interview with worker in estate, mill and local contractor, they know and understand about workers' rights. And also, from consultation with internal stakeholder (worker union), it is known that there is no complaint related to human rights violation. If there was a complaint, the complaint can still be resolved by amicable way between employees.

Status: Comply

PRINCIPLE #7 Responsible development of new plantings
7.1

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

7.1.1; 7.1.2; and 7.1.3.

Based on documents review, interview and field visits, it is known that the Company did not expand the operational area and there is no more land clearing activity after 2005.

Status: Comply

7.2

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

7.2.1 and 7.2.2

Based on documents review, interview and field visits, it is known that the Company did not expand the operational area and there is no more land clearing activity after 2005.

Status: Comply

7.3

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

7.3.1; 7.3.2; 7.3.3; 7.3.4 and 7.3.5.

PTPN IV Pulu Raja Business Unit has been operated since 1920, and to date estate operations have carried out replanting of the 4th generation and there is no new development. The liability disclosure also have been sent to RSPO secretariat that informed there is no new development after 2005. PTPN IV has sent their liability disclosure and LUCA to the RSPO Compensation Panel (rspocompensation@rspo.org) in 2016.

Status: Comply

7.4

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

7.4.1 and 7.4.2

Based on documents review, interview and field visits, it is known that the Company did not expand the operational area and there is no more land clearing activity after 2005.

Status: Comply

7.5

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

7.5.1

Based on documents review, interview and field visits, it is known that the Company did not expand the operational area and there is no more land clearing activity after 2005.

Status: Comply

7.6

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

7.6.1, 7.6.2, 7.6.3, 7.6.4, 7.6.5, 7.6.6

Based on documents review, interview and field visits, it is known that the Company did not expand the operational area and there is no more land clearing activity after 2005.

Status: Comply

7.7

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

7.7.1, 7.7.2

Based on documents review, interview and field visits, it is known that the Company did not expand the operational area and there is no more land clearing activity after 2005.

Status: Comply

7.8

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

7.8.1 and 7.8.2

Based on documents review, interview and field visits, it is known that the Company did not expand the operational area and there is no more land clearing activity after 2005.

Status: Comply

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

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

8.1.1

The company has implemented the RSPO Internal Audit on 11 – 13 July 2019 and management review conduct annually at 15 July

2019. All aspect regularly reviewing and evaluation to ensure effectiveness for improvements such in best management practices aspect which in pest monitoring and evaluation known that biological control can managed the pest population. In social aspect known that CSR program and participatory SIA can effectively manage the social impacts etc. The others improvement that implemented will describe below.

Aspects of Best Management Practices:

The company has implemented a commitment to continuous improvement, such as:

- Biological leaf caterpillar pests control by planting and maintaining (conservation) beneficial plants, such as *Antigonon leptosus*, *Cassia cobanensis*, and *Turnera subulata*.
- Since 2018, Pulu Raja Estate was no longer using Paraquat.

Aspect of Environment

- Sustainable Business Improvements on **Waste Reduction Aspects** such as reducing waste generated by the mill operations, the management unit utilizes wastewater for manuring and empty fruit bunch through composting activities.
- Sustainable Business Improvements on **GHG emissions aspects** such as the management unit conducts dissemination to villagers around the plantation and workers for not doing any burning activities on of domestic waste/garbage generated. It is also supported by the "sign boards" that are placed on the area of estates and employees housing.

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	<p>The General Chain of Custody requirements of the RSPO Supply Chain Standard shall apply to any organization throughout the supply chain that takes legal ownership and physically handles RSPO Certified Sustainable oil palm products at a location under the control of the organization including outsourced contractors. After the end product manufacturer, there is no further requirement for certification.</p> <p>Certificate holder take legal ownership and physically handles RSPO certified sustainable oil palm products. The entire area, mill and storages are owned by the organization and all processing from FFB to CPO/PK are done by Pulu Raja Mill. The CPO and PK transporter are under contract with PTPN IV, which are:</p> <ul style="list-style-type: none"> - PT. Wahana Adidaya Pertiwi (CPO transporter) - CV. Karya Mandiri (PK transporter)
	Status: Comply
5.1.2	<p>Traders and distributors require a license obtained from RSPO Secretariat to sell RSPO certified product but do not themselves require certification. When selling RSPO certified products, a licensed trader and/or distributor shall pass on the certification number of the product manufacturer and the applicable supply chain model.</p> <p>The site does not buy from any RSPO licensed traders. CSPO and CSPK are produced from FFBs processed that supplied from its own estates.</p>
	Status: Comply
5.1.3	<p>Either the operator at site level or its parent company seeking certification shall be a member of the RSPO and shall register on the RSPO IT platform.</p> <p>The parent company are member of RSPO (PT. Perkebunan Nusantara IV):</p> <ul style="list-style-type: none"> - Number of RSPO membership: 1-0082-09-000-00 - RSPO IT Platform of Pulu Raja Palm Oil Mill: RSPO_ PO1000002335
	Status: Comply
5.1.4	<p>Processing aids do not need to be included within an organization's scope of certification.</p> <p>Parent company or site has no processing aids</p>
	Status: Comply
5.2	Supply chain model
5.2.1	<p>The site can only use the same supply chain model as its supplier or go to a less strict system. Declassification/downgrading can only be done in the following order: Identity Preserved -> Segregated -> Mass Balance.</p> <p>Certificate holder has applied mass balance supply chain model correctly and there is no declassification. The mill received FFB from own estate (Pulu Raja Estate) that has been certified and also from uncertified area (subsidiary of PTPN IV).</p>

	Status: Comply
5.2.2	The site can use one (1) or a combination of supply chain models as audited and certified by the CB.
	The certificate holder has applied mass balance supply chain model only
	Status: Comply
5.3	Documented procedures
5.3.1	The site shall have written procedures and/or work instructions or equivalent to ensure the implementation of all elements of the applicable supply chain model specified.
	Certificate holder has the documents of supply chain procedures for Mass Balance models No. document 04.03/UNIT/SUS/P/001 dated 1 Augustus 2018, revised 1 April 2019. The procedures established and covering all elements of the supply chain model requirements, records and reports of compliance with supply chain requirements including responsibilities of each key personnel involved, definition, the FFB reception process, weighing, checking quality, processing, monitoring refined products, mass balance calculations, delivery of the product. The procedure is according to RSPO SCCS 21 November 2014, revised 14 June 2017. Based on field observation at Weighbridge station and interview with sampled person in the Mill, the operator has knowledge and able to demonstrate the implementation of SCCS.
	Status: Comply
5.3.2	The site shall have a written procedure to conduct annual internal audit
	The Procedure to conduct annual internal audit are describe in SOP No. 21 dated 2 January 2018 covering all audit for sustainable palm oil including SCCS. In the SOP mentioned that internal audit are done annually. Internal audit of SCCS conforms to the requirements in the RSPO SCCS and the RSPO market communications and claims documents and effectively implements and maintains the standard requirements. The last internal audit are conduct at 11 – 13 July 2019 with finding regarding to person in charge of SCCS. A finding has been followed up and corrected by mill.
	Status: Comply
5.4	Purchasing and goods in
5.4.1	The receiving site shall ensure that purchases of RSPO certified oil palm products are in compliance and the following minimum information for RSPO certified products is made available by the supplier
	Pulu Raja Mill has not purchased CSPO or CSPK. The mill received FFB from certified and uncertified sources. Based on documents verification of FFB receives for example on July 2019 are known that all data such as name, address, date of transaction, date of issued claim, transport documentation were match without any non compliance.
	Status: Comply
5.4.2	The site shall have a mechanism in place for handling non-conforming oil palm products and/or documents
	Pulu Raja Mill has not purchased CSPO or CSPK. However The procedure of handling non-conforming oil palm products of FFB received (certified or non-certified) has describe that non-conforming oil palm products as a false in FFB received notes (certified or non certified) and regarding of FFB received records. To handling on this non-conforming are to corrected the record base on FFB source (certified or non certified areas) and monitored by mass balance record documents.
	Status: Comply
5.5	Outsourcing activities
5.5.1	

In cases where an operation seeking or holding certification outsources activities to independent third parties (e.g. subcontractors for storage, transport or other outsourced activities), the operation seeking or holding certification shall ensure that the independent third party complies with the requirements of the RSPO Supply Chain Certification Standard. A CPO mill and independent mill cannot outsource processing activities like refining or crushing.

The certificate holder has the agreements with a third parties in terms of transporting CPO & PK that ensure the compliance of RSPO SCCS and the certification bodies have access to the outsourcing contractor or operation if an audit is deemed necessary. Examples of these contracts are as follows:

1. PT. Wahana Adidaya Pertiwi (CPO transporter) agreement No. 04.09/S.Perj/07/I/2019 dated 2 January 2019
2. CV. Karya Mandiri (PK transporter) agreement No. 04.05/S.Perj/15/III/2019 dated 20 March 2019

Status: Comply

5.5.2

Sites which include outsourcing within the scope of their RSPO Supply Chain certificate shall ensure the following:

- a. The site has legal ownership of all input material to be included in outsourced processes;
- b. The site has an agreement or contract covering the outsourced process with each contractor through a signed and enforceable agreement with the contractor. The onus is on the site to ensure that certification bodies (CBs) have access to the outsourcing contractor or operation if an audit is deemed necessary.
- c. The site has a documented control system with explicit procedures for the outsourced process which is communicated to the relevant contractor.
- d. The site seeking or holding certification shall furthermore ensure (e.g. through contractual arrangements) that independent third parties engaged provide relevant access for duly accredited CBs to their respective operations, systems, and any and all information, when this is announced in advance

The certificate holder has legal ownership of CPO and PK products which in the transport of CPO and PK are given to third parties. The agreements with contractors are ensure the compliance of RSPO SCCS and the certification bodies have access to the outsourcing contractor or operation if an audit is deemed necessary. Examples of these contracts are as follows:

- PT. Wahana Adidaya Pertiwi (CPO transporter) agreement No. 04.09/S.Perj/07/I/2019 dated 2 January 2019
- CV. Karya Mandiri (PK transporter) agreement No. 04.05/S.Perj/15/III/2019 dated 20 March 2019

There is no dispatch activity, when the field observation conducted. The compliance of RSPO SCCS requirement verified by checking the documents of deliveries, as example the documents of weighbridge ticket, delivery order etc in August 2019 are informed the minimum information with tonnage according to the mass balance record.

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.

Transportation of CPO and PK has been carried out by third parties and the company has detailed records of the contractors used, as follows:

- PT. Wahana Adidaya Pertiwi (CPO transporter) address Medan – North Sumatera
- CV. Karya Mandiri (PK transporter) address Serdang Bedagai – North Sumatera

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

A contractor used (names and contact details) has been informed to the CB, which are:

- PT. Wahana Adidaya Pertiwi (CPO transporter)
- CV. Karya Mandiri (PK transporter)

	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													
Pulu Raja mill has product information provided in such as document of weighbridge ticket, delivery order and other invoices. Such as the CPO delivery No. 24/TTP/PUR/MS/357/VII/2019 at August 2019 contract No. 0239/HOLD/CPO-L/N-IV/VII/2019 for 14,789 Kg. The informations that provided on the invoices are:													
<ul style="list-style-type: none">- The name and address of the buyer;- The name and address of the seller;- The loading or shipment / delivery date;- A description of the product RSPO certified Mass Balance model- The date on which the documents were issued;- The quantity of the products delivered;- Any related transport documentation;- etc.													
	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													
Certificate holder has registered all transactions in RSPO IT platform.													
	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.													
Transactions of RSPO certified volumes sold as certified are registered in RSPO IT platform. RSPO certified volumes sold as conventional are removed on palm trace by credit allocation as for periods Period of 25 August 2018 – 24 August 2019:													
<ul style="list-style-type: none">• Certified CPO sold to each buyer													
<table><tr><th>Date</th><th>Buyer</th><th>Volume (Ton)</th></tr><tr><td>12-07-2019</td><td>PT. Musim Mas - Belawan</td><td>500.00</td></tr><tr><td>03-07-2019</td><td>PT. Musim Mas - Belawan</td><td>500.00</td></tr><tr><td>26-04-2019</td><td>PT. Musim Mas - Belawan</td><td>222.85</td></tr></table>		Date	Buyer	Volume (Ton)	12-07-2019	PT. Musim Mas - Belawan	500.00	03-07-2019	PT. Musim Mas - Belawan	500.00	26-04-2019	PT. Musim Mas - Belawan	222.85
Date	Buyer	Volume (Ton)											
12-07-2019	PT. Musim Mas - Belawan	500.00											
03-07-2019	PT. Musim Mas - Belawan	500.00											
26-04-2019	PT. Musim Mas - Belawan	222.85											

09-04-2019	PT. Musim Mas - Belawan	500.00
29-03-2019	PT Multimas Nabati Asahan	500.00
09-01-2019	PT. Musim Mas - Belawan	500.00
30-11-2018	PT Unilever Oleochemical Indonesia	500.00
TOTAL		3,222.85
• Certified Palm Kernel sold to each buyer		
Date	Buyer	Volume (Ton)
30-6-2019	PT Perkebunan Nusantara IV PPIS Pabatu	159.47
30-3-2019	PT Perkebunan Nusantara IV PPIS Pabatu	18.2
26-2-2019	PT Perkebunan Nusantara IV PPIS Pabatu	444.44
26-2-2019	PT Perkebunan Nusantara IV PPIS Pabatu	666.67
26-2-2019	PT Perkebunan Nusantara IV PPIS Pabatu	444.44
22-2-2019	PT Perkebunan Nusantara IV PPIS Pabatu	444.44
22-2-2019	PT Perkebunan Nusantara IV PPIS Pabatu	666.67
22-2-2019	PT Perkebunan Nusantara IV PPIS Pabatu	286.67
Total		3,130.82

All transaction of CSPO and CSPK have been announced on palm trace as example the shipping announcement of CSPO at 31 July 2017 for shipping at 12 July 2019 with transaction id TR-c385773c-8e5f for 500 ton.

The company has also removing and credit allocated (Book and claim) the stock of CSPO and CSPK from the palm trace for the CSPO and CSPK that sold as conventional, as example:

- Removing stock of CSPO dated 7 August 2019 for 4,997.15 ton
- Credit allocation of CSPO dated 29 July 2019 for 10,000.00 ton

	Status: Comply
5.8	Training

5.8.1

The organization shall have a training plan on RSPO Supply Chain Standards requirements, which is subject to on-going review and is supported by records of the training provided to staff

SCCS training are planned annually, for example training on 13 July 2019 that has been reviewed and documented.

	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 certificate holder has provided training at 13 July 2019 for personnel carrying out the tasks critical to the effective implementation of the supply chain certification standard requirements, such as: mill process assistant, security, weighbridge operator, etc. Based on interview at weighbridge station is known that the weighbridge operator and SCCS person in charge have understand the RSPO supply chain procedures.
	Status: Comply
5.9	Record keeping

5.9.1

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 certificate holder has maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of RSPO Supply Chain Certification Standard requirements. Those are describe in this ASA-4 report on section of Module E CPO Mills - Mass Balance Requirements.

Status: Comply

5.9.2

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

The retention times for all records and reports are keep in minimum 2 years According to the documents of supply chain procedures for Mass Balance models No. document 04.03/UNIT/SUS/P/001 dated 1 Augustus 2018, revised 1 April 2019. The mill have RSPO certified in August 2015 and based on documents verification it's concluded that the record of supply chain are available since the mill was certified.

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.

The estimate volume of palm oil products are describe in this ASA-4 report (Basic Info 1.8.3). FFBs, CSPO and CSPK produced and/or claimed records are kept in minimum 12 months. Record of all certified palm oil / palm kernel oil volumes purchased (input) and claimed (output) for period of 12 Months:

Period	CPO production (MT)		Total	CSPO Dispatch (MT)		Total
	Cert	Non Cert		RSPO	Non Cert	
August 2018	1,854.48	1,240.37	3,094.84	-	1,268.49	1,268.49
September 2018	1,702.55	1,060.02	2,762.57	-	808.66	808.66
October 2018	1,623.13	908.27	2,531.40	-	2,145.66	2,145.66
November 2018	1,778.02	413.63	2,191.66	500.00	1,211.85	1,711.85
December 2018	1,684.68	-	1,684.68	-	1,033.33	1,033.33
January 2019	1,395.68	27.47	1,423.15	500.00	1,389.97	1,889.97
February 2019	1,442.77	219.38	1,662.15	-	1,562.98	1,562.98
March 2019	1,721.90	-	1,721.90	500.00	1,000.00	1,500.00
April 2019	1,585.66	76	1,661.66	722.85	998.17	1,721.02
May 2019	1,622.93	626.21	2,249.14	-	1,298.23	1,298.23
June 2019	1,711.35	710.52	2,421.87	-	855.43	855.43
July 2019	3,188.78	455.9	3,644.68	1,000.00	2,566.94	3,566.94
Total	21,311.93	5,737.77	27,049.70	3,222.85	16,139.71	19,362.56

Period	PK production (MT)		Total	CSPK Dispatch (MT)		Total
	Cert	Non Cert		RSPO	Non Cert	
August 2018	308.76	255.00	563.76	-	-	-
September 2018	286.20	165.82	452.03	-	-	-
October 2018	269.52	154.61	424.13	-	-	-
November 2018	271.38	63.04	334.41	-	-	-
December 2018	220.91	-	220.91	-	-	-
January 2019	166.22	3.48	169.70	-	-	-
February 2019	175.17	28.87	204.04	2,953.33	-	2,953.33
March 2019	206.25	-	206.25	18.02	-	18.02
April 2019	190.05	9.45	199.50	-	-	-
May 2019	195.96	79.29	275.25	-	-	-
June 2019	214.29	91.72	306.00	159.47	-	159.47
July 2019	412.31	62.44	474.75	-	-	-

Total	2,917.01	913.73	3,830.74	3,130.82	-	3,130.82
	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					
	Pulu Raja mill doesn't applied a conversion rate.					
	Status: Comply					
5.10.2	Conversion rates shall be periodically updated to ensure accuracy against actual performance or industry average if appropriate.					
	Pulu Raja mill doesn't applied a conversion rate.					
	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.					
	Based on announcement and transaction report documents review, it concluded that all RSPO certified products submitted are in compliance with the RSPO Rules on Market Communications and Claims.					
	Status: Comply					
5.12	Complaints					
5.12.1	The organization shall have in place and maintain documented procedures for collecting and resolving stakeholder complaints.					
	Procedures for stakeholders complaints established in the document SOP No. 13 dated 2 January 2015. Based on complaints document verification is known that there is no complaint regarding SCCS for last a year.					
	Status: Comply					
5.13	Management review					
5.13.1	The organization is required to hold management reviews annually at planned intervals, appropriate to the scale and nature of the activities undertaken					
	The certificate holder has management review conduct annually at 15 July 2019.					
	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. 					

<ul style="list-style-type: none"> • Customer feedback. • Status of preventive and corrective actions. • Follow-up actions from management reviews. • Changes that could affect the management system. • Recommendations for improvement. 	
The content of management review related to SCCS are the result of internal audit, customer feedback, work process, preventive and corrective actions, follow up actions and recommendations for improvement.	
	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. 	
The Management review are include the decision and actions related to improvement of the effectiveness of the management system and its processes and Resource needs.	
	Status: Comply

3.2.2. Module E – CPO Mills: Mass Balance Requirements

Clause	(Module E) CPO Mills - Mass Balance Requirements		
E.1	Definition		
E.1.1			
Certification for CPO mills is necessary to verify the volumes of certified and uncertified FFB entering the mill and volume sales of RSPO certified producers. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. In that scenario, the mill can claim only the volume of oil palm products produced from processing of the certified FFB as MB.			
SCSS module used in Pulu Raja Mill is Mass Balance (MB), because the mill receives FFB from the estate that RSPO certified and non-certified RSPO.			
	Status: Comply		
E.2	Explanation		
E.2.1			
The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the CB in the public summary of the P&C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced should then be recorded in each subsequent annual surveillance report.			
Estimate product certified CPO and PK for period 25 August 2019 – 24 August 2020 describe at this ASA-4 report (basic info 1.8.3). Actual tonnage in one year:			
Products	Tonnes/year		
	Estimate	New Estimate	Actual August 2018 – July 2019
CSPO	18,004	21,320	21,311.93
CSPK	3,131	3,820	2,917.01
*The projected volume has been extended on 25 July 2019.			
	Status: Comply		
E.2.2			
The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).			
<ul style="list-style-type: none">RSPO IT Platform member registration number: RSPO_ PO1000002335Certified CPO sold to each buyer			
	Date	Buyer	Volume (Ton)
	12-07-2019	PT. Musim Mas - Belawan	500.00
	03-07-2019	PT. Musim Mas - Belawan	500.00
	26-04-2019	PT. Musim Mas - Belawan	222.85
	09-04-2019	PT. Musim Mas - Belawan	500.00
	29-03-2019	PT Multimas Nabati Asahan	500.00
	09-01-2019	PT. Musim Mas - Belawan	500.00
	30-11-2018	PT Unilever Oleochemical Indonesia	500.00
	TOTAL		3,222.85
<ul style="list-style-type: none">Certified Palm Kernel sold to each buyer			
	Date	Buyer	Volume (Ton)

30-6-2019	PT Perkebunan Nusantara IV PPIS Pabatu	159.47
30-3-2019	PT Perkebunan Nusantara IV PPIS Pabatu	18.2
26-2-2019	PT Perkebunan Nusantara IV PPIS Pabatu	444.44
26-2-2019	PT Perkebunan Nusantara IV PPIS Pabatu	666.67
26-2-2019	PT Perkebunan Nusantara IV PPIS Pabatu	444.44
22-2-2019	PT Perkebunan Nusantara IV PPIS Pabatu	444.44
22-2-2019	PT Perkebunan Nusantara IV PPIS Pabatu	666.67
22-2-2019	PT Perkebunan Nusantara IV PPIS Pabatu	286.67
Total		3,130.82

All transaction of CSPO and CSPK have been announced on palm trace as example the shipping announcement of CSPO at 31 July 2017 for shipping at 12 July 2019 with transaction id TR-c385773c-8e5f for 500 ton.

The company has also removing and credit allocated (Book and claim) the stock of CSPO and CSPK from the palm trace for the CSPO and CSPK that sold as conventional, as example:

- Removing stock of CSPO dated 7 August 2019 for 4,997.15 ton
- Credit allocation of CSPO dated 29 July 2019 for 10,000.00 ton

	Status: Comply
E.3	Documented Procedure
E.3.1	
The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:	
a. Complete and up to date procedures covering the implementation of all the elements in these requirements;	
a. The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site procedures for the implementation of this standard.fasilitas untuk penerapan standar ini.	
Certificate holder has the documents of supply chain procedures for Mass Balance models No. document 04.03/UNIT/SUS/P/001 dated 1 Agustus 2018, revised 1 April 2019. The procedures established and covering all elements of the supply chain model requirements, records and reports of compliance with supply chain requirements including responsibilities of each key personnel involved, definition, the FFB reception process, weighing, checking quality, processing, monitoring refined products, mass balance calculations, delivery of the product. The procedure is according to RSPO SCCS 21 November 2014, revised 14 June 2017. Based on field observation at Weighbridge station and interview with sampled person in the Mill, the operator has knowledge and able to demonstrate the implementation of SCCS.	
	Status: Comply
E.3.2	
The site shall have documented procedures for receiving and processing certified and non-certified FFBs.	
Certificate holder has the documents of supply chain procedures for Mass Balance models No. document 04.03/UNIT/SUS/P/001 dated 1 Agustus 2018, revised 1 April 2019. The procedure describes the process of FFB admissions from estates and processing certified and non-certified FFBs. Based on document verification found that the FFB delivery notes from certified area are marked by RSPO certified stamp as example FFB delivery note at 5 August 2019 from Pulu Raja Estate division II with 4,360 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.	

The site has verified and documented the volumes of certified and non-certified FFBs received. Certified and non-certified FFB received period of 12 Months:

Month	FFB (ton)		
	RSPO Certified	Non Certified	Total
August 2018	7,379.72	5,513.57	12,893.29
September 2018	7,032.03	5,314.55	12,346.58
October 2018	6,798.14	3,969.88	10,768.02
November 2018	6,942.74	2,101.11	9,043.85
December 2018	6,915.42	-	6,915.42
January 2019	5,798.23	115.91	5,914.14
February 2019	6,254.85	962.46	7,217.31
March 2019	6,448.22	-	6,448.22
April 2019	6,429.71	315.12	6,744.83
May 2019	6,829.72	2,643.15	9,472.87
June 2019	8,056.67	3,057.22	11,113.89
July 2019	12,723.26	2,081.30	14,804.56
Total	87,608.71	26,074.27	113,682.98

Status: Comply

E.4.2

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

There is overproduction of certified tonnage that has been extended and reported to the CB. Actual tonnage in period 25 August 2018 – 24 August 2019:

Products	Tonnes/year		
	Estimate	New Estimate	Actual (until July 2019)
CSPO	18,004	21,320	21,311.93
CSPK	3,131	3,820	2,917.01

*The projected volume has been extended on 25 July 2019.

Status: Comply

E.5

Record keeping

E.5.1

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

The Certificate holder has record and balance all received of RSPO FFB and deliveries of RSPO certified CPO and PK. The Volume of certified CPO and PK are delivered from accounting system according to conversion by percentage of FFB certified. The sales of RSPO product claim for period of 12 months are sold from a positive stocks:

Period	CPO production (MT)			CSPO Dispatch (MT)		
	Cert	Non Cert	Total	RSPO	Non Cert	Total
August 2018	1,854.48	1,240.37	3,094.84	-	1,268.49	1,268.49
September 2018	1,702.55	1,060.02	2,762.57	-	808.66	808.66
October 2018	1,623.13	908.27	2,531.40	-	2,145.66	2,145.66
November 2018	1,778.02	413.63	2,191.66	500.00	1,211.85	1,711.85
December 2018	1,684.68	-	1,684.68	-	1,033.33	1,033.33
January 2019	1,395.68	27.47	1,423.15	500.00	1,389.97	1,889.97

February 2019	1,442.77	219.38	1,662.15	-	1,562.98	1,562.98
March 2019	1,721.90	-	1,721.90	500.00	1,000.00	1,500.00
April 2019	1,585.66	76	1,661.66	722.85	998.17	1,721.02
May 2019	1,622.93	626.21	2,249.14	-	1,298.23	1,298.23
June 2019	1,711.35	710.52	2,421.87	-	855.43	855.43
July 2019	3,188.78	455.9	3,644.68	1,000.00	2,566.94	3,566.94
Total	21,311.93	5,737.77	27,049.70	3,222.85	16,139.71	19,362.56

Period	PK production (MT)		Total	CSPK Dispatch (MT)		Total
	Cert	Non Cert		RSPO	Non Cert	
August 2018	308.76	255.00	563.76	-	-	-
September 2018	286.20	165.82	452.03	-	-	-
October 2018	269.52	154.61	424.13	-	-	-
November 2018	271.38	63.04	334.41	-	-	-
December 2018	220.91	-	220.91	-	-	-
January 2019	166.22	3.48	169.70	-	-	-
February 2019	175.17	28.87	204.04	2,953.33	-	2,953.33
March 2019	206.25	-	206.25	18.02	-	18.02
April 2019	190.05	9.45	199.50	-	-	-
May 2019	195.96	79.29	275.25	-	-	-
June 2019	214.29	91.72	306.00	159.47	-	159.47
July 2019	412.31	62.44	474.75	-	-	-
Total	2,917.01	913.73	3,830.74	3,130.82	-	3,130.82

Based on the production and sales record for period of 25 August 2018 – July 2019, its found that there are CSPK sold not from positive stock, as follow:

- On February 2019 CSPO sold 2,953.330 ton use uncertified PK 1,491.98 ton
- On March 2019 CSPO sold 18.020 ton, when CSPK stock still negative (-1,303.75 ton)
- On June 2019 CSPO sold 159.470 ton, when CSPK stock still negative (-862.93 ton)

Then since February 2019 until July 2019 the CSPK stock still in negative stock (-450.52 ton). Based on this matters, it can be conclude that the company couldn't show the evidence that the CSPK sold from a positive stock. **NC 2019.07**

E.5.1	Status: Non Compliance with Major Category
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3.3 Conformity Checklist of Certificate and Trademark Use

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

3.4 Summary of RSPO Partial Certification.

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

- a. PTPN IV Time Bound Plan (TBP) is explaining in table section 1. PTPN IV has run 13 mills and 30 estates in Indonesia. All mills and estates are operated in Indonesia. PTPN IV has informed the TBP progress through head office in Indonesia. Based on the information get from PTPN IV website, there are acknowledge majority shareholder own by PTPN IV that not included in the Time Bound Plan. The description of this majority shareholder are PT Agro Sinergi Nusantara (50.64% of PTPN IV and 49.36% of PTPN I) and PT Sinergi Perkebunan Nusantara (71.28% of PTPN IV and 28.72% of PTPN XIV)
- b. MUTU has verified partial certification for un-certified unit's subsidiary of PTPN IV based on their Time Bound Plan. PTPN IV gives the positive assurance based on the partial certification declaration only. The company was not able to show supporting document to strengthen the statement such as internal audit and other relevant evidence.
- c. MUTU Auditor has verified company partial certification and concludes that:
 - There are no systems or mechanism conducted by PTPN IV to ensure the compliance against indicator 2.1;2.2;6.3;6.4; 7.3; 7.5;7.6 such as internal audit or other assessment of compliance
 - The time bound plan did not cover all subsidiaries under PTPN IV
 - There is no written documentation for time bound plan which is isolated lapses.

2.1 Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
2.1.1	Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	<p>Yes and positive assurance is produced for these units.</p> <p>Auditor verification</p> <p>There are external audit that has been conducted for management units of Air Batu, Berangir, Sawit Langkat, 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> <p>Auditor has verified the supporting evidence of</p>

		above the company statement. The above statement in accordance with the supporting evidence provided.
2.1.3	Any new plantings since January 1 st 2010 must comply with the RSPO New Plantings Procedure.	<p>No new planting/land clearing after 1st January 2010. All planting in PTPN IV management units are old plantation that was planted before November 2005.</p> <p>Auditor verification PTPN IV has sent their liability disclosure and LUCA to the RSPO Compensation Panel (rspocompensation@rspo.org) in 2016. 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>

		The Company has a policy to protect the identity of the Whistle Blowing that stated in the documents of Infringement Complaint Management System (Whistle Blowing System) PT Perkebunan Nusantara IV 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 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 1st semester of 2016 at the Head of General Affairs and Human Resources Department and has distributed to each division office in hardcopy and softcopy.</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-3

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

- Daily data on waste applications to the Land Application containing the active hours and volume of waste flowed. Counted from February to August 2018.

Auditor's conclusion September 14 2018

Based on the evidence of improvements that have been shown nonconformance has been closed.

Verification at ASA-4

The company shows evidence of improvements in the form of:

- Minutes of calibration of liquid waste discharge in Janauri Month-July 2019, every calibration carried out the standard used is 3 repetitions using a stopwatch and a 25-liter bucket. So that it can be known the average discharge of waste per / hour. The minutes are known by Processing Assistants, Waste Pump Operators, and Document Control Officers and Chief Engineers.
- The company shows the realization of liquid waste application data to the Land Application area in 2018 until July 2019, while the amount of waste discharged during June 2019 was 6,650m³
- Based on the results of a field visit to the WWTP area and the Land Application area, Block 2006 W Afdeling IV found that the pump condition was running well, no waste spills were found in the WWTP area or in the Land Application Area.
- The Company has reported 2019 Semester 1 Wastewater to the Asahan Regency Environmental Agency and the North Sumatra Province Environmental Agency on May 20, 2019 and Semester 2 report on July 24, 2019.

Based on the evidence of improvement that has been demonstrated, this discrepancy is declared fulfilled.

Verified by	:	Trismadi Nurbayuto & Bayu Yogatama
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NCR No.	:	2018.02	Issued by	:	Satria Adi Putra
Date Issued	:	16 August 2018	Time Limit	:	15 November 2018
NC Grade	:	Major	Date of Closing	:	18 September 2018
Standard Ref. & Requirement	:	4.6.2 Records of the use of pesticides (including the active ingredients used and the LD50 of the active ingredients, the targeted area, the number of active ingredients applied per ha and the number of applications) must be provided.			
Non-Conformance Description and evidence observed (filled by auditor): The company has presented a Pulu Raja Pesticide Lists. However, based on document of the Pulu Raja Fertilizer and Chemical Stock in July 2018 and observation to the Pesticide Warehouse, it was found that not all pesticides were identified including the active ingredients used, LD50, the amount of active ingredients given and the number of applications.					
Root Cause Analysis (filled by organization audited): The lack of understanding of the officers in making a document listing the pesticides used and the stock in the Pulu Raja Plantation.					
Correction (filled by organization audited): Make a complete list of pesticides for all pesticides used and stock in the Pulu Raja Plantation.					

Corrective Action *(filled by organization audited):*

- Providing socialization to officers about the procedure for making the right pesticide list.
- Determination of PIC which is responsible for updating the list of pesticides used by the Pulu Raja Plantation.
- An updated list of pesticides every 1 year by Plant Assistants, Warehouse Assistants, Plant Secretaries and Warehouse Secretaries.

Assessor Evaluation and Conclusion *(filled by auditor):*
Verification September 17, 2018.

The company has shown proof of improvement as follows:

Letter No. PUR / SE / Intrn / 40 / IX / 2018 dated September 3, 2018 concerning Monitoring of Pesticide Lists and Stocks which states that the use of pesticides must be monitored for the type and stock as well as the determination of Plant Head Assistants, Warehouse Assistants, Plant Secretaries and Warehouse Secretaries to make a list of pesticides with updating time at least once a year.

List of Pulu Raja Pesticides with details including names of pesticides, active ingredients given, registration number, validity period of pesticide permits, stock usage, LD50 and WHO class.

However, based on the improvement documents provided, the determination of the LD50 value for each pesticide is not in accordance with the MSDS. Related to this, the non-conformity No. 2018.02 was not yet fulfilled.

Verification September 18, 2018

The company has sent additional proof of improvement in the form of a list of pesticides containing the LD50 coefficient according to its MSDS.

Related to this, nonconformity no. 2018.02 stated to be fulfilled.

Verified by : **Andi Pratama Pasaribu**

NCR No.	: 2018.03	Issued by	: Andi Pratama Pasaribu
Date Issued	: 16 August 2018	Time Limit	: 15 November 2018
NC Grade	: Major	Date of Closing	: 13 September 2018
Standard Ref. & Requirement	: 4.6.11 Annual medical records of pesticide operators, and follow-up treatment of medical results, shall be available		
Non-Conformance Description and evidence observed <i>(filled by auditor):</i> Certificate holder has conducted annual medical examination which is the last examination on 26 July 2018. But, the result of the examination cannot showed during the audit.			
Root Cause Analysis <i>(filled by organization audited):</i> The report of medical examination not released by the medical laboratorium.			
Correction <i>(filled by organization audited):</i> <ul style="list-style-type: none">Intensive coordination with human resources department regarding to medical examination report.			

<ul style="list-style-type: none"> Shown the report of medical examination that held on 26 July 2018. 	
Corrective Action <i>(filled by organization audited):</i> Set the medical examination plan not too close with the audit date to make sure the report of medical examination has been received by the unit.	
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> Verification on 13 September 2018 Certificate holder has shown the report of medical examination on 30 August 2018. Based on that report known that all medical attendance are fit to work. Auditor conclusion on 13 September 2018 Based on evidence that showed, this nonconformance has been closed .	
Verified by	: Trismadi Nurbayuto

NCR No.	: 2018.04	Issued by	: Andi Pratama Pasaribu
Date Issued	: 16 August 2018	Time Limit	: ASA-4
NC Grade	: Minor	Date of Closing	: 14 September 2018
Standard Ref. & Requirement	: 4.7.7 Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics.		
Non-Conformance Description and evidence observed <i>(filled by auditor):</i> Certificate holder cannot shows the Lost Time Accident (LTA) in details.			
Root Cause Analysis <i>(filled by organization audited):</i> Lack of knowledge of PIC who take responsibility to calculated and reported the LTA.			
Correction <i>(filled by organization audited):</i> Re-calculate the LTA in detail during January 2017 until June 2018 with monthly-bases.			
Corrective Action <i>(filled by organization audited):</i> <ul style="list-style-type: none">Appointed PIC who take responsibility to report LTA each month. Conducted the training to PIC regarding to calculation and reported of LTA.			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> Verification on 14 September 2018 Certificate holder has shown several corrective evidence as follows: <ul style="list-style-type: none">Manager decree on 18 August 2018 regarding to appointed person regarding to RSPO certification in Pulu Raja.OHS Manual regarding to LTA calculation.Minutes of meeting socialization of LTA and LD50 calculation on 27 July 2018 that attended by 9 participants.Monthly report of LTA period January 2017 – July 2018.			

Auditor conclusion on 14 September 2018

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

Verification at ASA-4

The company has shown records of work-related accidents using Lost Time Accident (LTA) for the last 1 year period (August 2018 to July 2019). Based on this, this minor non conformity has been closed.

Verified by : **Andi Pratama Pasaribu & Hasiholan Sihommbing**

NCR No.	: 2018.05	Issued by	: Andi Pratama Pasaribu
Date Issued	: 16 August 2018	Time Limit	: 15 November 2018
NC Grade	: Major	Date of Closing	: 13 September 2018
Standard Ref. & Requirement	4.8.1 Records of training program related to the aspects of RSPO Principles and Criteria shall be available		
Non-Conformance Description and evidence observed (filled by auditor): Certified holder cannot shows the records of training program related to the aspects of RSPO Principles and Criteria for all level of workers including contractor workers.			
Root Cause Analysis (filled by organization audited): <ul style="list-style-type: none">Training related to RSPO not yet arranged in training need analysis. Monitoring related to training related to RSPO that arranged in training need analysis.			
Correction (filled by organization audited): <ul style="list-style-type: none">Set the training need analysis that contain training related to RSPO. Set the monitoring system regarding to RSPO related training.			
Corrective Action (filled by organization audited): Set the PIC who take responsibility on training need analysis.			
Assessor Evaluation and Conclusion (filled by auditor): Verification on 14 September 2018 Certificate holder has shown several corrective evidence as follows: <ul style="list-style-type: none">Training needs on 2018.Evidence of training related to RSPO such as code of conduct socialization, human right, riparian zone management, reproduction right, PPE usage etc. Those training or socialization has conducted during 22 – 27 arech 2018 and involving the local contractor.			
Auditor conclusion on 14 September 2018 Based on evidence that showed, this nonconformance has been closed.			

Verified by	:	Trismadi Nurbayuto
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NCR No.	:	2018.06	Issued by	:	Trismadi N
Date Issued	:	16 August 2018	Time Limit	:	15 November 2018
NC Grade	:	Major	Date of Closing	:	13 September 2015
Standard Ref. & Requirement	:	<p>General Chain of Custody 5.7.2.</p> <p>The involved supply chain actors mentioned in 5.7.1 shall do the following actions in the RSPO IT Platform:</p> <ul style="list-style-type: none">• Shipping Announcement / Announcement: When RSPO certified volume is sold as certified, the volumes of products that are in the yield scheme (Figure 2 and 3, refer Annex 1) shall be registered as a Shipping Announcement / Announcement in the RSPO IT Platform. The declaration time to do Shipping announcement / Announcement is based on members' own standard operating procedures.• Trace: When RSPO certified volumes are sold as RSPO certified to actors in the supply chain beyond the refinery, the volume shall be traced at least annually. Tracing triggers the generation of a trace document with a unique traceability number. Tracing can be done in a consolidated way at least annually.• Remove: RSPO certified volumes sold under other scheme or as conventional, or in case of underproduction, loss or damage shall be removed.• Confirm: Acknowledge the purchase of RSPO certified volume by confirming Shipping Announcements / Announcements.			
<p>Non-Conformance Description and evidence observed (filled by auditor):</p> <p>The company already has a mass balance and CPO and PK sales balance monitoring, however, not all transaction processes have been updated in the Palm Trace. For example, sales data (CSPO & CSPK) have not been monitored conventionally so that conventional CSPO / CSPK sales have not been reduced from the "remove" CSPO & CSPK quota.</p>					
<p>Root Cause Analysis (filled by organization audited):</p> <p>There is no PIC that is responsible for monitoring the updated transaction process in the Palm Trace.</p>					
<p>Correction (filled by organization audited):</p> <p>Reducing the quota of CSPO and CSPK in the Palm Trace according to the number of CPO and PK products that have been sold.</p>					
<p>Corrective Action (filled by organization audited):</p> <ul style="list-style-type: none">• Establish a PIC that is responsible for monitoring the updated transaction process in the Palm Trace.• The chief engineer coordinates with the Strategic Planning, Marketing and PT KPN sections to carry out ANNOUNCEMENT and REMOVE if there is delivery CSPO / CSPK / CSPKO / (PDIK Handling Certified Palm Krupa Palm Oil Products, attached).					
<p>Assessor Evaluation and Conclusion (filled by auditor):</p> <p>Verification September 13, 2018</p> <p>The certification unit shows some proof of improvement as follows:</p>					

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

2. Shipping announcement for the sale of RSPO claims (MB) of 5,000 MT; the details are as follows:

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

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

Auditor's conclusion:

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

Verified by : **Trismadi Nurbayuto**

3.5.2. Identification of Findings, Corrective Actions and Observations at ASA-4

NCR No.	: 2019.01	Issued by	: Bayu Yogatama
Date Issued	: 08 August 2019	Time Limit	: 6 November 2019
NC Grade	: Major	Date of Closing	: 4 November 2019
Standard Ref. & Requirement	: 4.4.2 Protection of water courses and wetlands,including securing and maintaining appropriate riparian and other buffer zones, at the time of or prior to replanting shall be demonstrated.		
Evidence observed (filled by auditor): Based on the results of the document review and field visit, the following facts are known: <ul style="list-style-type: none">• Based on the study of PTPN IV's Environmental Document Puluraja Unit, it is known that there are two streams and their derivatives that flow into the company area, namely Asahan River and Aek Nagaga River (S. Kalijati)• Based on the company's HCV document review, it is known that there are HCV potential areas which are part of the Asahan River and Kalijati River, while in the HCV study document it is stated that the management directives for HCV potential areas (S.Kalijati) are restoring the river border as far as 50 meters from the right and left of the river bank, planting woody plants in the river border area, not planting oil palm trees in the river border area.• Based on the review of SOP Document No. 05 dated January 2, 2015 concerning River Border Management Mechanisms the following matters are explained:<ul style="list-style-type: none">- Point 5.1b Determine the boundary of at least 50 meters right and left of the river- Point 5.2 Marking borders of rivers and other conservation areas so that conservation areas that need to be managed are known. Making prohibition signs on river borders and other conservation areas. The river border area that has been planted with oil palm is maintained by striving for vegetation growth in the river border area by prohibiting chemical spraying. Planting or enriching in the empty border area or in the form of shrubs with species of pioneer trees and native trees.- Point 5.3a Monitor the river border area by monitoring and recording the percentage of rehabilitation plant growth.• Based on the results of a field visit to the Kalijati River area Block 06 E, block 2018 A Afdeling 1 and Block 2012 H Afdeling 2 it is known that there is no management for the river border area such as marking spray boundaries, woody plant enrichment activities and still doing chemist activities.• Based on field visits block 2018 A afdeling 1 (replanting area 2018) it is known that planting is carried out to the banks of the Kalijati River (there is no distance of 50 meters right and left of the river).• The company shows evidence of improvements in the form of marking spray boundaries in the 2010 H block river boundary area and the planting of oil palm plantations in areas that fall in the 2018 A river border along with planting of woody plants and marking spray limits on 8 August 2019.• The company has not shown proof of overall identification and management of areas that need to be managed according to the direction of environmental documents, HCV documents and SOPs that are owned related to river border management.			
Non-Conformance Description (filled by auditor): Based on this explanation, the company has not been able to show evidence, protection of all water bodies, including guarding and maintaining river border areas and other buffer zones.			
Root Cause Analysis (filled by organization audited): <ul style="list-style-type: none">1. Identification and data collection in all areas of water bodies has not been done thoroughly2. There are still employees or officers who do not understand about the treatment and monitoring of river borders or water bodies, so it needs to be done again			

Correction *(filled by organization audited):*

- a. Identify and collect data on all areas of water bodies that flow into rivers
- b. Insert the area around the body of water and the border of the river into the maintenance barchart manually / mechanically.
- c. Do not apply chemicals in the water body area, the management is done manually / mechanically
- d. The marking of the area boundary which is not permitted for the application of chemicals
- e. Revoke oil palm plants in areas that fall in the river border area of Block 2018 A replaced with woody plants.
- f. Re-socialize the treatment and monitoring of river borders or water bodies

Corrective Action *(filled by organization audited):*

- a. Determine the officer responsible for monitoring the condition of the water body area
- b. Make monitoring the condition of the area around the body of water
- c. Monitoring the implementation of chemical applications to avoid the use of chemicals in the water body area.

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

Verification 16 September 2019

The company shows some evidence of improvements in the form of:

- Decree of PTPN IV Manager of the Pulu Raja Business Unit Number: PUR / Kpts / 08 / VIII / 2018 concerning the Establishment of the RSPO development team at Pulu Raja Business Unti on 20 August 2019. In the document it is known that there were 5 people appointed as officers monitoring the condition of the unit's water body.
- Identification and Data Collection Documents for the 2019 Water Agency in PTPN IV Pulu Raja Business Unit on August 12, 2019, in the document it is known that the river border is located in the afdeling I, II, and IV.
- Document Monitoring of Area Conditions in the vicinity of the Pulu Raja Water Body in 2019 on 10 August 2019.

The company has done root cause analysis, determination of corrections and corrective actions to prevent nonconformities from reoccurring, but there is some evidence of correction that has not been shown, besides there are a number of auditor questions that need to be answered first and substantiated supporting evidence. Based on the explanation, the nonconformities is declared not closed.

Verification October 1, 2019

The company shows some evidence of improvements in the form of:

- Barchart maintenance in the area around the body of water and river borders in 2019 which was set on August 12, 2019. Some management activities that will be carried out include the making of a red circle markings in the palm oil field, monitoring the prohibition of the use of pesticides along river banks, recording the percentage of growth of rehabilitation plants , record the percentage of growth of rehabilitation plants, conduct socialization to the community and other stakeholders about the conservation area so that it can reduce damage to the vegetation of the conservation area, monitoring the conditions of warning / warning signs on the border of the river and conservation areas.
- Monitoring the implementation of chemical applications to prevent the use of chemicals in the area around the water body in August 2019 for Afdeling I-V. In monitoring in August 2019 there was no known application of chemicals around water bodies.
- The socialization of the management of water, flora and fauna Afdeling I-V on August 20, 2019 which was attended by maintenance, chemist, dongkel and other employees, with a total of approximately 150 participants.
- Directors' Request and Disposition regarding TBM 1 removal in the watershed area on August 19, 2019 from

the Pulu Raja Unit Manager to the Directors of PTPN IV.

- Letter of request for transfer of TBM assets 1 from the Pulu Raja Unit to the head office accounting section on September 20, 2019. The document explains that planting of riverbanks is carried out in Afdeling 1, block 2018A with a total of 370 oil palm plants.

Verification October 29, 2019

The company shows evidence of improvements in the form of:

- Minutes of the transfer of oil palm plantations in the 2018A planting year, the Pulu Raja Business Unit on August 12, 2019, which contained explanations related to the transfer of 149 oil palm stems embedded in river banks to be moved to other areas outside the river borders with details of 2018A Afdeling I as many as 33 points, Afdeling I 2018B as many as 66 points, Afdeling IV 2018 I as many as 50 points.
- Woody tree planting documents located in the former oil palm plantations which were demolished on October 17, 2019 in Block 2018 A with details of 100 cinnamon tree stems, 29 Mahogany stems, 10 bamboo clumps, and 25 Moringa staples.

The company has carried out the root cause analysis, the determination of corrections and corrective actions to prevent the discrepancies from reoccurring, to ensure the corrective actions that have been taken. The compliance of these nonconformities is recommended for return field visits.

Field Verification, 4 November 2019

From the results of the field verification, the auditor has seen improvements made, such as:

- On the Aek Nagaga river border block 06E Afdeling 1 and block 12F Afdeling 2 management has been carried out for river border areas such as marking the spray boundary with red paint on the palm oil stems (\pm 50 meters from the river bank), woody plant enrichment activities and there is a sign the board prohibits conducting chemist activities along the river border.
- In the border of the Aek Nagaga river block 18A Afdeling 1, dismantling of the oil palm plantations that have already been planted and replaced them with woody plants. And there have been marking spray limits and sign boards prohibiting chemist activities along river banks.

Conclusion:

Based on the analysis of the root causes, the correction, corrective actions explained by the company as well as the results of field verification of the corrections made by the company and verification of documents shown, the Major Non-compliance is declared to have been **Closed**.

Verified by : Bayu Yogatama and Hasiholan Sihombing

NCR No.	: 2019.02	Issued by	: Hasiholan Sihombing
Date Issued	: 08 August 2019	Time Limit	: 6 November 2019
NC Grade	: Major	Date of Closing	: 4 November 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.		

Evidence observed (filled by auditor):

The company already has a Workers' PPE Replacement Mechanism as stipulated in Circular Letter No: PUR / SE / Intern / II / 2019 dated 4 February 2019, which explains that if there is a PPE that has been damaged, *krani afdeling*/Mill makes a PPE damage report and makes a PPE damage report and makes PPE new replacement request report.

Based on field observations and interviews with workers at the Pulu Raja Mill, it was found out the following field facts: 3 workers at the chained station, 1 worker at the press station, and 1 waste officer used PPE shoes that were not up to company standards (bought by the worker itself because the shoes given by the company were damaged before the new replacement period).

Non-Conformance Description (filled by auditor):

Based on the evidence, the company has not been able to demonstrate the implementation of PPE management in accordance with its procedure.

Root Cause Analysis (filled by organization audited):

- a. There is no monitoring on the completeness and condition of PPE used by employees.
- b. Employees still lack understanding of PPE replacement mechanisms due to ineffective dissemination of information. Although socialization has been carried out, the level of understanding of employees varies so that an evaluation of the socialization that has been carried out so that each PPE is damaged, the employee immediately reports to get a replacement PPE without having to buy it himself.

Correction (filled by organization audited):

- a. Make monitoring of the completeness and condition of PPE used by employees every month
- b. To socialize PPE replacement mechanism to all employees who use PPE

Corrective Action (filled by organization audited):

- a. Monitoring and evaluating the monitoring of the completeness and condition of PPE.
- b. Evaluate the socialization mechanism of PPE replacement a maximum of 1 month after socialization.

Assessor Evaluation and Conclusion (filled by auditor):

Auditor response - September 16, 2019

The company has not shown evidence of improvement (correction). In addition, there is still an auditor's response to the root cause analysis and corrective actions sent by the company. This discrepancy is still not fulfilled.

The compliance of this non-conformity is recommended to conduct a field visit again.

Auditor response - October 1, 2019

The company sends evidence of improvements in the form of:

- Document monitoring of the completeness and condition of PPE in each division and Pulu Raja POM.
- Evaluation documentation of monitoring of the completeness and condition of PPE in each division and Pulu Raja POM.
- Documentation of information dissemination mechanism for PPE replacement
- Evaluation documentation of the PPE replacement mechanism

However, there are still auditors' responses to the root cause analysis and corrective actions sent by the company. This non-conformity is still not closed.

The compliance of this non-conformity is recommended to conduct a field visit again.

Auditor response - October 14, 2019

There is still an auditor's response to the root cause analysis sent by the company.

The compliance of this non-conformity is recommended to conduct a field visit again.

Field Verification, 4 November 2019

From the results of field observations and interviews with chain operators and press operators, it was concluded that the workers had used PPE provided by the company and understood the mechanism of PPE replacement if the PPE was damaged by informing the leader and showing evidence of the damaged PPE.

Conclusion:

Based on the analysis of the root causes, the corrections, corrective actions explained by the company as well as the results of field verification of the corrections made by the company and the verification of documents shown, the Major Non-compliance is declared to have been **Closed** and will be re-observed in the next assessment activities.

Verified by : **Hasiholan Sihombing**

NCR No.	: 2019.03	Issued by	: Hasiholan Sihombing
Date Issued	: 08 August 2019	Time Limit	: Recertification
NC Grade	: Minor	Date of Closing	: 4 November 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): Based on document verification, interviews with workers and field observations, the following facts were found: <ul style="list-style-type: none">- There was a fire incident at the Pulu Raja Mill in 2018 based on interviews with security and workers at the Pulu Raja Mill processing station. This information is strengthened by the results of the fire incident investigation report at the Pulu Raja Mill on 8 June 2018 which was investigated by OHS expert Pulu Raja Unit.- There is information from media online (http://www.kisaran.online/berita/2018/06/08/837/-pks-ptpn-iv-kebun-pulu-raja-terbakar) which informs that the Pulu Raja Mill had a fire incident on 8 June 2018.- The company has 6 units of emergency and fire fighting equipment in the form of hydrants and the company routinely monitors the condition of the hydrant every month. From the hydrant inspection and monitoring data shown in July 2019 the hydrant was in good condition.- From the simulation results during field observation of the hydrant in the shell area (kernel station) of the Pulu Raja Mill, the hydrant cannot function properly.			
Non-Conformance Description (filled by auditor): Based on the evidence, the company has not been able to show that emergency response and fire fighting equipment is available at all times.			
Root Cause Analysis (filled by organization audited): The absence of officers who are responsible (personal in charge) for checking the condition of fire fighting facilities and infrastructure owned.			

<p>Correction <i>(filled by organization audited):</i> Monitor fire fighting facilities and infrastructure regularly.</p>
<p>Corrective Action <i>(filled by organization audited):</i></p> <ol style="list-style-type: none"> 1. Establish a PIC that evaluates fire fighting facilities and infrastructure 2. Re-inspect all fire fighting facilities and infrastructure 3. Change the time period for monitoring fire fighting facilities and infrastructure (especially hydrants) from every month to every two weeks.
<p>Assessor Evaluation and Conclusion <i>(filled by auditor):</i> Auditor response - September 16, 2019 The company has not shown evidence of improvement (correction). In addition, there are still auditors' responses to the root cause analysis sent by the company. This non-conformity is still not closed.</p> <p>The compliance of this non-conformity is recommended to conduct a field visit again.</p> <p>Auditor response - October 14, 2019 The compliance of this non-conformity is recommended to conduct a field visit again.</p> <p>Auditor response - 21 October 2019 The company sends evidence of improvements in the form of:</p> <ul style="list-style-type: none"> - Evaluation of the monitoring of fire fighting sarpras - Hydrant Monitoring Document - Monitoring firefighting facilities and infrastructure in August - September 2019 - Decree of the officer responsible for evaluating the monitoring of fire extinguishers <p>The compliance of this non-conformity is recommended to conduct a field visit again.</p> <p>Field Verification, 4 November 2019 From the results of field observations and simulation results on 2 hydrants out of a total of 6 hydrants in Pulu Raja Mill (near Kernel Station and Chain Station) it is concluded that the fire extinguisher equipment can function properly.</p> <p>Conclusion: Based on the analysis of the root causes, the corrections, corrective actions explained by the company as well as the results of field verification of the corrections made by the company and the verification of documents shown, the Major Non-compliance is declared to have been Closed and will be re-observed in the next assessment activities.</p>
<p>Verified by : Hasiholan Sihombing</p>

<i>NCR No.</i>	: 2019.04	<i>Issued by</i>	: Bayu Yogatama
<i>Date Issued</i>	: 08 August 2019	<i>Time Limit</i>	: Recertification
<i>NC Grade</i>	: Minor	<i>Date of Closing</i>	:

Standard Ref. & Requirement	: 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 twoyearly basis.
Evidence observed (filled by auditor): Based on the review of the RKL-RPL document and the RKL-RPL Implementation Report for Semester II 2018 & Semester I 2019, it is known that not all impact parameters have been monitored according to the direction of the RKL-RPL matrix owned, such as: <ul style="list-style-type: none"> - Have not monitored liquid waste in anaerobic pond (inlet) once a month. - Groundwater quality testing has only been carried out at three sample points from 5 recommended locations. - Has not conducted monitoring related to disturbance to the Water Biota 2 times each year. - Has not conducted monitoring related to the increase of community income, utilization of public facilities, reduction of public health, disruption of land use of oil palm plantations, disruption of security and public order which is carried out twice a year and includes evidence of monitoring in the appendix to the RKL-RPL implementation report. - Has not conducted an evaluation, including evaluation of trends (Trend Evaluation), critical level evaluation (Critical Level Evaluation) and compliance evaluation (Compliance Evaluation). - 	
Non-Conformance Description (filled by auditor): Based on this explanation, the company has not been able to show evidence that all environmental monitoring parameters have been monitored and the implementation report has been prepared in accordance with the Ministerial Decree No. LH 45 of 2005 concerning Guidelines for the Compilation of RKL-RPL Implementation Reports.	
Root Cause Analysis (filled by organization audited): <ol style="list-style-type: none"> There has not been an evaluation of the officers who have participated in training / outreach for the preparation of the <i>RKL</i> and <i>RPL</i> reports There has not been an evaluation of the <i>RKL</i> and <i>RPL</i> reports that have been made whether they are in conformity or not with the Ministry of Environment Decree No 45 of 2005 	
Correction (filled by organization audited): <ol style="list-style-type: none"> To revise the <i>RKL RPL</i> report by including all impacts that have not been managed in accordance with the matrix of <i>RKL</i> and <i>RPL</i> documents owned Report back a revised report to the District Environmental Agency 	
Corrective Action (filled by organization audited): <ol style="list-style-type: none"> Evaluate officers who have participated in training / outreach for the preparation of <i>RKL</i> and <i>RPL</i> reports that have been carried out Evaluate the <i>RKL</i> and <i>RPL</i> reports that have been made whether they are in accordance with the Minister of Environment Decree No 45 of 2005 	

Assessor Evaluation and Conclusion (filled by auditor):
Verification 9 September 2019

The company has analyzed the root of the problem, determined corrections and corrective actions to prevent the discrepancies from reoccurring, but the company has not shown evidence related to the improvements made, based on which the discrepancies have been declared not closed.

Field Verification, 4 November 2019

From the results of verification of documents on the semester 1 of 2019 *RKL-RPL* reports that have been corrected by the company, there are still impact parameters that have not been monitored in accordance with the direction of the *RKL-RPL* matrix owned, namely testing groundwater quality is only conducted at three sample points from 5 locations recommended. Then monitoring related to increasing community income, utilization of public facilities, decreasing public health, disruption of land use of oil palm plantations, disturbing security and public order which is carried out twice a year has not yet explained in detail what the results of the monitoring are and has not included the monitoring evidence in the appendix to the report the implementation of *RKL-RPL* in accordance with the Decree of Minister of Environment Decree No. 45 of 2005 concerning Guidelines for the Preparation of *RKL-RPL* Implementation Reports.

Based on this, the non-conformity with this minor category has not been closed.

Verified by : Bayu Yogatama and Hasiholan Sihombing

NCR No.	: 2019.05	Issued by	: Asystasha Aishah Silalahi
Date Issued	: 08 August 2019	Time Limit	: 6 November 2019
NC Grade	: Major	Date of Closing	: 4 November 2019
Standard Ref. & Requirement	: 6.1.3 Plans for management and monitoring of social impacts to avoid or reduce negative impacts and promote positive ones, based on social impact assessment, through consultation with the affected parties, shall be available, documented and timetabled, including responsibilities for implementation.		
Evidence observed (filled by auditor): The company has a social impact monitoring plan for the 2019 period compiled on January 7, 2019. The monitoring plan explains the parameters of social impacts managed, sources of impact, monitoring methods, location of monitoring, time & frequency of monitoring, and implementing monitoring. However, the company has not shown evidence that the preparation of a social impact management and monitoring plan is based on a process of consultation with affected parties.			
Non-Conformance Description (filled by auditor): Based on explanation above, the company has not been able to show evidence that a social impact management and monitoring plan has been prepared based on the consultation process of affected parties.			
Root Cause Analysis (filled by organization audited): There is still a lack of understanding of employees, especially in the HR, General and Security Section and there is still a presumption that what is meant by Stakeholders is only external parties associated with the company			

Correction (filled by organization audited):

- a. Re-socializing SPO Number 03 Date 02 January 2017 Revision Number 03 regarding Communication and Consultation with the Community to Human Resources, General and Security of Pulu Raja Estate / Mill
- b. Involving stakeholders around the Pulu Raja estate so that they can represent the affected parties in the preparation of social impact management and monitoring programs.
- c. Reorganize the social impact management and monitoring program as of September 2019.

Corrective Action (filled by organization audited):

By evaluating the monitoring of management and monitoring of social impacts, so that the activities of managing and monitoring social impacts are truly carried out in accordance with the realization in the field and involving all stakeholders

Assessor Evaluation and Conclusion (filled by auditor):

Verification 16 September 2019

The company has completed root cause analysis, corrections and corrective actions, and has sent documentation "Monitoring documents related to RSPO ISPO". The document explains the monitoring schedule for the social impact management plan. However, there are still some auditor questions that must be completed by the company.

Based on the explanation above, the discrepancy No. 2019.05 was declared not fulfilled.

Verification October 2, 2019

The company shows evidence of improvements in the form of:

- Monitoring the evaluation of the social impact management and monitoring program with monitoring points including the officers' understanding of the established SPO, stakeholder involvement, and compliance with the SIA document.
- Documentation of the social impact management and monitoring questionnaire which involved representatives from 12 villages surrounding the company.
- Resume stakeholder questionnaire
- Communication and Consultation SOP socialization which was attended by assistants of General HR and security, employees of General HR and security, and PPD.

However, there are still questions in the root cause analysis and corrections that have been answered by the company. Based on this explanation, the discrepancy No. 2019. 05 has not been fulfilled.

Verification October 14, 2019

There are still questions in the correction section that need to be answered again by the company. Related to this, the non-conformity No. 2019. 05 has not been fulfilled.

Verification October 29, 2019

The company shows a social impact management program for the 2019 period which explains the social impacts that are managed, the location of the management, the management plan, the time the program is managed, the results of the program implementation, and the person responsible. The plan has been prepared in accordance with a questionnaire distributed to involve representatives from 12 villages around the company.

Compliance with this discrepancy will be verified at the time of the return visit to the field.

Field Verification, 4 November 2019

The company shows a social impact management program for the 2019 period (September 10, 2019) which explains

the social impacts that are managed, the location of the management, the management plan, the time for implementing the management program, monitoring the results of the program implementation, and the person responsible. The plan has been prepared in accordance with a questionnaire distributed to involve representatives from 12 villages around the company, namely Manis Village, Pulau Rakyat Pekan Village, Orika Village, Ofa Padang Mahondang Village, Padang Mahondang Village, Persatuan Village, Tunggul 45 Village, Lobu Jiur Village, Desa Bangun, Aek Loba Pekan Village, Baru Village and Aek Nagaga Plantation Village as well as 4 internal stakeholders namely the Plantation Workers Union, the Christian Fellowship, the Taklim Syiar Islam Council and the representatives of the Pulu Raja Unit Women's Employees.

Conclusion:

Based on the analysis of the root causes, the corrections, corrective actions explained by the company as well as the results of field verification of the corrections made by the company and verification of documents shown, the Major Non-compliance is declared to have been closed.

Verified by	: Asystasha Aishah Silalahi
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NCR No.	:	2019.06	Issued by	:	Asystasha Aishah Silalahi
Date Issued	:	8 August 2019	Time Limit	:	Recertification
NC Grade	:	Minor	Date of Closing	:	4 November 2019
Standard Ref. & Requirement	:	6.1.4 The documented plan for management and monitoring of social impacts, shall be reviewed at least on two-yearly basis. If necessary, the plan should be updated. There shall be evidence that the review process includes participation of all affected parties.			
Evidence observed (filled by auditor): Regarding the review of the social impact management and monitoring plan, it is known as follows: <ul style="list-style-type: none">• The company has a plan for managing and monitoring social impacts over the 2017-2019 period.• The company has not been able to show evidence of a review of social impact management and monitoring plans that have been prepared during the 2017 - 2019 period at least every two years in a participatory manner involving all parties affected.					
Non-Conformance Description (filled by auditor): Based on explanation above, the company has not been able to demonstrate that its social impact management and monitoring plan has been reviewed at least every 2 years and is based on the participation of all parties affected.					
Root Cause Analysis (filled by organization audited): There is still a lack of understanding of employees, especially in the HR, General and Security Section and there is still a presumption that what is meant by Stakeholders is only external parties associated with the company					
Correction (filled by organization audited): a. Re-socialize the procedures for making social impact analysis documents to the Human Resources, General and Security Section of the Pulu Raja estate / mill b. Involving stakeholders around the Pulu Raja estate so that they can represent the affected parties in the preparation of social impact management and monitoring programs c. Prepare a review of the management plan and social monitoring based on the results of stakeholder consultation.					

Corrective Action (filled by organization audited):

- By evaluating the monitoring of management and monitoring of social impacts, so that the activities of managing and monitoring social impacts are truly carried out in accordance with the realization in the field and involving all stakeholders.
- Make monitoring and evaluation of the fulfillment of documents in the application of RSPO Certification.
- Socializing Communication and Consultation SOPs that were attended by assistants from General HR and Security, employees of General HR and Security, and Plant Staff and Mill Staff.

Assessor Evaluation and Conclusion (filled by auditor):
Verification 16 September 2019

The company has completed root cause analysis, corrections and corrective actions, and has sent documentation "Monitoring documents related to RSPO ISPO". The document explains the monitoring schedule for the social impact management plan. However, there are still some auditor questions that must be completed by the company. Based on the explanation above, the discrepancy No. 2019.05 was declared not fulfilled.

Verification October 14, 2019

The company shows evidence of improvements in the form of:

- Monitoring the evaluation of the social impact management and monitoring program with monitoring points including the officers' understanding of the established SPO, stakeholder involvement, and compliance with the SIA document.
- Documentation of the social impact management and monitoring questionnaire which involved representatives from 12 villages surrounding the company.
- Resume stakeholder questionnaire
- Communication and Consultation SOP socialization which was attended by assistants of General HR and security, employees of General HR and security, and PPD.

However, there are still questions in the correction section that were answered by the company first. Based on this explanation, the discrepancy No. 2019. 06 has not been closed.

Field Verification, 4 November 2019

From the results of the document verification, the company can show the results of the review of the social impact management and monitoring plan and the 2019 social impact management and monitoring plan which involves the participation of all affected parties.

Conclusion:

Based on the analysis of the root causes, the corrections, corrective actions explained by the company as well as the results of field verification of the corrections made by the company and verification of documents shown, the Major Non-compliance is declared to have been closed.

Verified by : **Asystasha Aishah Silalahi**

<i>NCR No.</i>	: 2019.07	<i>Issued by</i>	: Asystasha Aishah Silalahi
<i>Date Issued</i>	: 8 August 2019	<i>Time Limit</i>	: 6 November 2019
<i>NC Grade</i>	: Major	<i>Date of Closing</i>	: 13 October 2019

Standard Ref. & Requirement	<p>: SCCS E.5.1</p> <ol style="list-style-type: none"> The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis. All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO. The site can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three months. However, a site is allowed to sell short.(ie product can be sold before it is in stock.)
<p>Evidence observed (filled by auditor):</p> <p>Based on the production and sales record for period of 25 August 2018 – July 2019, its found that there are CSPK sold not from positive stock, as follow:</p> <ul style="list-style-type: none"> On February 2019 CSPO sold 2,953.330 ton use uncertified PK 1,491.98 ton On March 2019 CSPO sold 18.020 ton, when CSPK stock still negative (-1,303.75 ton) On June 2019 CSPO sold 159.470 ton, when CSPK stock still negative (-862.93 ton) <p>Then since February 2019 until July 2019 the CSPK stock still in negative stock (-450.52 ton).</p> <p>Non-Conformance Description (filled by auditor):</p> <p>Based on this matters, it can be conclude that the company couldn't show the evidence that the CSPK sold from a positive stock.</p>	
<p>Root Cause Analysis (filled by organization audited):</p> <p>Lack of coordination between head office and Pulu Raja Mills in monitoring of PK certified quota</p>	
<p>Correction (filled by organization audited):</p> <p>Covering the shortage of certified PK quota, carrying out certified PK balance stock.</p>	
<p>Corrective Action (filled by organization audited):</p> <ul style="list-style-type: none"> SCCS socialization and coordination, especially in monitoring certified quota. mechanism for monitoring certified quota is explained in SOP Handling of Certified Palm Oil Products Number 04.03/UNIT/SUS/P/001 Revision 02 Date 01 August 2018 	
<p>Assessor Evaluation and Conclusion (filled by auditor):</p> <p>Verification of 28 September 2019</p> <p>The company shows evidence of SCCS socialization on 19 September 2019. Evidence of these improvements is not enough to the closed the NC, the company needs to correct its corrections and corrective actions</p> <p>Verification on 13 October 2019</p> <p>The company shows SOP Handling of Certified Palm Oil Products Number 04.03/UNIT/SUS/P/001 Revision 02 Date 1 August 2018. Related to the mechanism for monitoring sales of certified products.</p> <p>The company shows a mass balance record that shows supervision/monitoring in the sale of CPO and PK certified products. In September 2019 certified PK stock had shown a positive stock of 51.172 tons.</p> <p>Based on the analysis of the root causes, preventive actions and corrections indicated, this NC can be declared closed. This will be verified again in the next assessment.</p>	
Verified by	: Asystasha Aishah Silalahi

3.5.3 Opportunity for Improvement

No	Ref. Std.	Description
1	5.3.2	Progress in the management of pestronik Puskesbun Pulu Raja
2	5.3.3	Consistency in domestic waste management

3.5.4 Noteworthy Positive Components

No	Description
1	Has obtained ISPO Certificate
2	Has obtained SMK3 Certificate
3	The company not using paraquat anymore

3.6 Summary of Arising Issues from Public and Auditor Verification

Public Issues (Institution/ NGO/Community)	Auditor Verification
Agriculture Agency of Asahan District (Plantation Division). <ul style="list-style-type: none"> - The company has done the class estate assessment and got class II, rated last in 2018. - The Company has a Plantation Business License (IUP). - Companies regularly report CSR assistance. - Report on plantation business activities (LKUP) are routinely reported. - Fire Extinguisher Equipment of company is sufficient. - Communication between the company and the agency is also well established, and if the office requested data, the company quickly responded. 	<p>All comments given indicates positive response of company operational activities towards local, national and ratified international laws and regulations aspect, as mentioned in Criteria 2..1; 4.6 and 5.5.</p> <p>It has been verified in accordance Criterion 1.1, 2.2, 2.3, 4.1, 5.2, 5.5, 6.2, 6.3, 6.8, 6.10 and 6.11.</p>
Land Agency of Asahan District. <ul style="list-style-type: none"> - The company already has Cultivation Rights Title (HGU). - There is no land dispute issue that goes to the land agency of Asahan District. - The company has sent a report on the utilization of HGU land. 	<p>All comments given indicates positive response of company operational activities towards legality aspect such as land rights, business permit, land dispute/grievances, etc., as mentioned in Criteria 2.2; 2.3; 6.3 and 6.4.</p>
Manpower Agency of Asahan District. <ul style="list-style-type: none"> - The wages of all workers have been paid in accordance with the provisions of the government (regional minimum wage of Asahan District). - The company has provided housing facilities, facilities of worship, clean water, education and electricity for workers. - No issue of child labor and discrimination - Manpower Agency already know what information data can be requested to the company. Information can be accessed by verbal means or by mail or email. - The company already has collective labor agreement. - The company has labor union. - P2K3 report are also routinely conducted by the company. - The company has registered "BPJS" Employment and "BPJS" Health to all its employees. 	<p>The company has implemented the principles & criteria of RSPO on indicator criteria 6.5, 6.6, 6.7, 6.8, 6.9 about worker welfare.</p>
Environmental Agency of Asahan District. <ul style="list-style-type: none"> - The company already has Land Application and Temporary Storage for Hazardous and Toxic Waste 	<p>There is no negative issues from the government agency. CH has demonstrated compliance with the</p>

Permit. - The company has reported reports of Hazardous and Toxic Waste, Liquid Waste and management and monitoring plan Report regularly. - In general in environmental aspects, the company has complied with applicable regulations. - There is no environmental issue in the area of the company that goes to the environmental agency.	RSPO criteria 2.1, 4.4, 4.6, 5.1, 5.3 and 5.5
Technical Implementation Unit of Labor Inspection Regional IV in Rantau Prapat (By phone). - The case of the death of an employee on behalf of Iman Jazuli has been resolved and closed. - The company has registered its operators in OHS training.	The company has implemented the principles & criteria of RSPO on indicator criteria 6.5, 6.6, 6.7, 6.8, 6.9 about worker welfare.
Local Contractor (worker providers in nursery, EFB Application and FFB Transport) - CV Cahaya Indah. - Has been a contractor for PTPN IV Unit Pulu Raja since 2007. - The contractor is selected to be a contractor through a tender process in accordance with company procedures. - Contractors are required by companies to comply with OHS and PPE procurement by contractors. - Payments to contractors are made on time in accordance with the contract. - Workforce owned by contractors have been registered with occupational accident and health insurance - Communication between the contractor and the company is well established. - There are no complaints from contractors.	The company has implemented the principles & criteria of RSPO on indicator 4.7.3, 4.7.6, 6.5.1, 6.10.1, and 6.10.3.
Local Contractor (FFB Transport) – CV Akbar Pratama - Has been a contractor for FFB transport of PTPN IV Unit Pulu Raja since 2018. - Contractors are required by companies to comply with OHS and PPE procurement by contractors. - Payments to contractors are made on time in accordance with the contract. - Communication between the contractor and the company is well established. - Workforce owned by contractors have been registered with occupational accident and health insurance - There are no complaints from contractors.	The company has implemented the principles & criteria of RSPO on indicator 4.7.3, 4.7.6, 6.5.1, 6.10.1, and 6.10.3.
Gender Committee	

<ul style="list-style-type: none"> • Women empowering division has socialized mechanism for submitting complain to woman worker. • Woman worker usually work as upkeep worker and office worker. • There is no complaint from worker about sexual harassment. • Company provides woman worker with menstrual leave for 2 days and maternity leaves for 3 months. Pregnant worker is prohibited work as upkeep worker. 	<p>The company has implemented the principles & criteria of RSPO on indicator criteria 6.9 about reproductive rights for woman worker.</p>
<p>Union Worker (SPBUN)</p> <ul style="list-style-type: none"> • Type of worker in PTPN IV Pulu Raja is permanent worker. Basic wage for workers is in accordance with minimum wage of Sumatera Utara Province period of 2019. • PPE is provided by company. However, if there was a damage PPE before next distribution period, then workers will use personal PPE. • There is no complain about overtime payment. However, overtime payment for mill worker will be paid as processing premium. • There is no complaint from worker about discrimination among workers. • There is no work accident until July 2019. 	<p>The company has implemented the principles & criteria of RSPO about worker welfare and industrial relationship on indicator 4.7.3, 6.5.1, 6.5.2, 6.6.1, 6.7.1, 6.8.1, 6.9.1. However, there was a non conformity on indicator 4.7.3 related to PPE and it has explained in the NCR table.</p>
<p>Head of Baru Village, Kampung Bangun Village and Persatuan Village.</p> <ul style="list-style-type: none"> - The communication and relation between villages around with company are well maintained, the company's public relation already known by the communities. The mechanism for complaint and grievance submission has been understood well by the community - There were no significant land disputes and no indication of contractually army or paramilitaries using in plantation area. - There are no indigenous rights or customary rights. - The company has considered satisfactory cooperative and transparent in providing information, for example towards job vacancies, CSR and grants. Village people has recognize company representative (PIC) from Division of Public Relation (PR) which handled this matters. - The company has establish the CSR program to surrounding communities - There is no complaints and issues from surrounding villages towards environment aspects. 	<p>Based on interview result, it could be concluded that presence of company has considered positively affected surrounding community life and contribute to social economic improvement. Communication and coordination towards conflict resolution has smoothly carried out. Hence, social and environment aspects were satisfactory taken as a part or company operational activity. Further detail from other stakeholder views and document review could be checked on Criteria 1.1, 1.2, 2.2, 5.1, 6.1, 6.2, 6.3, 6.4, 6.8, 6.10 and 6.11 in this report.</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> <div style="display: flex; justify-content: space-around; align-items: flex-end;"> <div style="text-align: center;"> <p>PT Perkebunan Nusantara IV Head of Planning Department</p>  <p><u>Khayamuddin Panjaitan</u> Monday, 04 November 2019</p> </div> <div style="text-align: center;"> <p>Mutuagung Lestari Lead Auditor</p>  <p><u>Leonada</u> Monday, 04 November 2019</p> </div> </div>

Appendix 1. List of Stakeholder Contacted in the RSPO Certification Process

No	Institution/NGO/Community	Address	Phone/Email	Form of Communication	Date of Contact	Response	
						Yes	No
1.	National Land Agency of Asahan District	Asahan District, North Sumatra	-	Direct interview	August 6 th , 2019	✓	
2.	Agriculture Agency of Asahan District	Asahan District, North Sumatra	-	Direct interview	August 6 th , 2019	✓	
3.	Environment Agency of Asahan District	Asahan District, North Sumatra	-	Direct interview	August 6 th , 2019	✓	
4.	Manpower Agency of Asahan District	Asahan District, North Sumatra	-	Direct interview	August 6 th , 2019	✓	
5.	Technical Implementation Unit of Labor Inspection Regional IV	Labuhanbatu District	-	Phone	August 7 th , 2019	✓	
5.	Local Contractor (EFB Application and EFB Transport) CV Cahaya Indah	PTPN IV – Pulu Raja Asahan District, North Sumatra	-	Direct interview	August 7 th , 2019	✓	
6.	Local Contractor (FFB Transport) CV Akbar Pratama	PTPN IV – Pulu Raja Asahan District, North Sumatra	-	Direct interview	August 7 th , 2019	✓	
7.	Gender Committee	PTPN IV – Pulu Raja Asahan District, North Sumatra	-	Direct interview	August 7 th , 2019	✓	
8.	Union Worker (SPBUN)	PTPN IV – Pulu Raja Asahan District, North Sumatra	-	Direct interview	August 7 th , 2019	✓	
9.	Puluraja Estate: - 1 warehouse worker - 1 Operator Generator house - 1 Daycare Worker - 1 Fertilizer warehouse worker - 4 Pesticide Applicator - 3 harvester - 3 Fertilizer Applicator - 1 Doctor	PTPN IV – Pulu Raja Asahan District, North Sumatra	-	Visit and Interview	6-7 August 2019	✓	
10.	Puluraja POM: - 1 Operator WTP - 1 Operator WWTP - 1 worker Hazardous waste storage	PTPN IV – Pulu Raja Asahan District, North Sumatra	-	Visit and Interview	6-7 August 2019	✓	

	<ul style="list-style-type: none"> - 1 worker Chemical storage - 1 security - 3 workers in Sortation - 3 workers in loading ramp - 2 workers in sterilizer station - 2 workers in press station - 1 worker in boiler station - 1 worker in engine room station - 1 workersin kernel station - 1 workersin clarifications station 						
11.	Baru Village	Baru Village, Asahan District	-	Direct interview	7 August 2019	✓	
12.	Kampung Bangun Village	Bangun Village, Asahan District	-	Direct interview	7 August 2019	✓	
13.	Persatuan Village	Persatuan Village, Asahan District	-	Direct interview	7 August 2019	✓	
9.	Sawit watch	Bogor, Indonesia	info@sawitwatc.h.or.id	Email	26 July 2019		✓
10.	WWF	Jakarta, Indonesia	wwf-indonesia@wwf.or.id	Email	26 July 2019		✓
11.	WALHI	Jakarta, Indonesia	informasi@walhi.or.id	Email	26 July 2019		✓
12.	AMAN	Jakarta, Indonesia	rumahaman@cbn.net.id	Email	26 July 2019		✓

Appendix 2. Assessment Program

DATE	5 - 9 August 2019	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
Monday, 5 August 2019		
14.00 – 15.00	Opening meeting <ul style="list-style-type: none">Auditee Speech (Introduction of PIC, Profile of Certified Management Unit)Auditor Team Speech (Introduction, Audit Objective, Audit Scope, Audit Plan Discussion, Determine of Audit Sample, Transparency and Confidentiality Clarification)	All Auditor
15.00 – 17.00	Documents Review <ul style="list-style-type: none">Review of previous assessment findingsVerification of Basic Information Mill and EstateConfirmation of Time Bound PlanReview of Partial CertificationVerification of P n C documents	
Tuesday, 6 August 2019		
08.00 – 12.00	Stakeholders consultation to related agencies Field Observation to Pulu Raja Estate Aspect to be verified : <ul style="list-style-type: none">Implementation of Legal Aspect (Land Ownership, Legal Boundaries), HCV area.Implementation of Agronomy Aspect (Harvesting & Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application), Implementation of Occupational Health & Safety Aspect, Implementation of Employment Procedure and Mechanism AspectImplementation of Environmental, and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management), Observation of Workers Facilities (Housing, School, Worship Place).	HSS
		LEO AAS
		BYG
12.00 – 14.00	BREAK	
14.00 – 17.00	Field observation to Pulu Raja Mill : <ul style="list-style-type: none">Supply Chain verification (FFB Receiving, Weighbridge),Implementation of Occupational Health & Safety Aspect, Implementation of Employment Procedure and Mechanism Aspect, security post, FFB Sorting, Processing Activity, Despatch CPO)Implementation of Environmental aspect, Inspection to Chemical Storage, Hazardous Waste Storage, Fire Control Simulation, POME Pond & land application	LEO HSS/AAS
		BYG
Wednesday, 7 August 2019		

DATE	5 - 9 August 2019	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
08.00 – 12.00	Stakeholder consultation to affected communities surrounding the plantations, indigenous peoples, local communities and previous land owners. Interview with Gender Committee, Worker's Union, , Worker's Cooperative (if any), Local Contractor (for Mill and Estate), Smallholders, Third Party Supplier (if any), local NGO (if any)	LEO / BYG HSS / AAS
12.00 – 14.00	BREAK	
14.00 – 17.00	<ul style="list-style-type: none"> Continue Field Observation and field observation clarification Verification of documents and completing checklist 	All Auditor
Thursday, 8 August 2019		
08.00 – 10.00	<ul style="list-style-type: none"> Continue Field Observation and field observation clarification Verification of documents and completing checklist 	
10.00 – 12.00	Interim Meeting (closing meeting preparation)	
12.00 – 14.00	BREAK	All Auditor
14.00 – 15.00	Interim Meeting (closing meeting preparation)	
15.00 – 17.00	Closing Meeting	
Friday, 9 August 2019		
08.00 – 12.00	Site PTPN IV Pulu Raja → Kuala Namu	
12.25 – 14.50	Kuala Namu → Jakarta	All Auditor