

*Roundtable on Sustainable Palm Oil Certification  
RSPO*

**[√] Surveillance - 1**

Name of Management Organisation : Bah Jambi Palm Oil Mill subsidiary of PT Perkebunan Nusantara IV  
 Plantation Name : Bah Jambi Estate, Marihat Estate & Marjandi Estate  
 Location : Village of Bah Jambi I, Sub District of Jawa Maraja, Regency of Simalungun, Province of Sumatera Utara, Indonesia.  
 Certificate Code : MUTU-RSPO/109  
 Date of Certificate Issue : 23 February 2018      Date of License Issue : 23 February 2019  
 Date of Certificate Expiry : 22 February 2023      Date of License Expiry : 23 February 2020

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ASA-1	28 January 2019 – 04 February 2019	Andi Pratama Pasaribu (Lead Auditor), Rizliani Aprianita Hasibuan, Satria Adi Putra, Rindu Galih Rezza Rachmansyah	Octo HPN Nainggolan	Ardiansyah

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-1	<b>20 May 2019</b>

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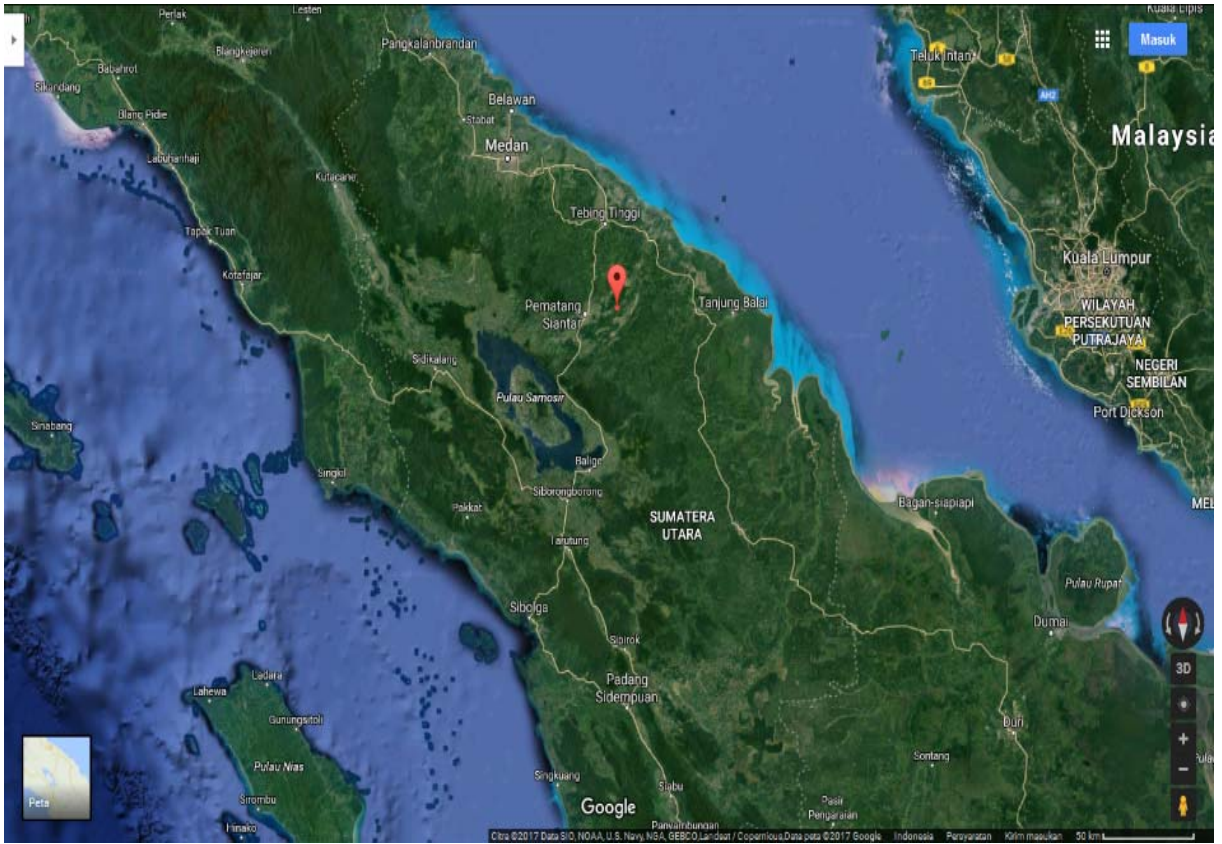
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Figure 1. Location Map of *Bah Jambi POM*



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

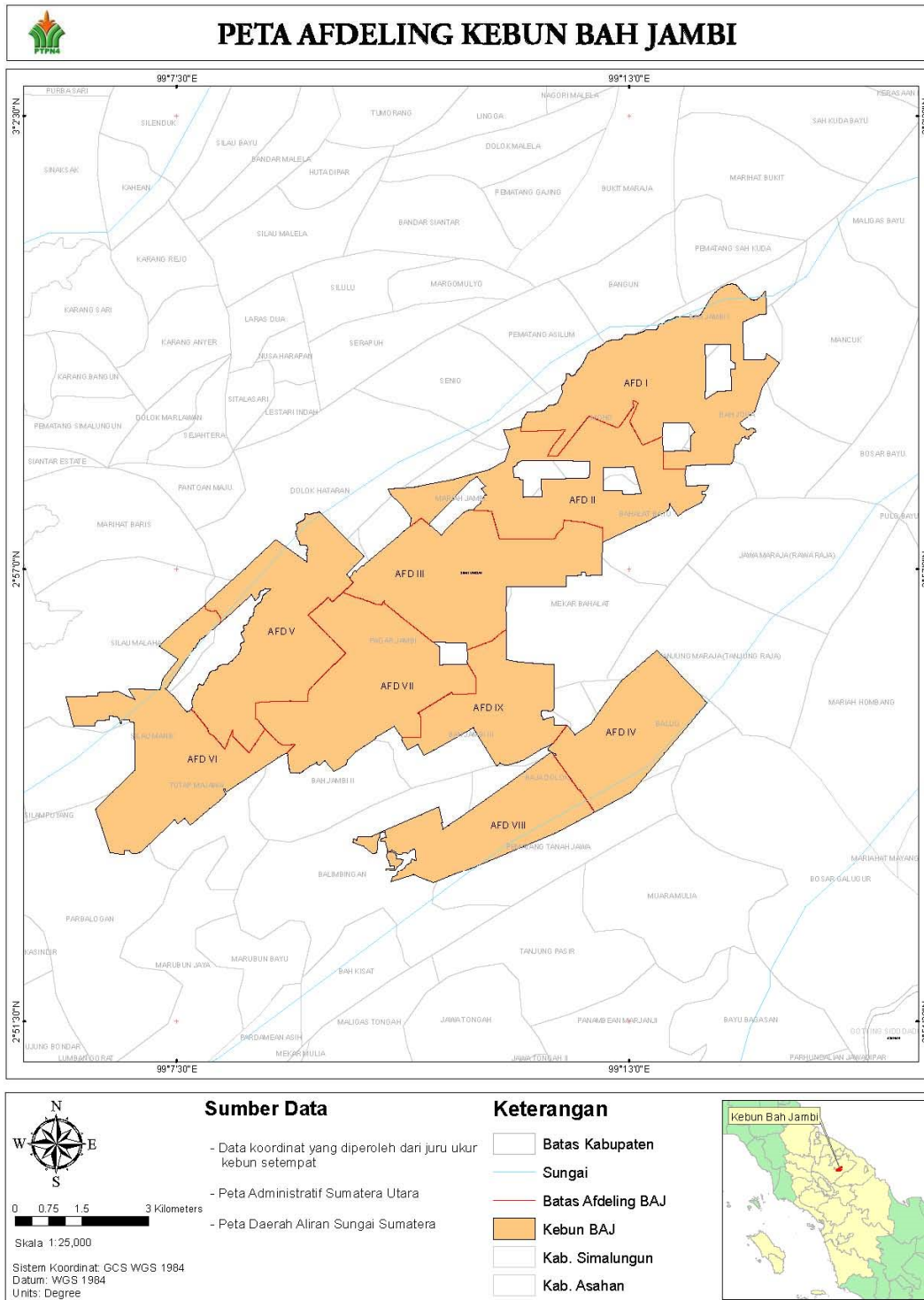


Figure 3. Operational Map of PTPN IV - Marihat Estate

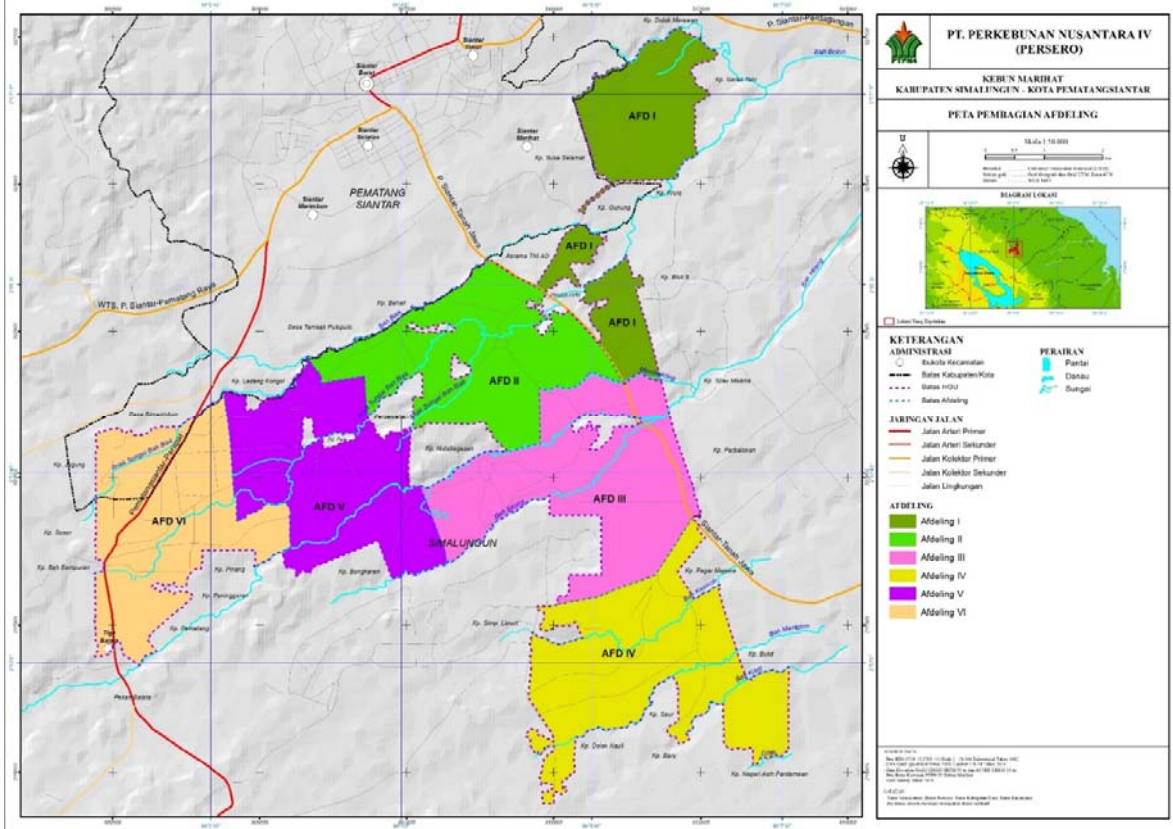
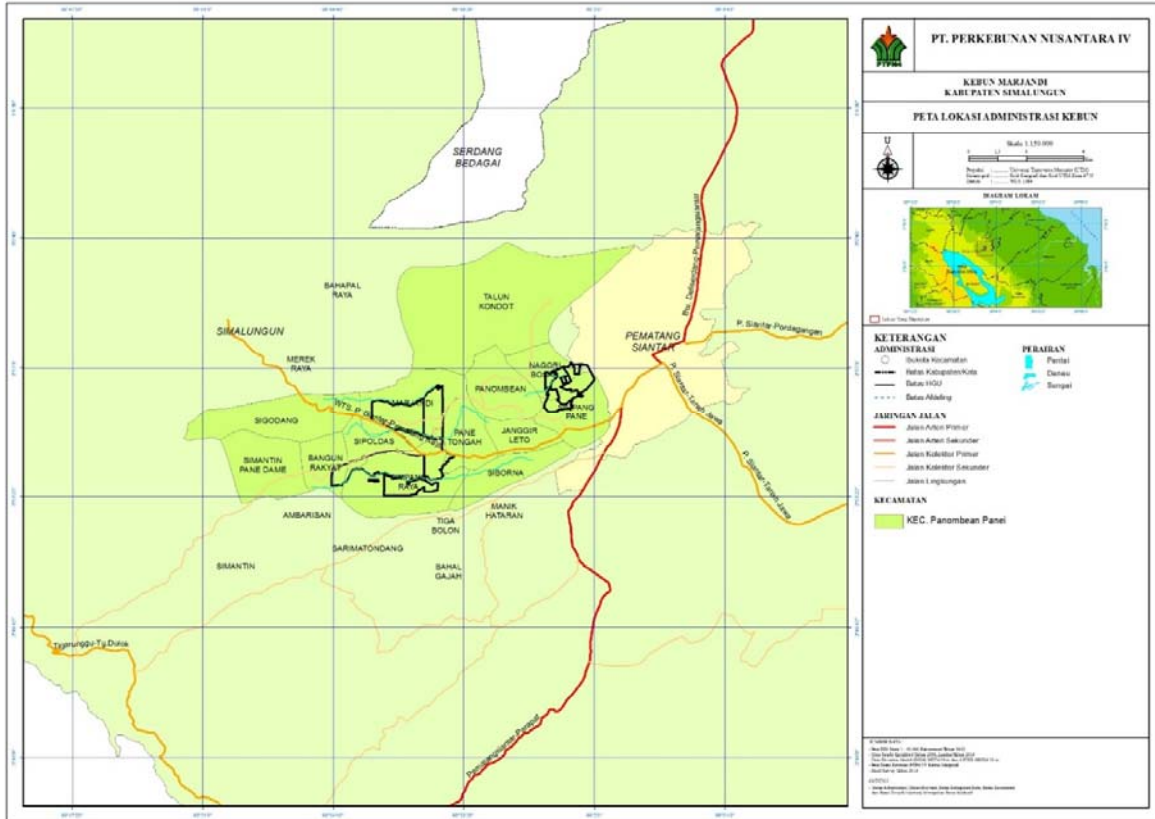




Figure 4. Operational Map of PTPN IV - Marjandi Estate



**Abbreviations Used**

ASA	:	Annual Surveillance Assessment
Bapedalda	:	<i>Badan Pengendalian Dampak Lingkungan Daerah</i> (Regional Environmental Impact Management Agency)
BOD	:	Biological Oxygen Demand
BPJS	:	<i>Badan Penyelenggara Jaminan Sosial</i> (Social Insurance)
CH	:	Certificate Holder
CPO	:	Crude Palm Oil
CSR	:	Corporate Social Responsibility
EFB	:	Empty Fruit Bunch
FFA	:	Free Fatty Acid
FFB	:	Fresh Fruit Bunch
GHG	:	Green House Gas
GUU	:	<i>Group Unit Usaha</i> (Business Unit Group)
HCV	:	High Conservation Value
HGU	:	<i>Hak Guna Usaha</i> (Land Use Permit)
HIRAC	:	Hazard Identification Risk Assessment and Control
HR	:	Human Resources
HSE	:	Health Safety and Environmental
IOPRI	:	Indonesian Oil Palm Research Institute
IPM	:	Integrated Pest Management
ISO	:	International Organization for Standardization
ISPO	:	Indonesian Sustainable Palm Oil
JHT	:	<i>Jaminan Hari Tua</i> (Pension Insurance)
JKK	:	<i>Jaminan Kecelakaan Kerja</i> (Work Accident Insurance)
JKM	:	<i>Jaminan Kematian</i> (Life Insurance)
LPUP	:	<i>Laporan Perkembangan Usaha Perkebunan</i> (Plantation Business Report)
MR	:	Management Representative
MSDS	:	Material Safety Data Sheet
NGO	:	Non Government Organization
OER	:	Oil Extraction Rate
OHS	:	Occupational Health and Safety
PIC	:	Person In Charge
PK	:	Palm Kernel
POM	:	Palm Oil Mill
PKO	:	Palm Kernel Oil
POM	:	Palm Oil Mill
POME	:	Palm Oil Mill Effluent
PP	:	<i>Peraturan Pemerintah</i> (Government Regulation)
PPE	:	Personal Protection Equipment
PPKS	:	<i>Pusat Penelitian Kelapa Sawit</i> (oil palm research center)
PTPN	:	<i>Perseroan Terbatas Perkebunan Nusantara</i>
RKAP	:	<i>Rencana Kerja dan Anggaran Perusahaan</i> (Work Plan and Corporate Budget)
RKL/RPL	:	<i>Rencana Kelola Lingkungan/ Rencana Pemantauan Lingkungan</i> (Environmental Management and Monitoring Plan)
ROE	:	Return of Equity
ROI	:	Return On Investment
SIA	:	Social Impact Assessment
SOP	:	Standard Operational Procedures
SP-Bun	:	<i>Serikat Pekerja Perkebunan</i> (Labor Union)

Walhi	:	<i>Wahana Lingkungan Hidup</i>
WTP	:	Water Treatment Plant
WWF	:	World Wide Fund
WWTP	:	Waste Water Treatment Plant



1.0	<b>SCOPE of the CERTIFICATION ASSESSMENT</b>		
1.1	<b>Assessment Standard Used</b>	<ul style="list-style-type: none"> <li>• Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INA-NITF (Indonesian National Interpretation Task Force) July 2016, endorsed by the RSPO Board of Governor 30<sup>th</sup> September 2016.</li> <li>• RSPO Certification Systems for Principles &amp; Criteria June 2017. Endorsed by the RSPO Board of Governors on 14<sup>th</sup> of June 2017</li> <li>• The RSPO Supply Chain Certification Standard for Organization seeking or holding certification adopted by the RSPO Board of Governors on 21 November 2014 (Revised on 14 June 2017).</li> </ul>	
1.2	<b>Organisation Information</b>		
1.2.1	Organisation name listed in the certificate	PT Perkebunan Nusantara IV	
1.2.2	Contact person	Khayamuddin Panjaitan	
1.2.3	Organisation address and site address	RSPO Registered Company: Jalan Letjen Suprpto No. 2, Post Code 20151, Medan, Sumatera Utara, Indonesia.	
1.2.4	Telephone	(62-61) 415 4666	
1.2.5	Fax	(62-61) 457 3117	
1.2.6	E-mail	<a href="mailto:perencanaan@ptpn4.co.id">perencanaan@ptpn4.co.id</a>	
1.2.7	Web page address	<a href="http://www.ptpn4.co.id">www.ptpn4.co.id</a>	
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	<b>Type of Assessment</b>		
1.3.1	Scope of Assessment and Number of Management Unit	Palm Oil Mill and supply base: Bah Jambi Estate, Marihat Estate and Marjandi Estate.	
1.3.2	Type of certificate	Single	
1.4	<b>Locations of Mill and Plantation</b>		
1.4.1	Location of Mill		
	<b>Name of Mill</b>	<b>Location</b>	<b>Coordinate</b>
			<b>Latitude</b> <b>Longitude</b>
	Bah Jambi	Bah Jambi I Village, Jawa Maraja Sub District, Simalungun District, Sumatera Utara Province, Indonesia	N 02° 59' 18"      E 99° 13' 13"
1.4.2	Location of Certification Scope of Supply Base		
	<b>Name of Supply Base</b>	<b>Location</b>	<b>Coordinate</b>
			<b>Latitude</b> <b>Longitude</b>
	Bah Jambi Estate	Village of Bah Jambi I, Sub District of Jawa Maraja, Regency of Simalungun, Province of Sumatera Utara, Indonesia	N 2° 59' 12"      E 99° 13' 11"
	Kebun Marihat	Silampuyang Village, Siantar Sub District, Simalungun District, Sumatera Utara Province, Indonesia	N 2° 54' 54"      E 99° 04' 48"

Marjandi Estate	Village of Marjandi, Sub District of Panombean Panei, Regency of Simalungun, Province of Sumatera Utara, Indonesia	N 2° 55' 30"	E 98° 57' 17"			
<b>1.5</b>	<b>Description of Area Statement</b>					
1.5.1	Tenure					
	• State (according to the land title)		13,879.99 Ha			
	• Community		- Ha			
	<i>There are area used by IOPRI which exclude from certification scope, consist of:</i>					
	• Bah Jambi Estate: 183 Ha					
	• Marihat Estate: 43 Ha					
1.5.2	<b>Area Statement</b>					
		<b>Bah Jambi</b>	<b>Marihat</b>	<b>Marjandi</b>	<b>Total</b>	<b>Ha</b>
	• Total	7,391.63	4,370.66	1,891.70	13,653.99	Ha
	• Mature area	4,473.00	3,704.50	1,802.00	9,979.50	Ha
	• Immature area	1,779.00	468.00	-	2,247.00	Ha
	• Replanting plan	279.00	131.00	-	410.00	Ha
	• Emplacement/infrastructure/mill	607.73	59.94	43.81	711.48	Ha
	• Unplantable area					
	- Riparian area	-	-	-	0.00	Ha
	- Slope area	62.13	-	3.5	65.63	Ha
	- Hiaten area	105.77	-	-	105.77	Ha
	• Nursery	31.00	-	-	31.00	Ha
	• Occupation / used by other party	12.00	-	33.27	45.27	Ha
	• High Conservation Area	42.00	7.22	9.12	58.34	Ha
	<i>Total HCV area in Bah Jambi is 735.03 Ha, consist of 42.00 Ha forest area, 62.13 Ha slope area and 630.90 Ha riparian zone. Riparian zone included planted area. Hectare statement as per Jan 2019</i>					
	<i>Total HCV area in Marihat is 99.85 Ha, consist of 4.05 Ha cemetery and ripaian of reservoir, 3.17 Ha forest area and 92.63 Ha riparian zone. Riparian zone included planted area. Hectare statement as per May 2019</i>					
	<i>Total HCV area in Marjandi is 26.97 Ha, consist of 5.92 Ha cemetery and ripaian of reservoir, 3.2 Ha forest area and 17.85 Ha riparian zone. Riparian zone included planted area. Hectare statement as per April 2019</i>					
<b>1.6</b>	<b>Planting Year and Cycles</b>					
1.6.1	Age profile of planting year					
	<b>Planting Year</b>	<b>Hectarage (Ha)</b>				
		<b>Bah Jambi</b>	<b>Marihat</b>	<b>Marjandi</b>	<b>Total</b>	
	<b>Mature Area</b>					
	1987	-	256.00	-	256.00	
	1991	-	243.00	-	243.00	
	1992	-	40.00	-	40.00	
	1993	-	175.00	-	175.00	
	1994	120.00	118.00	-	238.00	
	1995	303.00	172.00	278.00	753.00	
	1996	245.00	170.00	-	415.00	

1997	213.00	-	-	213.00			
1998	-	166.00	-	166.00			
1999	149.00	530.00	-	679.00			
2000	280.00	24.00	-	304.00			
2001	-	145.00	-	145.00			
2003	240.00	-	-	240.00			
2004	226.00	384.00	25.00	635.00			
2005	179.00	332.00	1,471.00	1,982.00			
2006	323.00	-	28.00	351.00			
2007	280.00	480.00	-	760.00			
2008	301.00	-	-	301.00			
2009	383.00	7.00	-	390.00			
2010	238.00	355.50	-	593.50			
2011	70.00	107.00	-	177.00			
2015	923.00	-	-	923.00			
<b>Sub Total</b>	<b>4,473.00</b>	<b>3,704.50</b>	<b>1,802.00</b>	<b>9,979.50</b>			
<b>Immature Area</b>							
2016	734.00	215.00	-	949.00			
2017	438.00	253.00	-	691.00			
2018	607.00			607.00			
<b>Sub Total</b>	<b>1,779.00</b>	<b>468.00</b>	<b>0.00</b>	<b>2,247.00</b>			
<b>TOTAL</b>	<b>6,252.00</b>	<b>4,172.50</b>	<b>1,802.00</b>	<b>12,226.50</b>			
1.6.2	New Planting area after January 2010		-	Ha			
1.6.3	Planting Cycle		2 <sup>nd</sup> Cycle				
<b>1.7 Description of Mill and Supply Base</b>							
1.7.1 Description of Mill							
	<b>Name of Mill</b>	<b>Capacity (tonnes/ hour)</b>	<b>FFB Processed (tonnes/year)</b>	<b>CPO</b>	<b>Palm Kernel</b>		
				<b>Out put (tonnes)</b>	<b>Extraction (%)</b>	<b>Out put (tonnes)</b>	<b>Extraction (%)</b>
	Bah Jambi	60	262,780	63,145	24.03	9,382	3.57
*Production data source from 12 months before assessment (January – December 2018)							
1.7.2 Description of Certification Scope of Supply Base							
	<b>Name of Estate</b>	<b>Total Area (Ha)</b>	<b>Planted Area (Ha)</b>	<b>FFB (tonnes/year)</b>	<b>Yield (tonnes/ha/year)</b>	<b>Supplied to Mill</b>	
						<b>FFB (tonnes/ year)</b>	<b>%</b>
	Bah Jambi	7,391.63	6,252.00	95,838	21.43	95,838	100
	Marihat	4,370.66	4,172.50	85,895	23.19	85,895	50

	Marjandi	1,891.70	1,802.00	48,538	26.86	24,188	100	
	<b>TOTAL</b>	<b>13,653.99</b>	<b>12,226.50</b>	<b>230,271</b>	<b>23.06</b>	<b>205,921</b>	<b>89</b>	
	<i>*Production data source from 12 months before assessment (January – December 2018)</i>							
1.7.3	FFB description from other source							
	<b>Name of sources/Organisation</b>	<b>Type of Organisation</b>	<b>Number of smallholders</b>	<b>Production Area (Ha)</b>	<b>Supplied to Mill FFB (ton/year)</b>			
	Balimbingan (Certified)	under management of PTPN IV	-	3,981.94	2,442			
	Tonduhan (Non-Certified)	under management of PTPN IV	-	2,457.86	23,339			
	Bah Birong Ulu (Non-Certified)	under management of PTPN IV	-	2,175.40	30,937			
	Sei Kopas (Non-Certified)	under management of PTPN IV	-	6,934.72	140			
	<b>TOTAL</b>						<b>56,859</b>	
	<i>*Production data source from 12 months before assessment (January – December 2018)</i>							
1.7.4	Product categories			<b>FFB, CPO, PK</b>				
<b>1.8</b>	<b>Tonnage of Product</b>							
1.8.1	Past Annual Claim Certified Product		Previous Certificate Claim (tonnes/year)		Actual certified product (tonnes/year)			
	• FFB Production		188,042		161,247			
	• CPO Production		46,408		38,512			
	• Palm Kernel (PK) Production		9,026		5,450			
	<i>Source: production data since mill certified (23 February 2018 until 31 December 2018)</i>							
1.8.2	Product selling							
	Tonnage of selling product			Period of actual selling product				
	• CSPO sold as RSPO certified product			3,730				
	• CSPK sold as RSPO certified product			3,444				
	• CSPO sold under other scheme			-				
	• CSPK sold under other scheme			-				
	• CSPO sold as conventional			13,828				
	• CSPK sold as conventional			-				
	<i>Source: dispatch data since mill certified (23 February 2018 until 31 December 2018)</i> <i>The rest of CPO is store in Belawan Bulking</i>							
1.8.3	Estimate of Certified FFB Claim							
	<b>Name of Estates</b>	<b>Total Area (Ha)</b>	<b>Planted Area (Ha)</b>	<b>FFB (tonnes/year)</b>	<b>Yield (tonnes/ha/year)</b>			
	Bah Jambi	7,391.63	6,252.00	98406	22			
	Marihat	4,370.66	4,172.50	88908	24			
	Marjandi	1,891.70	1,802.00	48789	27			
	<b>TOTAL</b>	<b>13,653.99</b>	<b>12,226.50</b>	<b>236103</b>	<b>24</b>			
	<i>*Estimated production for the next assessment (23 February 2019 – 22 February 2020)</i>							
1.8.4	Estimate of Certified Palm Product Claim							
	<b>Name of Mill</b>	<b>Capacity (tonnes/ hour)</b>	<b>FFB Processed (tonnes/year)</b>	<b>CPO</b>		<b>Palm Kernel</b>		<b>Supply Chain Module</b>
			<b>Out put (tonnes)</b>	<b>Extraction (%)</b>	<b>Out put (tonnes)</b>	<b>Extraction (%)</b>		
	Bah Jambi	60	236,103	49,582	21	10,625	4.5	MB

*\*Estimated palm product for the next assessment (23 February 2019 – 22 February 2020)*

<b>1.9</b>	<b>Other Certifications</b>	
	ISO 9001:2008	Each estate has had ISO 9001:2015 certificate as follows: <ul style="list-style-type: none"> <li>• Bah Jambi (certificate number 16 00 L 17224) since 5 December 2017.</li> <li>• Marihat (certificate number 16 00 J 17152) since 31 October 2017.</li> <li>• Marjandi (certificate number 16 00 J 17151) since 31 October 2017.</li> </ul>
	ISO 14001: 2004	Bah Jambi POM has had ISO 14000:2004 certificate (certificate number 08 04 L 17070) since 5 December 2017
	OHSAS 18001:2007	-
	ISCC	-
	ISPO	Each estate has had ISPO certificate as follows: <ul style="list-style-type: none"> <li>• Bah Jambi (certificate number TNI – ISPO – D - 1704) since 4 April 2017</li> <li>• Marihat (certificate number MUTU-ISPO/146) since 5 December 2018.</li> <li>• Marjandi (certificate number MUTU – ISPO/163) since 22 March 2019.</li> </ul>
	Other scheme	-

**1.10 Time Bound Plan**

**1.10.1 Time Bound Plan for Other Management Units**

Management Unit		Estate (Supply Base)	Time Bound Plan	Location	Status
MILL	Time Bound Plan				
Pabatu	2015	Pabatu	2015	Serdang Bedagai, Sumatera Utara	Certified
	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	2017	Adolina	2017	Serdang Bedagai and Deli Serdang, Sumatera Utara	Certified
Bah Jambi	2017	Bah Jambi	2017	Simalungun, Sumatera Utara	Certified
		Marihat	2017	Simalungun, Sumatera Utara	Certified
		Bah Birung Ulu	2021	Simalungun, Sumatera Utara	-
		Marjandi	2018	Simalungun, Sumatera Utara	IC
		Marjandi HGU on process (30 Ha)	2021	Simalungun, Sumatera Utara	-
Dolok Sinumbah	2018	Dolok Sinumbah	2018	Simalungun, Sumatera Utara	Certified

		Dolak Sinumbah HGU on progress (35.94 Ha)	2021	Simalungun, Sumatera Utara	-
		Balimbingan	2018	Simalungun, Sumatera Utara	Certified
Mayang	2019	Mayang	2019	Simalungun, Sumatera Utara	IC
		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	IC
		Air Batu HGU on progress (459.02 Ha)	2021	Asahan, Sumatera Utara	-
Berangir	2018	Berangir	2018	Labuhan Batu Utara, Sumatera Utara	Certified
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	-
		Sei Kopas	2021	Asahan, Sumatera Utara	-
		Tonduhan	2021	Simalungun, Sumatera Utara	-
Timur	2021	Timur	2021	Mandailing Natal, Sumatera Utara	-
		Balap	2021	Mandailing Natal, Sumatera Utara	-
Ajamu	2019	Ajamu	2019	Labuhan Batu Utara, Sumatera Utara	IC
		Meranti Paham	2019	Labuhan Batu Utara, Sumatera Utara	IC
		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	-
<i>*Time bound plan April 2019</i>					
1.10.2	<b>Progress of Associated Smallholders and Outgrowers for Certifiable Standard</b>				
	Bah Jambi Mill does not accept FFB from outgrower and has no smallholder scheme agreement.				



<b>2.0</b>	<b>ASSESSMENT PROCESS</b>
<b>2.1</b>	<b>Assessment Team</b>
<b>ASA-1</b>	<ol style="list-style-type: none"> <li><b>Andi Pratama Pasaribu (Lead Auditor).</b> Indonesian citizen. Bachelor degree, majoring social economy. He has several of work experiences (more than 5 years) as the operational staff since 2008. He has been followed the Training of Lead Auditor Indonesian Sustainable Palm Oil (ISPO) which was held by ISPO Commission in 2013 and Training of Lead Auditor Roundtable on Sustainable Palm Oil (RSPO) by Proforest and Daemeter in 2016. He has been attended several kinds of training, such as High Conservation Value (HCV) Training, SA 8000, SCSS Training, Lead Auditor ISO 9001:2008, Lead Auditor ISO 14001:2005, auditor OHSAS etc. He has some experiences of ISPO audit in Indonesian palm oil in best management practices, land legality, environmental, social and worker welfare aspect. During this audit, he verify Legal, SCCS and Partial Certification.</li> <li><b>Rizliani Aprianita Hasibuan (Auditor).</b> Indonesian Citizen. Bachelor and Magister of Agribusiness, Faculty of Agriculture. She had followed training such as RSPO Lead Auditor Training, SA 8000, Lead Auditor ISO 9001:2008, ISO 14001:2004, ISPO Auditor training and followed several IHT related to environment, BMP etc. She has been involved in several audit activities related to sustainable palm oil certification since 2015 covering social aspect, health and safety aspect, worker welfare and waste management aspect. During the assessment she assigned to verified Environment, HCV and GHG aspect.</li> <li><b>Satria Adi Putra (Auditor).</b> Indonesian citizen, Diploma III majoring in Palm Oil Plantation. Have experience of work more than six years since 2009 as the operational staff of private oil palm plantations in Indonesia. Training have been followed including Occupational Health and Safety Expert, Orang Utan and Wildlife Management, ISPO Auditor Training, RSPO Awareness, IHT Potential Mapping and Conflict Resolution in Production Forests, OHSAS 18001, SA 8000, RSPO Lead Training, Lead Auditor Training for ISO 9001, ISO 14001, ISO 17021, ISO 17065, ISO 19011, ISO 22000,. During this audit, he support to verify Best Management Practices, Transparency and Long Term Bussiness Plan.</li> <li><b>Rindu Galih Rezza Rachmansyah (Trainee Auditor).</b> Indonesian citizen, Bachelor of Agriculture department of plant and pest disease (Agrotechnology). He has 1 year experience as Field Expert in Pesticide Company and 3 years experience in Industrial Forest Management, Forest Rehabilitation and Reclamation on BUMN Indonesia as Assistant. Training which had attended including Training Lead Auditor ISO 9001, ISO 14001, ISO 17021, ISO 19011, ISPO Lead Auditor's training, RSPO Lead Auditor's training course, RaCP and NPP awareness for RSPO, OHSAS 18001 : 2007, SA 8000. He has been involved in several audit activities related to sustainable palm oil certification since 2017 covering Best Management Practices aspect, social aspect and worker welfare aspect. During the assessment, he assigned to verified OHS, Worker Right and Social Aspect.</li> </ol>
<b>2.2</b>	<b>Assessment Methodology, Assessment Process and Locations of Assessment</b>
<b>2.2.1</b>	<b>Figure of person days to implement assessment</b>
<b>ASA-1</b>	<p>Number of auditors : 4 auditors          Number of days for <b>ASA-1</b> at site : 7 days          Number of working days for <b>ASA 1</b> at site : 28 Working days</p>
<b>2.2.2</b>	<b>Assessment Process</b>
<b>ASA-1</b>	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT Perkebunan Nusantara IV to the requirements of Indonesian National Interpretation of RSPO Principles and Criteria 2013, endorsed September 2016 and Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014, Revised June 2017 (Module D/E for CPO Mill).</p> <p>The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) <i>interview</i>, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site.</p> <p>Some opportunities for improvement of the results <b>ASA-1</b> delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase <b>ASA-2</b>.</p>

	<p>Improvement of findings from main assessment findings were observed by auditors at this <b>ASA-1</b>. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of <b>ASA-1 report</b>.</p> <p>The assessment program please find Appendix 2</p>
<p><b>2.2.3</b></p>	<p><b>Locations of Assessment</b></p>
<p><b>ASA-1</b></p>	<p>Number of units in this certification activity is two (3) estates, which supply the raw material (FFB) to one (1) palm oil mill. In conducting the assessment, the team of auditors used the <math>0.8\sqrt{y} \times z</math> formula to determine the management units sampling to be focused on and also considered the issues raised by stakeholder. Based on this formula, the team of auditors determined that the sampling locations are one (1) palm oil mill (<b>Bah Jambi POM</b>) and three (3) estates (<b>Bah Jambi Estate, Marihat Estate and Marjandi Estate</b>).</p> <p><b>Bah Jambi Estate</b></p> <ul style="list-style-type: none"> <li>• <b>Nursery, Block 2009B.</b> Field visits related to handling and agronomic techniques in nursery activities.</li> <li>• <b>Airstrip, Block 90F, Afdeling II.</b> Field observation related land used.</li> <li>• <b>Replanting, Block 18A, Afdeling III.</b> Field observation related replanting activity and LCC planting to land cover.</li> <li>• <b>Harvesting, Block 07C.</b> Observation and interviews with foremen and harvest workers related to work procedures, health insurance and labor protection, safe working practices and use of PPE.</li> <li>• <b>EFB Application at Replanting Area, Block 1*A, Afdeling III.</b> Observation related to waste management and nutrient cycle strategy</li> <li>• <b>Hazardous Waste Storage.</b> Observation and interviews related to hazardous waste management, OHS implementation, employment and complaint mechanism.</li> <li>• <b>Chemical storage.</b> Observation and interviews related to chemical and pesticide storage area, hazardous waste management, and implementation OHS.</li> <li>• <b>Fertilizer storage (central).</b> Observation and interviews related to waste management and implementation OHS.</li> <li>• <b>Clinic/Puskesmas.</b> Observation and interview with paramedic about first aid mechanism, medical waste management and work accident record monitoring.</li> <li>• <b>Housing complex afdeling 5 &amp; 6.</b> Observation of the availability of infrastructure such as employee housing facilities, water facilities, educational facilities, and health facilities.</li> <li>• <b>Landfill afdeling 5 &amp; 6.</b> Field observations related waste management.</li> <li>• <b>PPE storage and Rinse House afdeling 5.</b> Observation and interview regarding to implementation of OHS aspect, environment aspect and waste management aspect.</li> <li>• <b>Fertilizer storage (afdeling 5).</b> Observation and interviews related to waste management and implementation OHS.</li> <li>• <b>Boundary Pole No. 270 and 271 (Afdeling 5), No. 518; 519 and 514 (Afdeling 1) and No. 149 and 139 (Afdeling 3).</b> Observation of demarcation area and it maintain.</li> <li>• <b>Riparian of Bah Bolon River.</b> Observation of conservation management such as nonchemical application sign etc.</li> <li>• <b>Conservation area, water spring, Afdeling 1.</b> Observation of management conservation area.</li> </ul> <p><b>Marjandi Estate</b></p> <ul style="list-style-type: none"> <li>• <b>Road Maintenance, Block 95M, Afdeling I.</b> Observation related road maintenance, labor aspect, safe working practice and use of PPE.</li> <li>• <b>Pest and Disease Census/Global Telling, Block BX, Afdeling III.</b> Interviews on census mechanism, medical examination, PPE, and labor aspect.</li> <li>• <b>Spray Circle &amp; Path, Block 05BH, Afdeling II.</b> Interviews of spraying mechanism, work tools, chemicals used, doses used, medical examinations, extra fooding, PPE, labor aspect and environment.</li> <li>• <b>Harvesting, Block 05CL, Afdeling III.</b> Observation and interviews with foremen and harvest workers related to work procedures, health insurance and labor protection, safe working practices and use of PPE.</li> <li>• <b>Housing complex afdeling 2.</b> Observation of the availability of infrastructure such as employee housing facilities, water facilities, educational facilities, and health facilities.</li> </ul>

- **Landfill afdeling 2.** Field observations related waste management.
- **PPE storage and Rinse House afdeling 2.** Observation and interview regarding to implementation of OHS aspect, environment aspect and waste management aspect.
- **Chemical storage.** Observation and interviews related to chemical and pesticide storage area, hazardous waste management, and implementation OHS.
- **Rinse House (central).** Observation and interview regarding to implementation of OHS aspect, environment aspect and waste management aspect.
- **Hazardous Waste Storage.** Observation and interviews related to hazardous waste management, OHS implementation, employment and complaint mechanism.
- **Fertilizer storage (central).** Observation and interviews related to waste management and implementation OHS.
- **Fire Equipment Storage.** Simulation the function of fire extinguishers and team readiness.
- **Workshop.** Observation related to implementation OHS and waste handling. Maintenance activities carried out by third parties
- **Conservation area, sacred tomb.** Observation of management conservation area.
- **Boundary Pole No. 95U and 95Q (Afdeling 1), No. 85 and 64 (Afdeling 3).** Observation of demarcation area and it maintain.

**Marihat Estate**

- **Fertilizer, Block 05E, Afdeling II.** Interviews of fertilizer mechanism, work tools, chemicals used, doses used, medical examinations, extra fooding, PPE, labor aspect and environment.
- **Pest and Disease Census/Global Telling, Block 99E, Afdeling I.** Interviews on census mechanism, medical examination, PPE, and labor aspect.
- **Spray Circle & Path, Block 11F, Afdeling III.** Interviews of spraying mechanism, work tools, chemicals used, doses used, medical examinations, extra fooding, PPE, labor aspect and environment.
- **EFB Application at Replanting Area, Block 17H, Afdeling III.** Observation related to waste management and nutrient cycle strategy
- **Hazardous Waste Storage.** Observation and interviews related to hazardous waste management, OHS implementation.
- **Chemical storage.** Observation and interviews related to chemical and pesticide storage area, hazardous waste management, OHS implementation, employment and complaint mechanism.
- **Workshop.** Observation related to implementation OHS and waste handling. Maintenance activities carried out by third parties
- **Fuel storage.** Observations related to OHS fulfillment as well as interviews with warehouse operator regarding PPE and environmental aspects.
- **Fire Equipment Storage.** Simulation the function of fire extinguishers and team readiness.
- **Fertilizer storage (afdeling 6).** Observation and interviews related to waste management and implementation OHS.
- **PPE storage and Rinse House afdeling 6.** Observation and interview regarding to implementation of OHS aspect, environment aspect and waste management aspect.
- **Daycare.** Observations and interviews related to the facilities provided to workers such as employee housing, clean water, daycares, school, employment and interview related complaint mechanism.
- **Boundary Pole No. 1 and 2 (Afdeling 1), No. 46 and 56 (Afdeling 3).** Observation of demarcation area and it maintain.
- **Conservation area, bat cave.** Observation of management conservation area.
- **Riparian of Bah Kasinder River.** Observation of conservation management such as nonchemical application sign etc.

**Bah Jambi POM**

- **Sterilizer Station.** Observation of application and interview with sterilizer operators related to SOP, OHS and employment.
- **Engine Room.** Observations and interviews with engine room operators on employment, occupational safety and health and defined work procedures.

	<ul style="list-style-type: none"> <li>• <b>Kernel Stations.</b> Observations and interviews with kernel station operators regarding employment, occupational safety and health and defined work procedures.</li> <li>• <b>Boiler Station.</b> Observations and interviews with boiler operators regarding labor, occupational safety and health and defined work procedures.</li> <li>• <b>Crane Station.</b> Observation of application and interview with crane operators related to SOP, OHS and employment.</li> <li>• <b>WTP.</b> Observations and interviews related to water management, recording of water use, health checks, PPE and waste management.</li> <li>• <b>Waste Water Treatment Plant (WWTP).</b> Observation of wastewater management.</li> <li>• <b>Land Application.</b> Observation condition land application.</li> <li>• <b>Security Gate.</b> Observation and interview with security officer regarding of receive and dispatch procedure.</li> <li>• <b>Weighbridge.</b> Observation and interview with weighbridge operator regarding of receive and dispatch procedure, certified and noncertified product recapitulation etc.</li> <li>• <b>Loading Ramp Station.</b> 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.</li> <li>• <b>Workshop.</b> Observation for material handling, OHS and workers welfare</li> <li>• <b>Hydrant No. 04 Simulation.</b> Observation for simulation of emergency facilities</li> <li>• <b>Hydrant No. 07 Simulation.</b> Observation for simulation of emergency facilities</li> </ul> <p><b>Stakeholder</b></p> <ul style="list-style-type: none"> <li>• <b>Nagori Baliju Village.</b> Interview the head of village and community representation related to social interaction between company and community surround, and another social issues.</li> <li>• <b>Nagori Bahalat Bayu Village.</b> Interview the head of village and community representation related to social interaction between company and community surround, and another social issues.</li> <li>• <b>Pagar Jambi Village.</b> Interview the head of village and community representation related to social interaction between company and community surround, and another social issues.</li> <li>• <b>Nagori Bosar Village.</b> Interview the head of village and community representation related to social interaction between company and community surround, and another social issues.</li> <li>• <b>Nagori Simpang Raya Dasma Village.</b> Interview the head of village and community representation related to social interaction between company and community surround, and another social issues.</li> </ul>
2.3	<b>Stakeholder Consultation and Stakeholders Contacted</b>
2.3.1	<b>Summary of stakeholder consultation process.</b>
ASA-1	<p>Summary of stakeholder consultation process</p> <p>Consultation of stakeholders for PT Perkebunan Nusantara IV was held by:          Public Notification on RSPO web site and Website mutucertification.com dated on 14 January 2019.          Public consultation meeting with local government district of Simalungun was conducted on 30 January 2019.          Public consultation meeting with internal stakeholders by interviews and local stakeholders conducted by visits to villages (Nagori Baliju, Nagori Bahalat Bayu &amp; Pagar Jambi ) on 30 January 2019 and to village (Nagari Bosar and Nagori Simpang Raya Dasma) on 01 February 2019.          Public consultation with NGO (Sawit Watch, WWF, AMAN, and WALHI) by email dated on 22 January 2019.</p> <p>Numbers of input from stakeholders were clarified by PT Mutuagung Lestari.</p>
2.3.2	<p><b>Stakeholder contacted</b></p> <p><i>Please find appendix 1</i></p>
2.4	<b>Determining Next Assessment</b>
	The next visit <i>ASA-2</i> will be determined 8-12 month after date of certificate (November 2019 to February 2019).

**3.0. ASSESSMENT FINDINGS**

**3.1. Summary of Assessment Report of the RSPO Certification**

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

During the assessment, there were *eight (8)* Nonconformities were assigned against Major Compliance Indicators; *one (1)* nonconformity were assigned against Minor Compliance Indicators and *seven (7)* opportunities for improvement were identified.

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

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

Therefore MUTUAGUNG LESTARI Recommends RSPO Certification of compliance to continued.

Ref Std.	VERIFICATION RESULT of MUTU-Certification	
<b>PRINCIPLE #1 COMMITMENT TO TRANSPARENCY</b>		
<b>1.1</b>	<b>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.</b>	
<b>1.1.1</b>	<p>The CH has the list of stakeholder updated on 01 October 2018, consist of government, community leader, contractors, worker organizations, NGOs, etc. Based on interview with company's management, the list of stakeholders have been updated every time there is a revision or will be updated every year. The company has a list of 22 information that can be accessed by relevant stakeholders, namely:</p> <ul style="list-style-type: none"> <li>• Company profile</li> <li>• Document of Plantation Business Permit, SEIA, and Land Use Title,</li> <li>• OHS Document</li> <li>• HCV Document</li> <li>• Pollution Prevention and Reduction Plans</li> <li>• Details of Complaints and Complaints, Negotiation Procedures, Sustainable Improvement Plans</li> <li>• Public Summary of Certification Assessment</li> <li>• Human Rights Policy</li> <li>• Etc.</li> </ul> <p>In addition to the 22 information listed above, the CH also has 27 types of information that are confidential and cannot be publicly published such as the company's balance sheet, the company's basic budget and others.</p> <p>Based on interview with Agriculture Agency and Manpower &amp; Transmigration Agency of Simalungun District, they've already know the person in charge for communication with stakeholder. Assistant of General &amp; SDM is in charge for providing and</p>	



updating the list of stakeholder and communicating, and provide, update and response the information for stakeholders.

**1.1.2**

Procedure for respond to stakeholder is also written on “SOP-03 Komunikasi dan Konsultasi” dated 2<sup>nd</sup> January 2015. It explains the kind of documents that can be accessed publicly and the time given to respond the request for information from stakeholders. Based on procedure, the time to respond to information is 30 work days.

The CH was documented all of incoming and outgoing letter from stakeholder. Based on document verification of incoming letter and the respond by the company, until January 2019 for example there was incoming information requests, proposals, and invitation to attend meeting held by stakeholders. The CH was respond these requested and the documentation of aid was showed.

**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**

The CH has list of document that can be accessed publicly and documents that can be accessed publicly which is written on Circular Letter No. 04.01/SE/02/II/2018 on 27<sup>th</sup> February 2018 about “Management of Provision of Data / Documents / Company Information”. The public documents, such as OHS, Company Profile, Working Progress on OHS Program, EIA analysis, HCV documents, licensing includes land use title and decree of land use title, operational licenses of plantation activities, OHS program, identification risk, land use data, and so on. The information was not listed above, categorized as confidential or limited information by the company, for example; business strategic and financial system.

Based on interviews with Agriculture Agency and Manpower & Transmigration Agency of Simalungun District, known that the stakeholders understand how to obtain information from the CH. The CH maintains records of request for information and responses under “Buku surat masuk dan surat keluar” on each unit management. Based on document verification, there are information requests, proposals, and invitation to attend meeting held by stakeholders. The company was respond these requested and the documentation of aid was showed.

**Status: Comply**

**1.3**

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

**1.3.1**

PTPN IV has a written policy that contains a commitment to the code of integrity and ethical behavior contained in the Code of Conduct compiled in 2013, Chapter V Prohibition for Business Actors. This chapter contains guidelines for behavior relating to conflicts of interest, “KKN” (collusion, corruption and nepotism) and bribery, political activities, drugs and gambling, and disgraceful acts which constitute a prohibition on business people. Every businessman is prohibited from doing “KKN” (corruption, collusion, and nepotism) and Bribery (Gratification).

PTPN IV committed to Prosperous Life without Corruption is a commitment of the Clean “BUMN” (state-owned company) Program, PTPN IV personnel committed not to accept gratuities in carrying out their duties and authority and free of conflict of interest. Based on interview with workers, labor union, representatives of gender committees and local contractors, they know about code of integrity and ethical behavior.

**Status: Comply**

**PRINCIPLE #2 COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS**

**2.1**

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

**2.1.1**

The CH has a list of updated legal requirements as of January 2019, which includes relevant regulations relating to the RSPO and the number of regulations identified as many as 351 consisting of Local, National and International Regulations that have been ratified.



**Land legality**

Based on document verification, each certification unit has had land title and plantation permit that covered whole plantation and palm oil processing in accordance with plantation act number 39 year 2014. *See detail in indicator 2.2.1.*

**OHS Compliance**

- OHS license for electrical technicians for Erlon Binsar Pandapotan Sihombing with license No. Ser.001409 / TK3-List / VI / 2016 on 20<sup>th</sup> June 2016 and valid for 5 years
- OHS license for electrical technicians for Daril Riyadh Harahap with license No. Ser. 001384 / TK3-List / VI / 2016 on 20<sup>th</sup> June 2016 and valid for 5 years
- OHS license for Excavator operator for Syahrial with license No. Ser.5118 / OPK3 / PAA-LT / III / 2018 on 12<sup>th</sup> March 2018 and valid for 5 years
- OHS license for class 1 boiler man for Rukijo Efendi with license No. P.13.4069.OPK3-PUBT-B.1 / VIII / 2018 on 20<sup>th</sup> August 2018 and valid for 5 years
- OHS license for pressure vessel operators and storage tanks for M. Idris and Siswanto Diharjo are still in the process of being issued in the Ministry of Manpower based on a statement from "PJK3" PT Emcotama with letter No. B.020 / EMCOTAMA.SK / II / 2019 on 01<sup>st</sup> February 2019.

**Worker Welfare**

- The CH has set a minimum wage in accordance with the stipulation of government minimum wages, namely the Determination of the Minimum Wage in Simalungun District in 2019 in accordance with North Sumatra Governor Decree No. 188.44 / 1365 / KPTS / 2018 on December 14, 2018 amounting to IDR. 2,402,626.02.
- The CH has also paid overtime wages in accordance with the Decree of the Minister of Manpower and Transmigration No. 102 of 2004 concerning Overtime Work and Overtime Work Wages.
- The CH has also registered its workers in the "BPJS Kesehatan dan Ketenagkerjaan" program in accordance with applicable regulations.
- The CH has implemented policies related to labor union, human rights, discrimination, child labor and gender so that until now there have been no negative issues related to this.

**Environmental Permit**

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

**2.1.2; 2.1.3; 2.1.4**

The CH already has a list and a copy of the applicable laws and regulations. The legal requirements documentation system contained in the Legal Requirements Procedure. Responsible for identification, inventory and evaluation of regulatory compliance are HRD and General Department. Internal audits are conducted once a year to ensure the implementation of compliance with the law. The last internal audit for compliance with the law has been conducted in January 2019.

The compliance of the Safety Act such as provision of appropriate PPE to all employees, regular safety training, provision of first aid kit in work place and work accident monitoring. In addition, regarding to safety requirement there boiler man, and electricians are authorized by the relevant authorities to perform their jobs with also required by Occupational Health and

Safety Management System by Ministry of Labor of Republic Indonesia).	
<b>Status: Comply</b>	
<b>2.2</b>	
<b>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.</b>	
<b>2.2.1</b>	
<b>Land legality</b>	
Each certified unit has had land title and plantation permit as follow:	
<ol style="list-style-type: none"> <li>1. Bah Jambi has had two land title certificate with total concession is <b>5,401.23 Ha</b>.</li> <li>2. Marihat has had land title certificate with total concession is <b>4,413.66 Ha</b>.</li> <li>3. Marjandi has had three land title certificate with total concession is <b>1,891.70 Ha</b>.</li> </ol>	
Besides that, each unit also managed another land concession of other unit under PTPN 4 as follow:	
<ol style="list-style-type: none"> <li>1. Bah Jambi managed <b>2,173.40 Ha</b> land tittle of Dolok Sinumbah.</li> <li>2. Marihat managed <b>49 Ha</b> land title of Balimbangan.</li> </ol>	
<b>Plantation permit:</b>	
<ol style="list-style-type: none"> <li>1. Bah Jambi has had plantation permit since 2014 for plantation area <b>5,401.23 Ha</b> and mill with capacity <b>60 MT FFB/hour</b>.</li> <li>2. Marihat has had plantation permit since 2012 for plantation area <b>4,413.66 Ha</b>.</li> <li>3. Marjandi has had plantation permit since 2012 for plantation area <b>±1,831.70 Ha</b>.</li> </ol>	
<b>2.2.2</b>	
<b>Stage – 2 finding (Nonconformity No. 2017.07):</b>	
The company has showed their SOP of Boundary Poles Maintenance (SPO 12.0 Revision 2 dated on January, 2 <sup>nd</sup> 2015). Based on the SOP, the following facts are found:	
<ol style="list-style-type: none"> <li>1. Based on document verification, Bah Jambi unit has not shown several document as follows: <ul style="list-style-type: none"> <li>• The latest boundary poles inventarization data including boundary poles installation not able to shown.</li> <li>• Periodic monitoring results of boundary (6 monthly) conducted by assistant afdeling.</li> <li>• Boundary poles monitoring from unit manager to the legal and land affairs.</li> <li>• Based on field visit to boundary poles number 270 and 271 afdeling V known that two poles unavailable on that place.</li> </ul> </li> <li>2. Marihat: based on boundary poles monitoring that held by HR &amp; General Affair Department on December 2016 indicated 261 boundary poles (126 available, 86 broken and 49 lost).</li> </ol>	
In accordance with SOP above, Bah Jambi and Marihat has sent letter to the Legal and Land Affairs Division of PTPN Headquarters on May, 6 <sup>th</sup> 2017. Until the audit finished, there were no response from the Legal and Land Affairs Division regarding to maintenance/installation of it un-marked boundary poles.	
<b>Verification on 2 February 2019</b>	
The company has showed some evidences as follows:	
<ul style="list-style-type: none"> <li>• Bah Jambi has inventorized their boundary poles and appointed third party to installing 124 poles according to the minutes of installation on November – December</li> <li>• Marihat has monitored all boundary poles in second semester of 2018 and reported from 248 poles 2 broken, 3 unidentified and 53 is missing.</li> <li>• Marjandi has monitored boundary poles during January to June 2018 and reported from 264 poles 60 is broken and 28 is missing.</li> </ul>	
Based on interview with the personnel in charge informed that boundary poles number in map does not synchronize with the number in physical poles. Hence, this <b>nonconformity No. 2017.07 is open</b> .	
<b>ASA-1 findings</b>	
<ol style="list-style-type: none"> <li>1. Based on field visit known that: <ul style="list-style-type: none"> <li>• Bah Jambi: according to the boundary poles map, auditor has visited poles number 270 and 271 (afdeling 5), poles number 518, 519 and 514 (afdeling 1) and poles number 149 (afdeling 3). Based on field visit found that poles number</li> </ul> </li> </ol>	

- 270 and 271 not found, poles number 149 found with different number and poles number 518, 519 and 514 is missing.
  - Marihat: according to the boundary poles map, auditor has visited boundary poles number 1 and 2 in Afdeling 1 and number 1 and 2 in afdeling 3. There is a discrepancy with the number on the physical poles.
  - Marjandi: according to the boundary poles map, auditor has visited poles number 95U (missing), poles number 95Q (found with different number) and the rest is comply with the map. There is some discrepancy with the last monitoring report.
2. Based on interview with the boundary poles monitoring person and field staff informed that boundary poles has been monitored each semester. However, there are a discrepancy between physical numbers in boundary poles with boundary poles map.
  3. Based on boundary poles co-inventorized by unit and head office team found that a discrepancy between boundary poles coordinate on the ground with boundary poles coordinate from national land agency.

Based on that fact, this **Nonconformity no. 2017.07 grade minor is raised to major.**

**2.2.3 and 2.2.5**

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

**2.2.4 & 2.2.6**

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

<b>2.2.2</b>	<b>Status: Nonconformity No. 2017.07 grade minor is raised to major</b>
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**2.3  
Use of the land for oil palm does not diminish the legal rights, or customary rights, of other users, without their free, prior and informed consent.**

**2.3.1; 2.3.2, 2.3.3, 2.3.4**

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

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

	<b>Status: Comply</b>
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**PRINCIPLE #3 Commitment to long-term economic and financial viability**

**3.1  
There is an implemented management plan that aims to achieve long term economic and financial viability.**

**3.1.1; 3.1.2**

The company has shown a long-term plan for the period 2019-2024 for PTPN IV - Bah Jambi Unit, Marjandi and Marihat which includes among others FFB Production, OER, Production Cost, Price of CPO / PK, replanting, CPO Production, PK Production, TM area , TBM, land clearing, reserve area, road, drainage, housing and others. Beside that, the Certificate Holder has shown a review / evaluation document for the Long Term Plan (Budget 2018) of PTPN IV - Jambi Bah Unit which reviews the evaluation of achievement compared to the predetermined budget. The discussion includes a review of plant maintenance activities, harvesting, production and so on.

The company has documented the results of replanting including the results of planting area, planting blocks, number of seeds

planted and number of stands / ha of plants. The company has also periodically reviewed replanting programs that are carried out in conjunction with annual evaluations. Based on the soil type map it can be concluded that there is no peat soil in the PTPN IV area (Bah Jambi Estate, Marjandi Estate and Marihat Estate).

**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; 4.1.2; 4.1.3**

The company already has SOP procedures regarding Mill and Plantations contained in Standard Operating Procedures (SPO) in the Fields of Oil Palm Plant, Plant / Tea Factory, PPIs and Organic Compost Plant issued by PT. Perkebunan Nusantara IV in July 2007. The SOP was written in Indonesian and stored as well as in the Marihat Estate, Marjandi Estate, Bah Jambi Estate and Bah Jambi POM. A copy of the SOP is available at each Estate and Mill and is available in Indonesian. Based on the results of the interview, if there is a revision in the company's SOP, then the company (leadership employee) will make the revised SOP in the latest document and can be shown by the auditor. Management explained, that the revision of documents (SOP / IK Quality) was carried out in accordance with the Circular of the Board of Directors of PT. Nusantara Plantation IV. A circular from the Head Office of PT Perkebunan Nusantara IV is available.

Based on field visits and interviews with spray workers at Blok 07C Afdeling 6 Bah Jambi Estate, it is known that workers have understood procedures related to spraying activities such as not spraying near water bodies and not spraying against the wind.

The company has personnel assigned to internal supervision to monitor the consistency of the application of procedures in the field, including the Internal Supervisory Unit which is conducted annually. The company has also routinely carried out inspections of plantation and mill operations.

The audit has been conducted periodically and regularly covering all procedures owned by the company, including internal audits on September 21, 2018. Examples of findings include:

- Control of pest is not effective; Recommendation is to quote if there are cocoon and caterpillar nettles; follow-up is the citation carried out effectively and efficiently in accordance with all personnel well prepared; 30-day completion target (September 2018).

The company has an internal control mechanism for all contractors to follow the entire procedure accordance with the SOP. The implementation for internal control such as make a daily inspection by security to ensure that the contractor use a PPE in mill area. Beside that, based on field visit at the replanting area (Block 18A, Afdeling III Bah Jambi Estate), the company has shown a monitoring of replanting activity such as making daily contour monitoring (slope and terrace wide) in the replanting area.

**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; 4.2.2**

The company has shown a procedure for managing soil fertility, among others (SPO 05.4) on Analysis of Leaves and Soil Samples, for soil analysis carried out 3-5 years or once a year if needed while leaf analysis is carried out once a year and for young plants if needed can be taken leaf samples twice a year by weighing changes in nutrients in the leaves of young plants change very quickly. In addition, the Company (Bah Jambi Estate, Marjandi Estate and Marihat Estate) has SOP for Palm Oil Mill Effluent documents - RSPO and ISPO documents No. SPO 17, dated January 2, 2015 which explained the procedure for using PK waste.

The company (Marjandi Estate, Bah Jambi Estate and Marihat Estate) has shown of the fertilization realization program. The fertilizer recordings such as:

- Fertilization was carried out in Block 2000A Afdeling 5 Marjandi Estate using NPK fertilizer in April 2018 covering an area of 15 hectares with a realization of 100% compared to the recommendations set.

- Fertilization was carried out in Block 2005 BC Afdeling 1 Marjandi Estate using dolomite fertilizer in July 2018 covering an area of 6 hectares with a realization of 100% compared to the recommendations set.

The company has shown Data on the Use of Fertilizers Per Ton of FFB in 2018 for Marjandi Estate, Bah Jambi Estate and Marihat Estate.

Based on field observations at Marjandi Estate Block 05 BH Afdeling II, it is known that workers understand related fertilization procedures such as not fertilizing close to water bodies and fertilizing according to the recommended dosage. In addition, based on the results of field visits in Block 18A Afdeling 6, Bah Jambi Estate found that the company had carried out EFB applications with a dosage of 250 kg/staple.

**4.2.3**

The company has shown that it has a Basic Work Guidelines document, namely Fertilization Management (No. Doc. 22.10 dated January 1, 2013) in which there is a Work Instruction (IK) Analysis of Leaves and Soil Examples. For the management of soil fertility, the company carries out plant fertilization according to fertilizer recommendations based on the results of leaf and soil analysis. The results of leaf and soil analysis were used as material for monitoring changes in nutrient status. In addition, the company has demonstrated SPO 05.4 concerning Analysis of Leaves and Soil Samples, for soil analysis carried out 3-5 years or once a year if needed while leaf analysis is done once a year and in young plants if needed can be done sampling leaves twice a year weighing changes in nutrients in the leaves of young plants is very fast changing.

The company conducts soil analysis listed in the Report on the Results of Analysis of Palm Oil Plant Land with a Scope of PTPN IV in 2017. The realization of the evaluation of soil fertility status at PTPN IV - Bah Jambi Estate (9 samples), Marjandi Estate (4 samples) and Marihat Estate (8 estate) was carried out by observing the determination of pH, organic C content, total N (in%), available total P and P content, K content, Mg content, Na content, Ca content and Cation Exchange Capacity Value (CEC). Beside that, the CH conducts leaf analysis conducted by the Pusat Penelitian Kelapa Sawit (PPKS) based on memo No. 04.04 / District-Unit / M-227 / III / 2018 dated March 14, 2018 at Bah Jambi Estate, Marihat Estate and Marjandi Estate. The indicators that were observed were the levels of N, P, K, Mg, Ca and B and supporting data in the form of visual observations.

Based on the results of the document review, PTPN IV Fertilization Recommendations (Bah Jambi Estate, Marjandi Estate and Marihat Estate) are known that leaf sampling, soil and visual monitoring activities are intended to be the basis for determining future recommendations and based on fertilizer requirements for each block.

**4.2.4**

The company has shown a recapitulation document on Solid Waste Results at the Bah Jambi Mill in 2018. Based on these documents it is known that the company has applied EFB as a way to recycle nutrients.

The company has shown a recapitulation document on Solid Waste Results at the Bah Jambi Mill in 2018. Based on the document, it is known that the company has applied EFB as one of the ways to recycle nutrients, including EFB application in Afdeling III (Replanting Area 2018) in October 2018, Bah Jambi Estate 2711530 kg of total EFB application according to the recommendation given (250 kg/tree).

Based on field visits on Blok 18A Bah Jambi Estate, it is known that EFB was applied with a dose of 250 kg/tree, and there was no indications of pollution and fire in the field due to the EFB application in the field.

**Status: Comply**

**4.3**

**Practices minimize and control erosion and degradation of soils.**

**4.3.1; 4.3.4; 4.3.5**

The company has shown land type documents including:

Bah Jambi Estate

Bah Jambi Estate has a Land Type Map - Jambi Bah Plantation Unit PT. Perkebunan Nusantara IV Skala 1: 38,000 made in



2011 through a joint venture with PT. Citra Cendekia - Medan. Based on the map, we can see the types of soil in the Jambi Bah Estate area, namely the type of Alluvial, Brown Podsol, Red Yellow Podsol (PMK), and Latosol.

Marihat Estate

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

Marjandi Estate

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

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

**4.3.2; 4.3.6**

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

Based on the results of field visits to the Bah Jambi Estate, Marjandi Estate and Marihat Estate, it is known that in general the area is predominantly flat-sloping, flat-undulating, undulating and hilly without indicating a steep area.

In addition, based on the results of a field visit to Blok 05 CL, Afdeling III Marjandi Estate, it is known that in general the area is dominated by undulating areas. The company has also conducted midrib arrangement among the items that are useful as a deterrent to soil erosion. In addition, based on the results of a field visit to Blok 17H, Afdeling 3 Marihat Estate, it is known that the company has made individual terraces in areas with erosion potential.

**4.3.3**

The company has shown the Road Maintenance Program document in 2018. The data includes the following such as road maintenance program in Block 07M, Afdeling I Bah Jambi Estate in October 2018 is 1285 meters long, the realization was carried out in October with 1285 meters (100% realization of the budget). Beside that, the road maintenance program in Block 2005AV, Afdeling I Marjandi Estate in November 2018 is 1356 meters long, the realization was carried out in December along 1356 meters (achieving 100% realization of the budget).

Based on the results of field visits to Block 2005CL, Afdeling III at Marjandi Estate, it was found that road conditions were generally damaged. Based on the company's justification and review of documents, it is known that the average rainfall for the last 3 months is 16 rainy days / month and the average rainfall is 347 mm / month.

	<b>Status: Comply</b>	
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**4.4**

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

**4.4.1; 4.4.2**

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

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

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



- Based on the results of the visit on the riparian of the Bah Kora River, known that there has been a management border mark in the form of red paint on the tree ± 50 m. There was no application of chemicals and fertilizers on the river border.
- Monitoring water use for the purposes of the mill process. The use of water in mill has not exceeded the specified budget.
- Testing the quality of surface and ground water. For example testing result of groundwater quality in November 2018 with testing sites for 6 spring water according to *Permenkes RI*No. 416/MENKES/PER/IX/1990 (drinking water). Based on the results of these tests, there are no parameters that exceed the thresholds.

Ensuring the river border management (**Observation**)

**4.4.3**

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

Based on the results of testing the quality of liquid waste for the period July - Desember 2018 conducted by *Balai Riset Standarisasi Industri Medan*, was known that there was no result (BOD and pH) of testing the quality of liquid waste that exceeds the thresholds. The results of field observations in the Land Applications block 41 afdeling 1 Bahjambi Estate, it was found that there was no runoff of wastewater to the environment and liquid waste has been utilized in accordance with the permit.

Ensuring the management of liquid waste. (**Observation**)

**4.4.4**

Water usage monitoring was done periodically and recorded, for example on December 2018 FFB processed 25,697 mt, water usage for process 1.39m<sup>3</sup>/ton FFB from budget 1.45 m<sup>3</sup> water/ton FFB. Observations at water treatment plant in Bahjambi POM found monitoring water usage was done by officer periodically, and flowmeters serves normally.

Status: Comply

**4.5**

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

**4.5.1; 4.5.2**

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

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

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

The company has shown integrated pest training documents for PTPN IV (Marjandi Estate, Bah Jambi Estate and Marihat Estate). The realization of the training included Integrated Pest Control Training at the Bah Jambi Estate, Marihat Estate and Marjandi Estate on August 13, 2018 to 20 people working on pest control, training was attended by 20 workers. In addition, training was also conducted on Integrated Pest Control in the Marihat Estate on December 5, 2018 to 20 people working on pest control, training was attended by 18 workers.

The company (Marjandi Estate, Marihat Estate and Bah Jambi) has shown chemical use documents. Based on the document it is known that the use of chemicals of type 1A / IB has been reduced. However, based on the results of a field visit to the Bah Jambi Chemical Warehouse, it is known that there is still a stock of pesticides with active ingredients paraquat dichloride (Top Zone 276 SL) of 1440 liters with the acquisition date of March 19 2018. 2019 (No.BAJ / 04.04 / 06 / I / 2019) which states that

the leader of the Bah Jambi Estate requested that the stock removal from the Bah Jambi Estate warehouse inventory be carried out. In addition, management explained that the company would not apply the chemical type paraquat dichloride by 2019.

**Status: Comply**

**4.6**

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

**4.6.1; 4.6.2**

The company has policies related to the use of pesticides, including:

- Hazardous Waste Management SPO (RSPO Document and ISPO No. SPO 02 January 2015) explained, that mixing and washing pesticide spraying equipment
- The policy of using herbicides with active ingredients is paraquat. This is in accordance with the circular letter from the Head of Plant Section of PT. Perkebunan Nusantara IV No.04.03 dated August 4, 2006 to Business Unit Group Managers I, II, III, IV and V regarding Supervision and Socialization of Provisions on the Use of Herbicides Paraquat.
- Circular from PTP Nusantara IV Director No. 04.04 / SE / 18 / X / 2016 dated October 14, 2016 regarding the use of active ingredients of prohibited pesticides to Business Unit Group Managers I to V and Oil Palm and Tea Unit Managers. In the circular, it was explained that the use of pesticides with brodifakum 0.005% active ingredients and other pesticides according to WHO classification is prohibited from being used

The Certificate Holder also has made efforts to avoid the development of resistance to weeds such as the use of different types of pesticides, regulation of spray rotation (3 rotations) and spraying according to selective weeding. Beside that, the company (Marjandi Estate, Marihat Estate and Bah Jambi Estate) has shown a Pesticide List Document which includes identification of the type of material used, registration number, control target, WHO list and LD50.

The company (Marjandi Estate, Marihat Estate and Bah Jambi Estate) has demonstrated the pesticide application program listed in the Barchart Afdeling document, as for the planned application of pesticides, among others, the Circle Spraying activity at Marjandi Estate in December 2018 in Block 1995M, Afdeling I has the program is 18 Ha with the realization of 18 Ha (realization of 100%).

Based on observation and interviews with spraying workers in Blok 11F Afdeling 3 Marihat Estate, it is known that workers have been spraying according to procedures such as not spraying near water bodies, having knowledge of the types of pesticides used, understanding the dosages used and able to identify the target weeds

**4.6.3**

The company has procedures related to integrated pest control in Plant Pest and Disease Control (No. Doc. A.08). The SOP explains the plans for handling IPM, such as implementing an Early Warning System (EWS) by observing (global telling and effective telling) and controlling by combining a variety of compatible control techniques, such as manual, mechanical, biological (biological), and chemical.

The company has shown Census Data on Pest and Disease Attacks at PTPN IV (Marjandi Estate, Marihat Estate and Bah Jambi Estate) in which it contains the realization of the implementation of detection and census of disease pests.

Based on field observation at Block 99E, Afdeling 1, Marihat Estate (Pest and Disease Census), it is known that an increasing of pest attack (such as *Oryctes rhinoceros* and nettle caterpillar) passing the threshold. Related this problem, company has plan to minimize the pesticide use by integrated pest control with planting a beneficial plant (*Turnera ulmifolia* dan *Antigonon leptopus*) as an effort to add live media to nettle caterpillar predator.

The company has an annual evaluation the used of pesticide, listed in Long Range Plan document. There is adjustment of pesticide use at replanting area such as increasing a pesticide use cause addition of open areas/exposed area from sunlight that can be spur the weeds grow. Beside that, the addition of planting area for beneficial plan (in the replanting area) considering pest attack (nettle caterpillar) in previous year.

The company has documented the Use of Herbicides and Insecticides (Marjandi Estate, Marihat Estate and Bah Jambi Estate) for the past 1 year and compared them to previous year's use. Based on data, it is known that there is an increase in the use

of pesticides used to eradicate nettles caterpillar and rat pests. Based on management justification, it is known that the increase was due to replanting activities, where pest attacks in general also increased. The integrated pest control plan carried out by the company includes the planting of a beneficial plant in each estate.

**4.6.4**

The company has a policy document using herbicides with active paraquat namely a circular letter from the Head of Plant Section PTPN IV No. 04.03 dated August 4, 2006 to the Managers of the Business Unit Group I, II, III, IV, and V concerning Supervision and Socialization of Provisions on the Use of Herbicides in Paraquat. The circular letter is a follow-up from the letter of the Director General of Plantation, Ministry of Agriculture No.276 / LB.330 / EO.1 / 07/2006 dated July 21, 2006. In the circular, it was stated that the use of paraquat herbicides is still limited because of the residual effects harmful to human health and all users of limited pesticides such as paraquat herbicides must receive training from producers and must have certificates in accordance with Minister of Agriculture Decree No.134.1 / Kpts / TP.270 / 7/2001 (Article 7).

Based on the document it is known that the use of chemicals of type 1A / IB has been reduced. However, based on the results of a field visit to the Bah Jambi Estate Chemical Warehouse, it is known that there is still a stock of pesticides with active ingredients paraquat dichloride (Top Zone 276 SL) of 1440 liters with the acquisition date of March 19 2018. 2019 (No.BAJ / 04.04 / 06 / I / 2019) stating that the Bah Jambi Estate Manager requested that the book value be removed from the Bah Jambi Estate warehouse inventory. In addition, management explained that the company would not apply the chemical type paraquat dichloride by 2019.

**4.6.5; 4.6.7; 4.6.9**

The company has a pesticide application procedure in the Work Instruction (IK) Quality of the Circle Spraying and Interow (No. Doc. IK / TA / 07, the date of validity is June 1, 2010). The procedure covers all the spraying of chemical from the calibration of sprayers, the use of PPE, mixing & dosage of pesticides.

The company has shown documentation regarding training in the application of pesticides. The documentation includes:

- Training for handling limited pesticides on October 2 and 4, 2018 to 24 Marihat Estate workers.
- Training for handling limited pesticides on the 2nd and 4th October 2018 to 10 Bah Jambi Estate workers.
- Training for handling limited pesticides on October 5, 2018 to 4 Bah Jambi Estate workers.

The material for the training included the use of PPE, insertion of work tools, mixing techniques, division of groups, calibration of the equipment and its application to the circle and path.

The company has provided MSDS for all chemicals used, but, the company still have opportunity to ensure information on the MSDS (Observation).

Based on the results of observations and interviews on spraying activities in Blok 05BH (Marjandi Estate), in Block 07C (Bah Jambi Estate) and Blok 11F (Marihat Estate). It is know that, PPE is in accordance with HIRAC, among others, given in the form of Helmets, Glasses, Clothes, Apron, Shoes, Masks and Gloves. Beside that, it is known the CH was already provide hand cleaning facilities such as water and soap was carried by foreman. In addition, the company has provide a PPE warehouse (for keeping PPE after used) and rinse room contained in every afdeling office.

However, based on the results of field visits, it is known that the PPE used has been damaged (shoes) and has not been replaced so that the workforce makes a personal purchase. This has become a nonconformity in the indicator 4.7.3.

**4.6.6**

The business unit has an SPO document on the management of Waste and Hazardous and Toxic Materials (B3) - RSPO and ISPO Documents No. SPO 02 dated January 2, 2015 which explained that the B3 Waste included among others was the used chemical packaging.

All B3 waste is handed over to licensed transporters / users / managers. During the audit, the third party that cooperates with the company is PT Jagar Prima Nusantara. Example of proof of submission of B3 waste to licensed third party in the form of manifest, among others, handover of collection and transportation of hazardous waste by Jagar Prima Nusantara along with manifests on December 27, 2018 consisting of used burlap, used jerry cans, used poison bottles, used handsprayers, used oil, used drums, used resins, used lamps, used cartridges and used batteries.

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

**4.6.8**

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

**4.6.10**

The Company has a Procedure for managing Hazardous and Toxic Waste with No. SPO 02, revised 03 with the effective date January 2, 2017. The procedure explains that hazardous waste was stored in the hazardous waste warehouse before handed over to licensed transporters / users. During the audit, company cooperated with PT Jagar Prima Nusantara. Examples of evidence of submission of hazardous waste to licensed third parties in the form of manifest or minutes of submission.

The results of interviews with officers of chemical warehouse and hazardous waste warehouse, known that the officers knew that hazardous waste including pesticide packaging was stored at hazardous waste warehouse and then handed over to licensed third party.

**4.6.11**

The CH has updated January 2019 data on pesticide operators for each unit, namely: Bah Jambi Unit with 54 workers, 26 workers in Marjandi Units and 33 workers in Marihat Units. CH has been conducted health checks for all high risk workers, such as:

- Health checks in Marihat Unit (cholinesterase, audiometry, and spirometry) at Laras Hospital on January 21-22 2019 for 43 workers consisting of pesticide operators and other high-risk workers. It's known that the results of the examination showed that there were 36 workers in good health and 7 workers experiencing interference. For workers who experience disruption, the CH has provided further checks and obtained results that workers can continue to work as usual and always maintain health while working.
- Health checks in Jambi Bah Unit (cholinesterase, audiometry, and spirometry) in Balimbangan Hospital 23<sup>th</sup>, 28<sup>th</sup>, November and 03<sup>rd</sup> December 2018 for 88 workers (pestisda operators, factory operators, and other high-risk workers) with the result that 88 workers are in good health to work and not there are workers who are declared to have a disorder.
- Health checks in Marjandi Unit (cholinesterase, audiometry, and spirometry) in Balimbangan Hospital 23<sup>th</sup>, 28<sup>th</sup>, November and 03<sup>rd</sup> December 2018 for 29 workers with the results of 26 workers in good health to work and 3 workers said there were disturbances. For workers who experience disruption, the company has provided further checks and obtained results that workers can continue to work as usual and always maintain health while working.

**4.6.12**

The CH has a policy to prevent pregnant and lactating women from handling pesticides listed in a circular from each unit stating that the Prohibition of Hiring Pregnant Women Using Pesticides / Chemicals. This is in accordance with Law No. 1 of 1970 concerning Occupational Safety, Law No. 13 of 2003 Article 76 paragraph 2, Article 86 and Collective Labor Agreement Article 49. The circular letter was submitted to all Assistant Afdeling in to not employ employees of pregnant women working in places using chemicals, such as spraying, warehouse chemicals, circle path, and other jobs that use chemicals.

Based on the results of interviews with female workers in fertilizer and spray work in each unit, it was found that workers were given H-1 leave time given to menstruating workers and for H-2 leave. During the last 3 years there were no pregnant or lactating female workers because the average female worker was 40-50 years old. The workers also know clearly related to the circular letter of workers who are pregnant and breastfeeding are not allowed to work with chemicals and if it is found that there are workers who are pregnant and breastfeeding, they will be transferred by the CH to other jobs that are lighter and not related to materials chemistry.

<b>Status: Comply</b>
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**4.7**

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

**4.7.1.**

The CH already have a working safety and health policy as a guideline for the implementation of Occupational Health & Safety Management System. Interviews with workers in estate, It is known that there is an OHS related policy implemented at the muster morning. Occupational health and safety plans in the workplace are listed in the guiding committee of occupational

safety & health report informing the description of activities, objectives / targets, implementers, month of implementation and description of the implementation. All OHS program in 2018 has been implemented consist of monthly meeting, review procedure, OHS socialization, workplace inspection, first aid inspection, fire drill, internal audit, external audit and management review.

**4.7.2 & 4.7.3**

Management unit has showed the identification of risk, assessment and risk control for the period of 2019 for all activities, such as harvesting, manual weeding, manuring, etc. Field visit showed that HIRAC has implemented such as PPE used based on HIRAC. The company has a OHS inspection procedure that is carried out every month to find out hazard sources and monitor emergency response equipment owned. In addition, the company has a work accident investigation procedure that is used to determine the initial identification of an accident, the cause of the accident, the analysis and actions taken. Based on the results of a document study, it is known that all accidents that occur in the company have been investigated and reported to the relevant agencies.

Management unit shows programs and recording of OHS training for 2018 such as Training of hazardous management, fire drill, etc. Based on field visit known that management unit also provide workers with appropriate PPE such as, shoes, helmets, apron, mask/ respirator, glasses and gloves that in accordance with the result of hazard identification and risk analysis.

**Major Non-Conformity No. 2019.01**

Based on the results of document studies, field visits and interviews with workers it is known that there are workers who still use damaged PPE (boots) in the field such as:

- Bah Jambi Unit: 1 harvest worker in block 07C uses damaged shoes and 1 contractor worker to transport FFB in the loading ramp does not use PPE (shoes).
- Marihat Unit: 2 fertilizer workers in block 05E afdeling 2 use broken shoes.
- Marjandi Unit: 1 harvest worker in block 05C and 1 global telling worker in afdeling 3 block BX.

Based on the results of the audit above, the company has not been able to prove that all Personal Protective Equipment (PPE) is in a proper condition for all workers.

**4.7.4.**

Management unit already has the structure of OHS Guiding Committee that has approved by government. The secretary of OHS Guiding Committee was OHS expert that has approved by government. OHS meeting has conducted once a month and OHS activities also reported quarterly to government.

**4.7.5.**

Management unit has procedures for emergency such as natural disaster, riot, etc. Interview in housing known that they already get emergency response simulation such as fire, riot, etc. Beside that management unit also had procedure for accident and medical check-up. Management unit of Bah Jambi, Marihat and Marjandi has medical facility in form of first aid facility. There are first aid training in 2018 with partisipant consist of foreman, clerk, field assistant and medical officer.

**Nonconformity no. 2019.02 with minor category**

- The company has fire emergency response infrastructure in the form of APAR and Hydrant in Bah Jambi POM and the latest monitoring results in December 2018 state that all facilities are in good condition. However, during the field visit and simulation, APAR (Sterilizer and Kernel) cannot be used and Hydrant No. 04 has not functioned properly where the hose was leaking so that the water pressure during the simulation was not optimal.
- Based on the results of the monitoring document study in December 2018 it is known that all first aid kits are palced in the Bah Jambi unit are available according to the provisions (21 items). However, at the time of the field visit, facts were found: First aid kits in the engine room as many as 16 items, 10 items for the workshop, 10 items for the solar tank and 1 expired item in the form of iodine chloride.

**Non-Conformity Description:**

- The company has not been able to show evidence that the results of monitoring infrastructure facilities are in accordance with the actual conditions of the equipment in the field.



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

**4.7.6**

Management unit has provide accident insurance to workers and medical care to workers and their family. Management unit has shown evidence of payment of accident insurance and medical care. Based interview with workers in estate stated that they already have accident insurance inform of *BPJS Ketenagakerjaan*.

**Nonconformity no. 2019.03 with minor category**

Based on the results of document observations and interviews with estate / factory staff and contractor employees, it was found that there were several estate / factory operational works carried out by third parties. The results of the study of documents related to the membership of “BPJS Ketenagakerjaan” are known that CV Senang Jaya and PT Jaya Wira Manggala (nursery maintenance contractor and security of the Jambi Bah Estate) has shown proof of “BPJS Ketenagakerjaan” payments for its employees. However, the same evidence cannot be shown for the contractors CV Putra Simbodu Maju (FFB transporter from Marjandi estate) and CV Alghifari (FFB transporter from Marihat estate).

The company has not been able to show an adequate system to ensure all contractor workers have been included in the “BPJS Ketenagakerjaan” program.

**4.7.7**

Based on the document verification results of the P2K3 report Quarter 4 in 2018, it is known that the company has recapitulated the number of work accidents that occurred during 2018 and has calculated the accident record with the LTA matrix. The following are the results of the company's LTA recordings for the past year:

- Unit Marjandi with total workplace accidents in the last 1 year is 1 time in March 2018 by calculating a severity rate of 56.30 and a frequency rate of 18.78.
- Unit Marihat during 2018 there were no work accidents, so the calculation of the severity rate and frequency rate in 2018 was 0.00.
- Unit Jambi Bah with total workplace accidents in the past 1 year is 7 times with a calculation of severity rate of 3.95 and a frequency rate of 3.95.

	<b>Status:</b>	
4.7.3	<b>Nonconformity no. 2019.01 with Major category</b>	
4.7.5	<b>Nonconformity no. 2019.02 with minor category</b>	
4.7.6	<b>Nonconformity no. 2019.03 with minor category</b>	

**4.8**  
**All staff, workers, smallholders and contractors are appropriately trained.**

**4.8.1; 4.8.2**

The CH shows the training program 2018-2019to improve the employees competence in term of the RSPO P&C. for example: OSH Regulations, OSH policy, Company policy, HIRAC, harvest procedures, spraying and fertilization procedures, first aid and simulations, pesticide handling, emergency response, use of fire extinguishers, health and hygiene, spray treatment and calibration, PPE training, FFB transport procedures, mill processing training, SCCS and maintenance tool factory. Based on interview with spraying workers and harvesting worker they can explaining about job description, responsibilities and has trained by company. In addition, worker also mentioned that they have attended safe work training and are always reminded / socialized again by the supervisor/assistant during the morning meeting.

In addition to the compiled program, the CH has also carried out the realization of the program and has been well documented such as:

- OHS socialization on 27<sup>th</sup> November 2018 which was attended by 50 participants consists of workers and contractor workers
- First aid training on 14<sup>th</sup> October 2018 which was attended by 19 participants who were first aid officers
- Socialization of monitoring and protection of flora & fauna on 3<sup>rd</sup> September 2018 which was attended by 37 participants

Based on interview with spraying workers and harvesting worker they can explaining about job description, responsibilities and has trained by company. In addition, worker also mentioned that they have attended safe work training and are always



reminded / socialized again by the supervisor/assistant during the morning meeting. The CH have training record for each worker such as:

- Limited pesticides certificates to Risma Tinendung with No. 521.4 / 428.51 / UPTTPH / X / 2018 on 17<sup>th</sup> October 2018 from the Commission for Supervision of Fertilizers and Pesticides in North Sumatra Province.
- Limited pesticides certificates to Lilis Simbolon with No. 521.4 / 428.51 / UPTTPH / X / 2018 on 17<sup>th</sup> October 2018 from the Commission for Supervision of Fertilizers and Pesticides in North Sumatra Province.
- Limited pesticides certificates to Payem with No. 521.4 / 478.51 / UPTTPH / X / 2018 on 17<sup>th</sup> October 2018 from the Commission for Supervision of Fertilizers and Pesticides in North Sumatra Province.

**Status: Comply**

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

**5.1**

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

**5.1.1**

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

- **Bahjambi** : Previously the company has presented Environmental Evaluation Study document with the scope of Bah Jambi Estate of 9,060.50, Marihat Estate of 6,100.00 ha and Bah Jambi Palm Oil Mill, with production capacity of 60 tons of FFB / hour. This document has been approved by the Department of Agriculture dated 13 January 1993 No RC.220/59/B/1/93. The Company has revised the environmental documents (RKL / RPL) of Plantation and Mill Bah Jambi in 2004 located Sub district of Tanah Jawa, district of Simalungun , North Sumatera Province. The scope of the operational area of oil palm plantation 8060.50 Ha and the capacity of Mill is 60 tons of FFB / hour. This document has been approved by letter no. 432 / Bpdl-2004 dated December 29, 2004 from the Regional Environmental Impact Management Agency of Simalungun Regency.
- **Marihat** : Marihat Environmental documents have been revised, namely Environmental Evaluation Document (DELH) Oil Palm Plantation Activities in Simalungun Regency by PT. Perkebunan Nusantara IV Unit Marihat. This document has been approved by letter no SK 188.45/12.1/sekret-2014 Passed on 23 January 2014 with a plantation area of ± 4413.66 ha.
- **Marjandi** : The company has an environmental document such as Management Environmental document (DPLH), based on the approval of environmental agency of Simalungun District Number. Sekrt/2011 tanggal 03 October 2011 for scope area ± 1.891,70 hectare.

**5.1.2**

There is nonconformity in this indicator **No. 2019.04** :

**BahJambi**

Based on the 2004 RKL-RPL document, the types of managed include impacts:

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

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

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

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

**Marjandi**

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

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

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

**Marihat**

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

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

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

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

concerning Guidelines for Preparation of the Implementation of RKL and RPL (Bah Jambi, Marjandi and Marihat).

### 5.1.3

#### **BahJambi**

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

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

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

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

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

#### **Marjandi**

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

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

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

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

Not all types of impacts have been shown the evidence of monitoring. **Nonconformity no. 2019.04 with minor category**

**Marihat**

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

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

However, the results of the review of RKL-RPL report semester 2 in 2018, there were still unmonitored parameters such as soil erosion, sedimentation and decreased soil fertility. In addition, there were still monitoring plan that has not been able to show the evidence of implementation, for example: solid waste, road damage, disruption of traffic, etc.

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

<b>5.1.2</b>	<b>Status : Nonconformity no. 2019.04 with minor category</b>	
<b>5.1.3</b>	<b>Status : Nonconformity no. 2019.04 with minor category</b>	

**5.2**  
**The status of rare, threatened or endangered species and other High Conservation Value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and operations managed to best ensure that they are maintained and/or enhanced**

**5.2.1**  
 Bah Jambi Estate has identified HCV which conducted by Citra Cendikia consultant agency which conducted field data collection on 08-10 July 2011 with methodology of Guidance of Identification of High Conservation Value Area in Indonesia 2008. Public consultation on HCV identification was conducted on October 1, 2011 which was attended by 83 participants from various agencies, local people and Workers. Result of HCV Identification of Unit Bah Jambi is 735.03 Ha (9.11%) of HGU. Peer Review conducted by approved HCV Assessor on December 15, 2011.

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

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

**5.2.2 ; 5.2.3 ;5.2.4**

The company showed the HCV management program in 2018, such as:

- Monitoring flora and fauna vegetation

- Monitoring the quality of river water
- Monitoring HCV signboard
- Monitoring the quality of spring water
- Monitoring of signboard prohibited from using toxic and hazardous materials in riparian and spring water areas
- Monitoring of brombos forest fires
- Etc.

The company already has an HCV management plan and has shown several examples of realization of the management plan :

- Monitoring results of Brombos forest fires, afdeling II and III on September 2018.
- Monitoring results the encroachment of Brombos forest at afdeling III on September 2018.
- Monitoring results of spring water riparian on January 2018.
- etc

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

The results of field visits in the Kampret Cave area in Marihat Estate known that the HCV area has been managed by the company. It was known from the condition of the cave which is still maintained its area cover (wooded), there are no signs of encroachment of forest, no trace of burning or the use of chemicals. Based on the results of the visit on the border of the Bah Kora River, known that there has been a management border mark in the form of red paint on the tree of  $\pm$  50 m.

Ensure the monitoring of flora and fauna (location of blocks, number of populations encountered, date of implementation of monitoring (**Observation**))

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

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

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

The company showed the results of monitoring wildlife in 2018 and evaluation of management and monitoring program. As for the evaluation results, the flora and fauna found in the field are still in accordance with the initial identification, the actual condition of the habitat is still safe and the warning boards are not damaged or missing.

**5.2.5**

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

**Status: Comply**

**5.3**

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

**5.3.1**

Company has list of waste that produced by company, including waste source dan the management such as pesticides/chemical containers, fertilizer containers, used oil, used filter, rags, used batteries, EFB, POME etc.

**5.3.2**

In terms of hazardous waste management, the Company cooperates with third party namely PT Jagar Prima Nusantara that has license for collect or transport hazardous waste from authorized agency. Company also licensed storage for hazardous

waste in each management unit of estate and mill, such as :

- Marjandi : License of Hazardous waste storage No. 188.45/153/Sekrt-2016 dated on March 8, 2016 and valid until 5 years.
- BahJambi : License of Hazardous waste storage No. 188.45/822/Sekrt-2014 dated on September 18, 2014 and valid until 5 years.
- Marihat : License of Hazardous waste storage No. 188.45/157/Sekret-2016 dated on March 8, 2016 and valid until 5 years.

During Surveillance-1 assessment, found nonconformities in this indicator :

**BahJambi**

- Based on field visit in housing complex of afdeling 5 Bahjambi Estate, found that chemical containers stored at unlicense storage.
- Bah Jambi Estate has shown evidence of submission chemical containers found in the field at the hazardous waste storage.

**Marjandi**

- Based on field visit in housing complex of afdeling 2 Marjandi Estate, found that chemical containers (hydrogen peroxide) which is used to hold water for housing needs.
- Marjandi Estate has shown evidence of submission chemical containers found in the field at the hazardous waste storage.
- The results of a hazardous waste document review of handling of Marjandi estate including stock card, Hazardous Waste Management reports for semester 1-4 of 2018, Hazardous waste logbook, and Hazardous waste manifest, known that hazardous waste was last carried by license transporters/collectors on July 13, 2017.

**Marihat**

- The results of a hazardous waste document review of handling of Marihat estate including stock card, Hazardous Waste Management reports for semester 1-4 of 2018, Hazardous waste logbook, and Hazardous waste manifest, known that hazardous waste was last carried by license transporters/collectors on January 5, 2018.

Based on the explanation, it concluded that the company has not been able to show mechanism that monitor the chemical containers (hazardous waste) that has been managed and sent to the license hazardous waste collectors in accordance with applicable regulations (Regulation No. 101 of 2014). **NC No. 2019.06**

**5.3.3**

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

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

During Surveillance-1 assessment, found nonconformities in this indicator :

**Bah Jambi**

- Based on the results of field visits in the housing complex afdeling 5 & 6, known that landfill was in housing complex with a distance 10 – 20 m from the nearest house.
- Bahjambi Estate showed the correction in the form of photo of landfill at block 99 M afdeling 1, block 2009 afdeling 2, landfill at afdeling 3,4,5,8 (no block), block 05 B afdeling 6, block 09K afdeling 7, block 95 T afdeling 9.

**Marjandi**

- Based on the results of field visits in the housing complex afdeling 2, known that landfill was near with housing complex with a distance 10 – 20 m from the nearest house.

**Marihat**

- Based on the results of field visits in the housing complex afdeling 6, known that landfill was in housing complex with a distance 60 – 70 m from the nearest house.



Based on the explanation, known that the company has not been able to demonstrate the implementation of waste management to avoid and reduce pollution (according to the SOP no. 20, the distance of landfill 1 km from the settlement).  
**NC No. 2017.32**

<b>5.3.2</b>	<b>Status:</b> Nonconformity no. 2019.06 with Major category	
<b>5.3.3</b>	Nonconformity no. 2017.32 with Minor raised to Major category	

**5.4**  
**Efficiency of fossil fuel use and the use of renewable energy is optimised.**

**5.4.1**  
 Company shows commitment to reducing fossil fuel by renewable energy usage. Shell and fiber usage have been monitored by company, as follows :

Month	FFB Processed (Ton)	shell (Ton)	Efficiency (Ton/FFB)	Fiber (Ton)	Efficiency (Ton/FFB)
Jan	19.745	1.382,158	0,07	2.764,315	0,14
Feb	20.021	1.501,601	0,075	2.648,926	0,1323
Mar	24.125	1.593,275	0,066	3.377,536	0,14
Apr	21.134	1.585,049	0,075	2.895,707	0,137
May	22.533	1.689,96	0,075	3.154,592	0,14
Jun	18.383	1.378,714	0,075	2.450,903	0,1333
Jul	25.000	1.748,386	0,07	3.373,992	0,135
Augt	21.834	1.626,684	0,075	2.916,682	0,1336
Sept	19.870	1.490,299	0,075	2.781,891	0,14
Oct	21.499	1.612,441	0,075	2.833,587	0,1318
Nov	23.837	1.860,699	0,078	3.207,667	0,1346
Dec	25.697	1.927,274	0,075	4.430,953	0,1724
Average			0,074		0,139

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

**5.5.1 ; 5.5.2**  
 Based on Oil Palm Plantation SPO under the title Land development, in the Land Clearing section 01.3 dated August 01, 2007 explains that land clearing conduct by manual, mechanical and chemist system, work is done by way of overthrow and stacking. Based on field visit at replanting area block 18 A afdeling 3 Bahjambi estate, known that there was no indication of the replanting activity using the combustion method.

	<b>Status: Comply</b>	
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**5.6**  
**Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.**

**5.6.1 ; 5.6.2**  
 Company has identified sources of pollution and emissions generated from all operational activities of the plantation and factory. company also has plans to reduce or minimize these emissions, such as:

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

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

**Air quality emission test results (Generator 625 KVA)**

No	Parameter	Unit	Results	Thresholds ( <i>PermenLH No. 13 2009</i> )
1	SO2	Mg/Nm3	2	-
2	NO2	Mg/Nm3	116	1000
3	CO	Mg/Nm3	382	600
4	Total particulate	Mg/Nm3	22,1	-

**Air quality emission test results (Boiler)**

No	Parameter	Unit	Results			Thresholds ( <i>PermenLH No. 7 2007</i> )
			Boiler No. 1	Boiler No. 2	Boiler No. 3	
1	SO2	mg/m3	60,2	2	4	600
2	NO2	mg/m3	186	176	148	800
3	Opacity	%	< 20	17	15,5	30
4	HF	mg/m3	0,28	1,04	0,93	8
5	NH3	mg/m3	0,13	0,06	0,04	1
6	HCl		2,56	0,74	0,86	5
7	Cl2	mg/m3	1,78	0,81	0,77	5
8	Total particulate	mg/m3	186	19,6	19,2	300

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

**5.6.3**

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

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

**Summary of Net GHG Emissions**

Emissions per product	tCO <sub>2</sub> e/tProduct	Extraction	%	Production	ton/year
CPO	1.91	OER	20,89	FFB Processed	235597.52
PK	1.91	KER	3.09	CPO Produced	49224

Land Use	ha
OP planted area	11939.47
OP Planted on peat	0
Conservation	735.03

**Summary of Field Emissions and Sinks**

	Own Crop		Group		3 <sup>rd</sup> Party		Total	
	tCO <sub>2</sub> e	tCO <sub>2</sub> e/ha	tCO <sub>2</sub> e	tCO <sub>2</sub> e/ha	tCO <sub>2</sub> e	tCO <sub>2</sub> e/ha	tCO <sub>2</sub> e	tCO <sub>2</sub> e/ha
<b>Emissions</b>								

Land conversion	08420.69	9.08	0	0	0	0	08420.69	9.08
*CO <sub>2</sub> emissions from fertilizer	59734.29	5	0	0	0	0	59734.29	5
**N <sub>2</sub> O emissions	5450.13	0.46	0	0	0	0	5450.13	0.46
Fuel consumption	1055.55	0.09	0	0	0	0	1055.55	0.09
Peat Oxidation	0	0	0	0	0	0	0	0
<b>Sinks</b>								
Crop sequestration	02768.43	-8.61	0	0	0	0	02768.43	-8.61
Conservation Sequestration	0	0	0	0	0	0	0	0
<b>Total</b>	<b>71892.23</b>	<b>6.02</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>71892.23</b>	<b>6.02</b>

**Summary of Mill Emissions and Credits**

	tCO <sub>2</sub> e	tCO <sub>2</sub> e/tFFB
<b>Emissions</b>		
POME	35223.28	0.15
Fuel consumption	697.61	0
Grid Electricity Utilization	279.17	0
<b>Credits</b>		
Export of Grid Electricity	0	0
Sales of PKS	0	0
Sales of EFB	0	0
<b>Total</b>	<b>36200.06</b>	<b>0.15</b>

**Palm oil Mill Effluent (POME) Treatment**

Divert to compost	0
Divert to anaerobic digestion	100

**POME Diverted to Anaerobic Digestion:**

Divert to anaerobic pond	100
Divert to methane capture (flaring)	0

**Status: Comply**

**PRINCIPLE #6 Responsible consideration of employees and of individuals and communities affected by growers and mills**

**6.1**

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

**6.1.1 ; 6.1.2**

The company has social impact analysis report of each management unit, as follows :

- **Bah Jambi** : The report of Bah Jambi Unit made in cooperate by CV Citra Cendekia in 2011. In this document explain the positive and negative impacts of plantation operations and recommendation of social management by the company. Social Impact assessment has been conducted by involving affected parties. Records of community involvement in the form of The Social Impact Assessment implementation questionnaire and list of stakeholder aspirations along with follow-up on their aspirations on 11 October 2011. Minutes of meeting is available in the unit.

- **Marihat** : The social impact assessment report of Marihat Unit conducted by Surveyor Indonesia on December 2015 - February 2016. the implementation of the assessment using community interviews methode (guideline interview, open interview, guideline questionnaire) and direct observation of the patterns of daily life of the community. Social Impact assessment has been conducted by involving affected parties. Records of community involvement in the form of questionnaire and attendant list on November 16, 2016 attended by 22 participants.
- **Marjandi** : The social impact assessment report of Marjandi Unit conducted by Surveyor Indonesia on December 2015 - February 2016. the implementation of the assessment using community interviews methode (guideline interview, open interview, guideline questionnaire) and direct observation of the patterns of daily life of the community. Social Impact assessment has been conducted by involving affected parties. Evidence of participatory activities involving the community can be shown in the form of questionnaires from each village that are the object of assessment.  
Based on document verification and interview with related stakeholder, whole issues has been raised in SIA.

### 6.1.3

The company has a social impact management plan to reduce negative impacts and increase the positive impact that includes the managed social impacts, management location, management plan, implementation time, indicators of success and PIC. Based on the Social Impact Management Program document, overall (bahjambi, Marihat and marjandi Estate), there are 4 social impacts managed, including public facilities and social facilities, opportunities to obtain employment, business opportunities and increased education and conflict with farmers.

As for some management plans such as:

- Improve communication with stakeholders in the village
- Socialize if there is recruitment of workers to villages around the plantation
- Establishing mutually beneficial relationships between plantations and farmers around the plantation so that conflicts do not occur
- Helping the surrounding village community to develop the potential of education and business in the village through the realization of the distribution of CSR and Community Development programs.
- Etc.

Some evidence of implementation of the management plan has been shown, such as realization of CSR and Community Development, and socialization of labor recruitment.

### 6.1.4

During Surveillance-1 assessment, found that nonconformities in this indicator raised from Minor to Major :

#### **BahJambi**

- Social Impact Assessment Report of Bahjambi Estate conducted by CV Citra Cendekia in 2011
- Based on verification of SIA document, there is 15 villages or *Nagori* that directly adjacent with the company as follows Bah Jambi I, Mekar Bahalat, Bah Yoga, Moho, Bahalat Bayu, Mariah Jambi, Tanjung Maraja, Silau Malaha, Silau Manik, Dolok Hataran, Totap Majaya, Pagar Jambi (Bahjambi II), Baliyu, Baja Dolok, Bosar Galugur.
- Evidence of SIA evaluation / review in the form of 27 questionnaires that have been filled in by stakeholders. Evaluation was carried out on January 16, 2019 (1 questionnaire), December 2018 (6 questionnaires) and 3-4 January 2018 (7 questionnaires) and the rest did not have an implementation date. The stakeholders involved include Bah Jambi (3), *Nagori* Baliyu (4), *Nagori* Bah Yoga (3), wokers (4), Silau Manik (3), Baja Dolok (3), Pagar Jambi (2), Bahalat Bayu (3), and Bah Jambi I (2).

#### **Marjandi**

- Social Impact Assessment Report of Marjandi Estate conducted by CV Surveyor Indonesia in 2015-2016
- Based on verification of SIA document, there is 6 villages or *Nagori* that directly adjacent with the company as follows Nagori Marjandi Pisang, Nagori Bosar, Nagori Marjandi, Nagori Mekar Sari Raya, Simpang Raya and Siantar Silatasari.
- Evidence of SIA evaluation / review in the form of 11 questionnaires that have been filled in by stakeholders. The stakeholders involved include 4 Marjandi workers, Head of Nagori Marjandi Pisang, Head of Nagori Bosar, Head of Nagori Bah Bolon Tengah, 2 stakeholders from Nagori Panai Tonga, Head of Nagori Rayabosi, Head of Nagori Pangulu Marjandi.

Based on the explanation above, concluded that there were not enough evidence that the SIA Review which is reviewed at

<p>least once every two years has involved the participation of all affected parties (external and internal stakeholders). <b>NC No. 2017.34</b></p>	
<p><b>6.1.5</b> Based on the interview with management and public consultation known that smallholder scheme in operational area is not available.</p>	
<b>6.1.4</b>	<b>Status: Nonconformity no. 2017.34 with minor raised to major</b>
<p><b>6.2</b> <b>There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.</b></p>	
<p><b>6.2.1; 6.2.2; 6.2.3</b> The CH has the procedure for communication which is written in Communication &amp; Consultation Procedure (SPO-03 on 2<sup>nd</sup> January 2017). The objective of this procedure is to provide practical guidance for handling communications &amp; consultation with internal and external stakeholders with a maximum response of 30 days.</p> <p>Certificate holder has the latest update of Stakeholder List and their detail address. This document was categorize each of stakeholder, comprise of the government agencies in province and regency, sub district and village government level, communities representative, NGO, and local contractors.</p> <p>Based on the results of document review of “<i>Buku Surat Masuk &amp; Keluar</i>” it is known that the company has documented all communications between the company and other relevant stakeholders. In the logbook, it is known that the recording of communication is dominated by requests for information, financial assistance, proposals for assistance, and invitations to attend village events. There is a records related to confirmation of receipt and that efforts are made to ensure understanding by affected parties, and records of actions taken in response to input from stakeholders.</p> <p>Based on consultation with related stakeholder, they already know the procedure for communication and consultation with the CH. They also know the PIC for communication and consultation is assistant HRD &amp; General. The officer will be responsible as public speaker and communication process with the related parties.</p>	
	<b>Status: Comply</b>
<p><b>6.3</b> <b>There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties.</b></p>	
<p><b>6.3.1</b> PTPN IV has had procedure for complaint that explained in collective labor agreement and “<i>Peraturan Bersama Dewan Komisaris dan Direksi</i>”. Besides that on “<i>Peraturan Bersama Dewan Komisaris dan Direksi</i>” also regulate about whistleblowing system. Interview with workers union stated that they already know how submission if any complaint.</p>	
<p><b>6.3.2</b> The whole recording and handling of related complaints recorded in general and human resources division. Based on document review is known that during the period of 2018 until audit time there were no complaints presented. According to interviews with workers and communities there are no complaints or dissatisfaction of employees and external (community).</p>	
	<b>Status: Comply</b>
<p><b>6.4</b> <b>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.</b></p>	
<p><b>6.4.1; 6.4.2 and 6.4.3</b> The company is the nationalization of Dutch colonial companies, where the initial land acquisition process is not done through land rights compensation. Based on the information from the management, it is known that the company also does not have a short-term or long-term plan for new land expansion by compensating the land rights to other parties. So the company does not have procedures related to land identification and compensation. However to anticipate land conflicts, the company already</p>	

has procedures to deal with land conflicts within SOP. No. 04 dated 2 January 2015.	
<b>Status: Comply</b>	
<b>6.5</b>	
<b>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.</b>	
<b>6.5.1</b>	
<p>The company has implemented decree of North Sumatera Governor related to minimum wage and district minimum wage in 2019. The decree was reaffirmed for implementation in the form of circular letter. Furthermore, the basic salary for worker is explain in appointment decree. Review of documents also show an example of pay slip which explain the details of income (basic salary, support salary, premium pay) and deduction such as employment insurance payment and other deductions. Based on the results of interviews with workers, labor unions and gender committees it is known that the CH has provided wages that are higher than the minimum wage set by the government.</p>	
<b>6.5.2.</b>	
<p>The CH has Collective Labor Agreement period of 2018 – 2019 that has been ratified by Manpower and Transmigrations Agency in January 2018. The Company Regulation describes related to company and workers duty and rights, such as wage system, assessment of worker performance, promotion, demotion, leave rights, etc. The CH doesn't have any contract workers because all of the workers has been a permanent workers. Based on the results of interviews with workers, labor unions and the gender committee, it was known that workers know about the Collective Labor Agreement because the socialization of Collective Labor Agreement was carried out by a labor union and supported by the company in carrying out the socialization.</p>	
<b>6.5.3</b>	
<p>The CH provides facility and infrastructure for personnel welfare, such as housing, polyclinic, clean water, education facilities, worship venue, and access to electricity. Field observation at housing complex in Unit Bah Jambi, Marihat, and Marjandi show that the facilities and infrastructures are available. Based on the interview with employees mentioned that the infrastructures provided by company. The housing facility is adequate for the worker family because one house is occupied by one family.</p> <p>Based on the results of field visits and interviews with housing residents in the CH, it was found that the company provided clean water for the daily needs of the workers using drilled wells and water flowed from the factory. So far, the availability of water has been felt to be sufficient. However, specifically for the Marjandi unit, it is known that the availability of water has been available, but the shelter and distribution system for each house still uses manual water can so that residents of housing must find their own water distribution alternatives. This becomes OFI and will be observed in the next assessment. <b>(OFI)</b></p>	
<b>6.5.4</b>	
<p>The CH facilitates employees to access adequate food supply by giving an access for small traders to selling in the company environment. Moreover, there are some markets in surrounding villages and location of CH is not far from the city. Personnel have an issue to access good food with reasonable price. Based on field visit and interview with Employees, CH does not prohibited personnel to be a vendor, like selling staple food. Subsequently, there is no difficulty to access food.</p>	
<b>Status: Comply</b>	
<b>6.6</b>	
<b>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.</b>	
<b>6.6.1; 6.6.2</b>	
<p>The company policy that gives freedom to union workers is found in the Collective Labor Agreement 2018-2019 article 5 which states that directors will not interfere with or obstruct everything related to the development of the organization, as long as the development does not conflict with applicable labor laws. This document formatted in Indonesian Language, so it is easy to understand for all workers. The result of the policy is formation of Labor Unions in every unit in CH which is recorded in manpower agency and still active until now.</p> <p>The labor union conducted meeting periodically or where there is an issue with company or the member of union. There are meeting documentation, such as minutes of meeting on 18<sup>th</sup> April 2018 in Marihat Unit, 06<sup>th</sup> August 2018 in Marjandi Unit and 26<sup>th</sup> September 2018 in Bah Jambi Unit. The documentation in available in office unit and available for member if they were asking.</p>	



Based on interview with estate workers and labour union, it could be concluded that company has facilitate labor union according to worker aspiration and there is no intervention from the company for election of labour union structure.	
<b>Status: Comply</b>	
<b>6.7</b> <b>Children are not employed or exploited.</b>	
<b>6.7.1</b> The CH shows that the Policy does not employ minors with policy number No. 03 No. revision 02 effective date 02 <sup>nd</sup> January 2015 which is approved by the President Director of PTPN IV. The policy explains that the CH supports children's rights and seeks to implement them in the corporate environment, and is committed to implementing a policy of not employing underage children (18 years) under Law No. 20 of 1999 concerning ratification of the ILO convention concerning the minimum age to be allowed to work, Law No. 1 of 2000 concerning the approval of ILO conventions no. 182 concerning the prohibition and immediate action to eliminate the worst forms of child labor and Law No. 13 of 2004 concerning employment.  Based on the results of the verification document list of workers per January 2019, it is known that all workers who work in the company are more than 18 years old at the time of entry into work and there are no workers aged less than 18 years at the time of admission. This is in line with the results of interviews with representatives of labor unions, harvest workers, sprayers and factory operators. It is known that the company does not employ workers under the age of 18 in accordance with regulation provisions and regulation contained in Collective Labor Agreement 2018-2019.	
<b>Status: Comply</b>	
<b>6.8</b> <b>Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.</b>	
<b>6.8.1</b> The Company has a social policy which stated that every staff / employees should be handled fairly in everything relating to the recruitment, promotions, restrictions and conditions of employment without regard to personal issues such as race, degrees, ethnicity, gender, skin color (defects/imperfect), a membership organization, and political views, religious and/or age. It is revealed that the hired employees have diverse educational, ethnic and religious backgrounds. Interview with worker in labor union and gender committee revealed that company opens work opportunity for local communities (in mill and estate) and worker from another Province. This can be considered as positive impact over company's existence for local communities. There is no complaint related to discrimination from local communities.  <b>6.8.2</b> Document verification and interview with management, labor union and gender committee, recruitment is based on company requirement without considering ethnic, religious, and racial and religion. All prospective workers have rights for employment opportunity according with their educational background and company requirement. Moreover, result of interview with worker also reveals that there is no indication of discrimination against employees.  <b>6.8.3</b> Document verification and interview with unit management, labor union and gender committee, that the selection process and recruitment of candidates is done in accordance with the applicable procedures in the company, starting from the signing of the agreements, the evaluation of the performance, until the appointment becomes permanent workers. In process there are not discrimination about race, degrees, ethnicity, gender, skin color (defects/imperfect), a membership organization, and political views, religious and/or age. Based on the results of the document review, it was found that there were recruitment of workers in 2018 based on the ability and results of the health examination of workers, this was evidenced by the recruitment documents and the results of workers' health checks.	
<b>Status: Comply</b>	
<b>6.9</b> <b>There is no harassment or abuse in the work place, and reproductive rights are protected.</b>	
<b>6.9.1</b> The company has a policy to protect reproductive rights and prevent all forms of sexual harassment and violence. Policy regarding sexual harassment is still the same as the previous assessment that listed social policy. The policy stated that the development and implementation of policies to protect female workers from crime and sexual harassment as well as protecting the rights associated with female reproduction. The company has had a Gender Committee as a forum to ensure the policies of female workers protection are implemented. The results of interviews with gender committee and other female workers	

(daycare staff and sprayers) known that the company has formed a gender committee to handle the issues of female workers. In addition, also delivered that the company is given the reproductive rights, such as menstruation and pregnant leave in accordance with the applicable procedures.

**6.9.2**

Based on the results of interviews with Gender Committees and female workers, it was found that policies on Gender Committees had been socialized during the monthly "Bina Mental" activities and every female worker understand about Gender policy.

**6.9.3**

Complaints and response mechanism is that listed on the Collective Labor Agreement article 64 concerning settlement of disputes and complaints. Based on document verification of Complaints Book and interview with Gender Committee, there are no complaints related to sexual harassment and violence. Based on information from gender committee, that the handling of issues about sexual harassment and violence will be resolved together with gender committee and the identity of reporter will be protected.

**Status: Comply**

**6.10**

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

**6.10.1 and 6.10.2**

Based on FFB received report in weighbridge system, mill only received FFB from RSPO certified supply bases (Bah Jambi, Marihat and Marjandi) and other estate under management of PTPN IV. There is no FFB supply from independent out grower or smallholder. Hence, there is no FFB pricing mechanism in mill.

**6.10.3 and 6.10.4**

The company has Work agreement with local contractors to carry out company operational activities including:

- Work agreement for nursery maintenance management activities at the Bah Jambi Estate between PTPN IV Jambi Bah Business Unit and CV Senang Jaya in accordance with agreement No. 04.04 / SPKP / BBT-MN / 007 / X / 2018 dated October 5, 2018 which is valid until 31<sup>st</sup> December 2018. In the employment agreement, the rights and obligations of both parties are included such as general provisions, type & number of jobs, prices, payment procedures, the period of guarantee for the execution of work and other information. There is also proof of payment for work completed in December 2018 conducted on 15<sup>th</sup> January 2019 through Bank Mandiri.
- Work agreement for FFB transport activities in Marihat Estate between PTPN IV Business Units Marihat with CV Al-Ghifari according to agreement No. GMD-IADD / ATBS / 94.1 / X / 2018 dated 31<sup>st</sup> October 2018 which is valid until one of the parties terminates the agreement. In the work agreement, the rights and obligations of both parties are included, such as general provisions, type & number of jobs, prices, procedures for payment, period of guarantee for the execution of work and other information. There is also proof of payment for work completed in December 2018 conducted on 15<sup>th</sup> January 2019 through Bank Mandiri.
- Work agreement for FFB transportation in Marjandi Estate between PTPN IV Marjandi Business Unit and CV Putra Simbodou. Forward in accordance with agreement No. GMD-IADD / ATBS / 76 / VIII / 2018 dated August 13, 2018 which is valid until one of the parties terminates the agreement. In the work agreement, the rights and obligations of both parties are included, such as general provisions, type & number of jobs, prices, procedures for payment, period of guarantee for the execution of work and other information. There is also proof of payment for work completed in December 2018 made on 31<sup>st</sup> December 2018 through Bank Mandiri.

Based on the official results with local contractors it is known that every job has a cooperation contract and all this time the payment for the completion of the work is always on time in accordance with the agreement.

**Status: Comply**

**6.11**

**Growers and millers contribute to local sustainable development wherever appropriate.**

**6.11.1**

The results of interviews with village community representatives, the priority of the main needs of today's society are children's education, places of worship and road improvements. The company's contribution to local development includes:

- Providing educational assistance, improving places of worship, road improvements and sports.

<ul style="list-style-type: none"> <li>• Provide jobs for the surrounding community.</li> <li>• Provide business opportunities for local contractors in the surrounding communities</li> </ul> <p>Based on interviews with villagers, it is known that the community has received a positive contribution from the existence of the company. Requests for assistance from the community are well responded to by the company.</p>	
<b>6.11.2</b>	
Based on interviews with the management and document review, there is no scheme of smallholders in the area.	
	<b>Status: Comply</b>
<b>6.12</b>	
<b>No forms of forced or trafficked labour are used.</b>	
<b>6.12.1; 6.12.2 &amp; 6.12.3</b>	
Document review and interviews with workers revealed that no migrant labour, all workers has had appointment decree from Director. The company shows that every worker has a work agreement and to work in accordance with the division of labour in the labour agreement. According to interviews with workers revealed that they are working with the place and the division of tasks in the work order. Based on a field visit in estate known that workers didn't accompanied by his wife or other family member.	
	<b>Status: Comply</b>
<b>6.13</b>	
<b>Growers and millers respect human rights</b>	
<b>6.13.1</b>	
The company has a policy on human rights (Policy No. 07, Revision 02, effective date January 02, 2015) which explains PTPN IV respects the human rights and dignity of all people, in accordance with applicable legal requirements. In addition, the company has policies that have been issued by companies related to workers' rights having considered provisions on human rights such as: Wage policy in accordance with minimum wage provisions, policies on equal treatment regardless of ethnicity, religion, race and class, policies on the protection of reproductive rights of female workers, policies on the provision of health facilities, housing and education to workers and workers' families. There was also shown documentation of Human Rights Policy Socialization for several levels of workers in each division on year of 2018. Based on consultation with internal stakeholder (labor union and Gender Committee) and the external stakeholder from several village surround, there was no information related to Human Right abuse cause by the plantation and mill operation.	
	<b>Status: Comply</b>
<b>PRINCIPLE #7 Responsible development of new plantings</b>	
<b>7.1</b>	
<b>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.</b>	
Based on document verification, interviews with management and government agencies, there was no development of new areas. BahJambi, Marjandi and Marihat are derived from erpafch lands which are nationalized	
	<b>Status: Comply</b>
<b>7.2</b>	
<b>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.</b>	
<b>7.2.1; 7.2.2</b>	
Based on interview with Bah Jambi Estate Staff, the historical of this estate was started at year 1950; while according to interview with Marihat Estate Staff, the historical this estate was started at year 1928 from Netherland Company. There are no new development program during this assessment. Beside that, PTPN IV Marjandi Unit was Nationalization of Dutch colonial company, and to date estate operations have carried out 3 <sup>rd</sup> cycle replanting and there is no new development.	
	<b>Status: Comply</b>

<b>7.3</b>	
<b>New plantings since November 2005, have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.</b>	
Based on document verification, interviews with management and government agencies, there was no development of new areas. BahJambi, Marjandi and Marihat are derived from erpafch lands which are nationalized.	
	<b>Status: Comply</b>
<b>7.4</b>	
<b>Extensive planting on steep terrain, and/or on marginal and fragile soils, is avoided.</b>	
As explained in principle 2 that the operational area of PTPN IV, particularly the Bah Jambi and Marihat Business Units, is derived from erpafch lands which are nationalized under Law no. 86 of 1958 on the Nationalization of Dutch Owned Enterprises jo. PP no. 19 of 1959 concerning the Establishment of Dutch Owned Agriculture / Plantation Companies Subject to Nationalization. There was no land expansion identified during the audit. Beside that, PTPN IV Marjandi Unit was Nationalization of Dutch colonial company, and to date estate operations have carried out 3 <sup>rd</sup> cycle replanting and there is no new development.	
	<b>Status: Comply</b>
<b>7.5</b>	
<b>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.</b>	
PTPN IV Bah Jambi, Marihat and Marjandi Unit was come from nationalization of Dutch colonial company Independence day of Indonesia. There is no land expansion since the date.	
	<b>Status: Comply</b>
<b>7.6</b>	
<b>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.</b>	
PTPN IV Bah Jambi, Marihat and Marjandi Unit was come from nationalization of Dutch colonial company Independence day of Indonesia. There is no land expansion since the date.	
	<b>Status: Comply</b>
<b>7.7</b>	
<b>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.</b>	
Based on document verification, interviews with management and government agencies, there was no development of new areas. BahJambi, Marjandi and Marihat are derived from erpafch lands which are nationalized	
	<b>Status: Comply</b>
<b>7.8</b>	
<b>New plantation developments are designed to minimise net greenhouse gas emissions.</b>	
Based on document verification, interviews with management and government agencies, there was no development of new areas. BahJambi, Marjandi and Marihat are derived from erpafch lands which are nationalized	
	<b>Status: Comply</b>
<b>PRINCIPLE #8 Commitment to continuous improvement in key areas of activity</b>	
<b>8.1</b>	
<b>Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.</b>	
The company is committed to implemented sustainability palm oil management through the certification scheme (RSPO). According to the last report, internal audit has conducted annually as follows:	
<ul style="list-style-type: none"> <li>• Bah Jambi has audited on 18 – 19 January 2019.</li> <li>• Marihat has audited on 16 – 17 January 2019</li> <li>• Marjandi has audited on 14 – 15 January 2019</li> </ul>	
During the internal audit, found some issues in RSPO Principle and Criteria and also supply chain implementation. Therefore,	

management has conducted management review meeting to close whole nonconformities that found. According to the document verification and interview with related staff informed that all nonconformities has been fulfilled before the external audit by certification body.

BMP Aspect

The company has a addition program of EFB application in the replanting area as an effort to increase an organic material in the soil.

Social

The company has CSR program year of 2019 and record of 2018, for example: Fostering and providing assistance to business group

<b>Status: Comply</b>
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**3.2. Summary of Assessment Report of Supply Chain Requirement**

**3.2.1 General chain of custody requirements for the supply chain**

Clause	Requirement
<b>5.1</b>	<b>Applicability of the general chain of custody requirements for the supply chain</b>
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>Facility sold their palm product (CPO/PK) directly to the buyer from mill. CPO/PK transporter is hired by buyer according to the contract.</p> <p><b>Status: Comply</b></p>
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>Based on FFB received report in weighbridge system, mill only received FFB from RSPO certified supply bases (Bah Jambi, Marihat and Marjandi) and other estate under management of PTPN IV. There is no FFB supply from independent out grower or smallholder.</p> <p><b>Status: Comply</b></p>
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>Bah Jambi POM - PT Perkebunan Nusantara IV has registered in RSPO membership 1-0082-09-000-00 since 29 June 2009.</p> <p>Bah Jambi POM has been registered in IT platform palm trace RSPO <a href="https://palmtrace.rsपो.org/web/rsपो/member-directory">https://palmtrace.rsपो.org/web/rsपो/member-directory</a> which information as follows:</p> <ul style="list-style-type: none"> <li>• Member Name: Bah Jambi POM - PT Perkebunan Nusantara IV</li> <li>• Account UID: RSPO_AC1000004117</li> <li>• Core Product: Palm Oil</li> <li>• Member ID: RSPO_PO1000004181</li> <li>• Type of Business: Oil Mill</li> </ul> <p><b>Status: Comply</b></p>
5.1.4	<p>Processing aids do not need to be included within an organization's scope of certification.</p> <p>Facility sold their palm product (CPO/PK) directly to the buyer from mill, so there is no processing aid.</p> <p><b>Status: Comply</b></p>
<b>5.2</b>	<b>Supply chain model</b>
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 -&gt; Segregated -&gt; Mass Balance.</p> <p>Facility only using single supply chain model which is Mass Balance Model.</p> <p><b>Status: Comply</b></p>
5.2.2	<p>The site can use one (1) or a combination of supply chain models as audited and certified by the CB.</p>



Facility only using single supply chain model which is Mass Balance Model.	
	<b>Status: Comply</b>
<b>5.3</b>	<b>Documented procedures</b>
<b>5.3.1</b>	
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.	
Facility has had procedure regarding to supply chain implementation in document Basic Guidance and Work Instruction of Certified Palm Oil Product Handling (document number 04.03/KS/SUS/P/003 approved since 1 <sup>st</sup> August 2018). It procedure has covered the implementation of certified and non-certified handling, personnel in charge, book keeping and announce and confirm trades in the RSPO IT platform etc.	
Personnel in charge:	
<ul style="list-style-type: none"> <li>• Field assistant managed certified FFB in estate.</li> <li>• Mill manager registered mill in RSPO IT platform and documented book keeping.</li> <li>• Weighbridge operator recapitulated amount of FFB received from certified/non-certified area.</li> <li>• Staff of planning and strategic department monitored a certification period and quota.</li> </ul>	
Based on procedure above, concluded that facility has had a complete and updated procedure regarding to supply chain implementation.	
	<b>Status: Comply</b>
<b>5.3.2</b>	
The site shall have a written procedure to conduct annual internal audit	
In accordance with supply chain procedure, internal audit of supply chain conducted annually. Bah Jambi POM has conducted internal audit supply chain on 18 – 19 January 2019 which is found some NC's. Based on minutes of meeting management review on 22 January 2019 in meeting room Bah Jambi, all NC's has been closed.	
	<b>Status: Comply</b>
<b>5.4</b>	<b>Purchasing and goods in</b>
<b>5.4.1</b>	
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.	
Question :	
All RSPO product information is provided by suppliers in accordance with :	
<ul style="list-style-type: none"> <li>• The name and address of the buyer;</li> <li>• The name and address of the seller;</li> <li>• The loading or shipment / delivery date;</li> <li>• The date on which the documents were issued;</li> <li>• A description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance or the approved abbreviations);</li> <li>• The quantity of the products delivered;</li> <li>• Any related transport documentation;</li> <li>• Supply Chain certificate number of the seller;</li> <li>• A unique identification number</li> <li>• Information shall be complete and can be presented either on a single document or across a range of documents issued for RSPO certified oil palm products (for example, delivery notes, shipping documents and specification documentation).</li> <li>• The site receiving RSPO certified oil palm products shall ensure that the products are verified as being RSPO certified. For sites that are required to announce and confirm trades in the RSPO IT platform, this shall include making Shipping Announcements/Announcements and Confirmations on the RSPO IT platform per shipment or group of shipments. Refer to section 5.7.1 of this document for further guidance.</li> </ul>	

<ul style="list-style-type: none"> <li>A check of the validity of the Supply Chain Certification of suppliers is required for all sites that are SC certified. This shall be checked via the list of RSPO Supply Chain Certified sites on the RSPO website (<a href="http://www.rspo.org">www.rspo.org</a>) at least annually or through the RSPO IT Platform by confirmation of (shipping) announcements.</li> <li>The validity of license for traders and distributors shall also be checked via the RSPO website at least annually or through the RSPO IT platform by confirmation of shipping announcements/announcements.</li> </ul>	
<p>Facility has documented all information of their palm oil products buyer. There was 36 potential buyer that has been listed by certificate holder. All palm product dispatch has completed with data of contract, product description, quantity, transporter documentation, declaration of product status etc.</p> <p>During the audit, auditor has verified the sales information in RSPO Palm Trace that informed there was 3,730 MT CSPO sold and 3,444 MT sold during the certification period (23 February 2018 – 31 Dec 2018).</p>	
	<b>Status: Comply</b>
<p><b>5.4.2</b> The site shall have a mechanism in place for handling non-conforming oil palm products and/or documents</p>	
<p>Facility has had an update procedures for handling non-conforming palm oil product in SOP of Information and Production Claim No. SPO 18 dated January 2, 2015 (2nd revision).</p>	
	<b>Status: Comply</b>
<b>5.5</b>	<b>Outsourcing activities</b>
<p><b>5.5.1</b> In cases where an operation seeking or holding certification outsources activities to independent third parties (e.g. subcontractors for storage, transport or other outsourced activities), the operation seeking or holding certification shall ensure that the independent third party complies with the requirements of the RSPO Supply Chain Certification Standard. A CPO mill and independent mill cannot outsource processing activities like refining or crushing.</p>	
<p>Facility does not using third party for physical handling of palm product (CPO/PK).</p>	
	<b>Status: Comply</b>
<p><b>5.5.2</b> Sites which include outsourcing within the scope of their RSPO Supply Chain certificate shall ensure the following:</p> <ol style="list-style-type: none"> <li>The site has legal ownership of all input material to be included in outsourced processes;</li> <li>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.</li> <li>The site has a documented control system with explicit procedures for the outsourced process which is communicated to the relevant contractor.</li> <li>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</li> </ol>	
<p>Facility sold their palm product (CPO/PK) directly to the buyer from mill, so there is no outsourcing process.</p>	
	<b>Status: Comply</b>
<p><b>5.5.3</b> 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.</p>	
<p>Facility sold their palm product (CPO/PK) directly to the buyer from mill, so there is no outsourcing process.</p>	
	<b>Status: Comply</b>
<p><b>5.5.4</b> 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</p>	
<p>There is no outsourcers.</p>	

	<b>Status: Comply</b>
<b>5.6</b>	<b>Sales and goods out</b>
<b>5.6.1</b> The supplying site shall ensure that the following minimum information for RSPO certified products is made available in document form: <u>The name and address of the buyer</u>	
Facility has documented all information of their palm oil products buyer. There was 36 potential buyer that has been listed by certificate holder. All palm product dispatch has completed with data of contract, product description, quantity, transporter documentation, declaration of product status etc.  All palm product dispatch has completed with data of contract, product description, quantity, transporter documentation, declaration of product status etc. During the audit, auditor has verified the sales information in RSPO Palm Trace that informed there was 3,730 MT CSPO sold and 3,444 MT sold during the certification period (23 February 2018 – 31 Dec 2018).	
	<b>Status: Comply</b>
<b>5.7</b>	<b>Registration of transactions</b>
<b>5.7.1</b> Supply chain actors who: <ul style="list-style-type: none"> <li>• are mills, traders, crushers and refineries; and</li> <li>• 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</li> </ul>	
Facility has shown their transaction document that consist registration in IT platform. It also can be downloaded at RSPO palm trace. During the audit, auditor has verified the sales information in RSPO Palm Trace that informed the RSPO certified product sold as certified and conventional.	
	<b>Status: Comply</b>
<b>5.7.2</b> 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"> <li>• 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.</li> <li>• 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.</li> <li>• Remove: RSPO certified volumes sold under other scheme or as conventional, or in case of underproduction, loss or damage shall be removed.</li> <li>• Confirm: Acknowledge the purchase of RSPO certified volume by confirming Shipping Announcements / Announcements.</li> </ul>	
Based on document verification, facility has documented record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis. All of these transactions are recorded in the RSPO IT Platform.	
	<b>Status: Comply</b>
<b>5.8</b>	<b>Training</b>
<b>5.8.1</b> 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	
Facility has planned annual refreshment training regarding to RSPO Supply Chain Standard requirement. The last refreshment training regarding on supply chain conducted on 15 October 2018 located in meeting room Bah Jambi POM attended by 30 person who having responsibility overall responsibility for and authority over the implementation of supply chain. An objective of these training such as supply chain background, module for mill, mass balance procedure, RSPO certified stamp implementation and book keeping documentation.	

	<b>Status: Comply</b>												
<b>5.8.2</b>	<p>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</p> <p>Based on interview and document verification, all personal who having responsibility and authority are able to demonstrate their competency regarding the implementation of supply chain. All FFB delivery note and weighbridge ticket from certified source has stamped with "CERTIFIED" stamp.</p>												
	<b>Status: Comply</b>												
<b>5.9</b>	<b>Record keeping</b>												
<b>5.9.1</b>	<p>The organization shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these RSPO Supply Chain Certification Standard requirements</p> <p>Facility has been well maintained all record regarding to supply chain implementation (FFB receiving including its certified/non-certified sources, CPO/PK dispatch) in mass balance document.</p>												
	<b>Status: Comply</b>												
<b>5.9.2</b>	<p>Retention times for all records and reports shall be a minimum of two (2) years and shall comply with legal and regulatory requirements and be able to confirm the certified status of raw materials or products held in stock</p> <p>Based on document verification on supply chain procedure, retention time for all records and report regarding to supply chain are kept for 2 year. All of record and report kept in mill archive room.</p>												
	<b>Status: Comply</b>												
<b>5.9.3</b>	<p>The organization shall be able to provide the estimate volume of palm oil / palm kernel oil content (separate categories) in the RSPO certified oil palm product and keep an up to date record of the volume purchased (input) and claimed (output) over a period of twelve (12) months.</p> <p>Facility estimated their palm product which is written in annex of initial assessment certificate and monitored in three-monthly bases. If any overproduction, facility will inform the CB to extend their volume.</p> <table border="1"> <thead> <tr> <th>Product</th> <th>Estimation of Certified Product (MT)</th> <th>Actual Production 23 February 2018 – 31 December 2018 (MT)</th> </tr> </thead> <tbody> <tr> <td>FFB</td> <td>188,042</td> <td>161,247</td> </tr> <tr> <td>CPO</td> <td>46,408</td> <td>38,512</td> </tr> <tr> <td>PK</td> <td>9,026</td> <td>5,450</td> </tr> </tbody> </table> <p><i>Source: production data since mill certified (23 February 2018 until 31 December 2018)</i>            Note: mill certified since 23 February 2018.</p>	Product	Estimation of Certified Product (MT)	Actual Production 23 February 2018 – 31 December 2018 (MT)	FFB	188,042	161,247	CPO	46,408	38,512	PK	9,026	5,450
Product	Estimation of Certified Product (MT)	Actual Production 23 February 2018 – 31 December 2018 (MT)											
FFB	188,042	161,247											
CPO	46,408	38,512											
PK	9,026	5,450											
	<b>Status: Comply</b>												
<b>5.10</b>	<b>Conversion factors</b>												
<b>5.10.1</b>	<p>Where applicable a conversion rate shall be applied to provide a reliable estimate for the amount of certified output available from the associated inputs. Organizations may determine and set their own conversion rates which shall be based upon past experience, documented and applied consistently. Guidance on conversion rates is published on the RSPO website (<a href="http://www.rspo.org">www.rspo.org</a>); RSPO Rules for Physical Transition of Oleochemicals and its Derivatives. This is relevant for derivatives of Palm Oil and Palm Kernel Oil, as used in the oleochemical and personal care industries</p> <p>Facility did not using conversion rate.</p>												
	<b>Status: Comply</b>												
<b>5.10.2</b>	<p>Conversion rates shall be periodically updated to ensure accuracy against actual performance or industry average if appropriate.</p>												

Facility did not using conversion rate.	
	<b>Status: Comply</b>
<b>5.11</b>	<b>Claims</b>
<b>5.11.1</b> 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.	
Facility did not using logo.	
	<b>Status: Comply</b>
<b>5.12</b>	<b>Complaints</b>
<b>5.12.1</b> The organization shall have in place and maintain documented procedures for collecting and resolving stakeholder complaints.	
Facility has had procedure regarding to supply chain implementation in document Basic Guidance and Work Instruction of Certified Palm Oil Product Handling (document number 04.03/KS/SUS/P/003 approved since 1 <sup>st</sup> August 2018). It procedure has covered the implementation of certified and non-certified handling, personnel in charge, book keeping and announce and confirm trades in the RSPO IT platform etc.	
Personnel in charge: <ul style="list-style-type: none"> <li>• Field assistant managed certified FFB in estate.</li> <li>• Mill manager registered mill in RSPO IT platform and documented book keeping.</li> <li>• Weighbridge operator recapitulated amount of FFB received from certified/non-certified area.</li> <li>• Staff of planning and strategic department monitored a certification period and quota.</li> </ul>	
Based on procedure above, concluded that facility has had a complete and updated procedure regarding to supply chain implementation. These procedures refer to the newest RSPO Supply Chain Certification Standard and RSPO Certification System. It also covered complaints handling procedures.	
	<b>Status: Comply</b>
<b>5.13</b>	<b>Management review</b>
<b>5.13.1</b> The organization is required to hold management reviews annually at planned intervals, appropriate to the scale and nature of the activities undertaken	
In accordance with supply chain procedure, internal audit of supply chain conducted annually. Bah Jambi POM has conducted internal audit supply chain on 18 – 19 January 2019 which is found some NC's. Based on minutes of meeting management review on 22 January 2019 in meeting room Bah Jambi, all NC's has been closed.	
	<b>Status: Comply</b>
<b>5.13.2</b> The input to management review shall include information on: <ul style="list-style-type: none"> <li>• Results of internal audits covering RSPO Supply Chain Certification Standard.</li> <li>• Customer feedback.</li> <li>• Status of preventive and corrective actions.</li> <li>• Follow-up actions from management reviews.</li> <li>• Changes that could affect the management system.</li> <li>• Recommendations for improvement.</li> </ul>	
In accordance with supply chain procedure, internal audit of supply chain conducted annually. Bah Jambi POM has conducted internal audit supply chain on 18 – 19 January 2019 which is found some NC's. Based on minutes of meeting management review on 22 January 2019 in meeting room Bah Jambi, all NC's has been closed.	
	<b>Status: Comply</b>

5.13.3

The output from the management review shall include any decisions and actions related to:

- Improvement of the effectiveness of the management system and its processes.
- Resource needs.

It documented in management review document as written in preventive action.

**Status: Comply**



3.2.2 (Module E) CPO Mills - Mass Balance Requirements

Clause	Requirement																
E.1	Definition																
E.1.1	<p><b>Certification for CPO mills is necessary to verify the volumes of certified and uncertified FFB entering the mill and sales volume of RSPO certified products. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own and 3rd party certified supply base. In that scenario, the mill can claim only the volume of oil palm products produced from processing of the certified FFB as MB.</b></p> <p>Based on FFB received report in weighbridge system, mill only received FFB from RSPO certified supply bases (Bah Jambi, Marihat and Marjandi) and other estate under management of PTPN IV. There is no FFB supply from independent out grower or smallholder.</p> <p>Due to mill still received FFB from uncertified supply bases, mill using Module E (Mass Balance) on their supply chain implementation.</p>																
	Status: Comply																
E.2	Explanation																
E.2.1	<p><b>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&amp;C certification report. For an independent mill, the estimated tonnage of CPO and PK products must be recorded in the RSPO IT platform, supply chain certificate and public summary audit report. This figure represents the total volume of certified oil palm product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced shall then be recorded in each subsequent annual surveillance report.</b></p> <p>Facility estimated their palm product which is written in annex of initial assessment certificate and monitored in three-monthly bases. If any overproduction, facility will inform the CB to extend their volume.</p> <table border="1"> <thead> <tr> <th>Product</th> <th>Estimation of Certified Product (MT)</th> <th>Actual Production 23 February 2018 – 31 December 2018 (MT)</th> <th>Projected production for the next certification period (MT)</th> </tr> </thead> <tbody> <tr> <td>FFB</td> <td>188,042</td> <td>161,246</td> <td>199,325</td> </tr> <tr> <td>CPO</td> <td>46,408</td> <td>38,512</td> <td>43,851</td> </tr> <tr> <td>PK</td> <td>9,026</td> <td>5,450</td> <td>9,966</td> </tr> </tbody> </table> <p><i>Source: production data since mill certified (23 February until 31 December 2018)</i>  <i>Note: mill certified since 23 February 2018.</i></p>	Product	Estimation of Certified Product (MT)	Actual Production 23 February 2018 – 31 December 2018 (MT)	Projected production for the next certification period (MT)	FFB	188,042	161,246	199,325	CPO	46,408	38,512	43,851	PK	9,026	5,450	9,966
Product	Estimation of Certified Product (MT)	Actual Production 23 February 2018 – 31 December 2018 (MT)	Projected production for the next certification period (MT)														
FFB	188,042	161,246	199,325														
CPO	46,408	38,512	43,851														
PK	9,026	5,450	9,966														
	Status: Comply																
E.2.2	<p><b>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).</b></p> <p>Bah Jambi POM - PT Perkebunan Nusantara IV has registered in RSPO membership 1-0082-09-000-00 since 29 June 2009.</p> <p>Bah Jambi POM has been registered in IT platform palm trace RSPO <a href="https://palmtrace.rspo.org/web/rspo/member-directory">https://palmtrace.rspo.org/web/rspo/member-directory</a> which information as follows:</p> <ul style="list-style-type: none"> <li>• Member Name: Bah Jambi POM - PT Perkebunan Nusantara IV</li> <li>• Account UID: RSPO_AC1000004117</li> <li>• Core Product: Palm Oil</li> <li>• Member ID: RSPO_PO1000004181</li> <li>• Type of Business: Oil Mill</li> </ul>																
	Status: Comply																
E.3	Documented procedures																

**E.3.1**

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

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

Facility has had procedure regarding to supply chain implementation in document Basic Guidance and Work Instruction of Certified Palm Oil Product Handling (document number 04.03/KS/SUS/P/003 approved since 1<sup>st</sup> August 2018). It procedure has covered the implementation of certified and non-certified handling, personnel in charge, book keeping and announce and confirm trades in the RSPO IT platform etc.

Personnel in charge:

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

Based on procedure above, concluded that facility has had a complete and updated procedure regarding to supply chain implementation.

**Status: Comply**

**E.3.2**

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

In accordance with supply chain procedure as explained in clause E.3.1 above, facility has demonstrated mass balance procedure (separating between certified and non-certified product).

According to the interview with weighbridge operator known that the company has had the procedure to separate FFB that comes from certified or noncertified sources. All of FFB received will be separate in weighbridge system and calculate CPO/PK certified/noncertified product and stamped with certified and noncertified stamp. Administration staff will informed the sum of certified/noncertified product in daily bases, monthly and three monthly bases to the mill manager.

**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.**

Certified and non-certified FFB received during certification period (23 February 2018 until 31 December 2018)

Month	FFB (MT)		
	RSPO Certified	Non-Certified	Total
23 – 28 February 2018	3,870	1,835	5,705
March 2018	15,802	8,250	24,052
April 2018	15,350	5,452	20,802
May 2018	16,865	5,480	22,345
June 2018	12,616	6,547	19,164
July 2018	17,703	6,431	24,134
August 2018	16,327	5,209	21,536
September 2018	15,840	3,841	19,680
October 2018	14,888	6,870	21,758
November 2018	16,134	7,346	23,480
December 2018	15,852	9,252	25,104
<b>Total</b>	<b>161,247</b>	<b>66,513</b>	<b>227,760</b>

Source: All FFB received data recorded on the weighbridges system in mill.

Status: Comply

**E.4.2**

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

Based on the estimated FFB, CPO and PK on annex 1 of initial assessment certificate, facility could be produce as follows:

Product	Estimation of Certified Product (MT)	Actual Production 23 February 2018 – 31 December 2018 (MT)
FFB	188,042	161,247
CPO	46,408	38,512
PK	9,026	5,450

Based on the data above, there was no overproduction yet.

Status: Comply

**E.5 Record keeping**

**E.5.1**

- The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a real-time basis and / or three-monthly basis.
- All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO.
- The site can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three (3) months. However, a site is allowed to sell short. (i.e. product can be sold before it is in stock.)

Mill has documented the record and balance of all RSPO certified FFB and deliveries of RSPO certified CPO and PK on a real-time basis and / or three-monthly basis.

Based on certification period (23 February 2018 – 31 December 2018) found that summary of certified/noncertified product sold as follow:

Period	CPO Production (MT)		Total	Cert CPO Dispatch (MT)			Total
	Cert	Non Cert		RSPO	Other scheme	Non Cert	
23 February 2018 – 31 December 2018	38,512	19,035	57,547	3,730	-	13,828	17,558

Period	PK Production (MT)		Total	Cert PK Dispatch (MT)		Total
	Cert	Non Cert		RSPO	Non Cert	
23 February 2018 – 31 December 2018	5,450	2,858	8,308	3,444	-	3,444

Status: Comply

**E.5.2**

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

Bah Jambi POM does not perform the processing by themselves nor outsource to independent palm kernel crusher.

Status: Comply

**3.3. Conformity Checklist of Certificate and Trademark Use**

<b>1.</b>	<b>Evidence of permission or approval certificate and logo from Certification Body which submitted by Client</b>	<b>X or √</b>
<b>ASA-1</b>	Certificate holder (Bah Jambi POM – PT. Perkebunan Nusantara IV) have a license/approval from Mutuagung Lestari as Certification Body regarding use of certification with No. MUTU-RSPO/109	√
	<b>Status: Comply</b>	
<b>2.</b>	<b>Implementation of certificate and logo used by Client comply with size and type (shape) against Guideline of Logo Use</b>	<b>X or √</b>
<b>ASA-1</b>	Certificate holder (Bah Jambi POM – PT. Perkebunan Nusantara IV) are not using the RSPO logo both on-product and off-product within scope of certification.	√
	<b>Status: Comply</b>	
<b>3.</b>	<b>Implementation of Certificate and Logo is not used on product</b>	<b>X or √</b>
<b>ASA-1</b>	Certificate holder (Bah Jambi POM – PT. Perkebunan Nusantara IV) are not using the RSPO logo both on-product and off-product within scope of certification.	√
	<b>Status: Comply</b>	
<b>4.</b>	<b>Controlling of Certificate and Logo, including withdrawing inappropriate logo.</b>	<b>X or √</b>
<b>ASA-1</b>	Certificate holder (Bah Jambi POM – PT. Perkebunan Nusantara IV) are not using the RSPO logo both on-product and off-product within scope of certification.	√
	<b>Status: Comply</b>	

**3.4. Summary of RSPO Partial Certification.**

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

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

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

MUTU Auditor has verified company partial certification and concludes that:

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

2.1 Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
2.1.1	Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	<p>Yes and positive assurance is produced for these units.</p> <p><b>Auditor verification</b> 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"> <li>• Primary forest.</li> <li>• Any area identified as containing High Conservation Values (HCVs).</li> <li>• Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3.</li> </ul>	<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 (<a href="mailto:rspocompensation@rspo.org">rspocompensation@rspo.org</a>) 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><b>Auditor verification</b></p>

		Auditor has verified the supporting evidence of above the company statement. The above statement in accordance with the supporting evidence provided.
2.1.3	Any new plantings since January 1 <sup>st</sup> 2010 must comply with the RSPO New Plantings Procedure.	<p>No new planting/land clearing after 1<sup>st</sup> January 2010. All planting in PTPN IV management units are old plantation that was planted before November 2005.</p> <p><b>Auditor verification</b> PTPN IV has sent their liability disclosure and LUCA to the RSPO Compensation Panel (<a href="mailto:rspocompensation@rspo.org">rspocompensation@rspo.org</a>) 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><b>Auditor verification</b> The company has SPO of conflict area menagement 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><b>Auditor verification</b> There is no information from public source and RSPO website on any labour conflict for uncertified unit of the group subsidiaries.</p> <p>The company has a mechanism for dealing with complaints and dissatisfaction in the SOP of Internal Communication and Employee Grievance Handling (internal) (No. 19 (Revision 1) effective from January 2, 2015), SOP Handling Customer Complaints and Environment (external) (No. 13 (Revision 1) effective from January 2, 2015) and there are SOP of Communication and Public Consultation (No. SPO 03, revision 02, the effective date of January 2, 2015).</p> <p>The Company has a policy to protect the identity of the Whistle Blowing that stated in the documents of Infringement Complaint Management System (Whistle Blowing System)</p>



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

**3.5 Identification of Findings, Corrective Action, Observations, Opportunity for Improvement and Noteworthy Positive Components.**

**3.5.1 Identification of Findings, Corrective Actions and Observations at Initial Assessment**

<b>NCR No.</b>	<b>: 2017.01</b>	<b>Issued by</b>	<b>: Fuji Lestari</b>
<b>Date Issued</b>	<b>: 3 June 2017</b>	<b>Time Limit</b>	<b>: ASA 1</b>
<b>NC Grade</b>	<b>: Minor</b>	<b>Date of Closing</b>	<b>: 21 December 2017</b>
<b>Standard Ref. &amp; Requirement</b>	<b>: 1.1.1</b> <b>There should be a list of information relating to criterion 1.2 that can be accessed by relevant stakeholders.</b>		
<b>Non-Conformance Description &amp; Evidence observed (filled by auditor)::</b>  The result of document review of Management Unit of PTPN IV has not been able to show the receipt evidence of the report to the related agency, such as: <ul style="list-style-type: none"> <li>• Bah Jambi POM and Plantation Unit                         <ul style="list-style-type: none"> <li>- Mandatory report of Labor in 2016</li> <li>- Landfire Prevention and Monitoring report in 2016.</li> <li>- Plantation business progress report of Semester II July - December 2016.</li> <li>- HSE report of Quarter 1 Januari – March 2017</li> <li>- Utilization of Cultivation Right on Land Report</li> </ul> </li> <li>• Marihat Plantation Unit                         <ul style="list-style-type: none"> <li>- Landfire prevention and monitoring report in 2016</li> <li>- Utilization of Cultivation Right on Land Report</li> </ul> </li> </ul>			
<b>Root Cause Analysis:</b> The negligence of the estate unit in carrying out routine reporting to the relevant offices, for the HSE Committee report of quarter 1 already exists but the document controller is late giving it to the auditor at the time of the audit.			
<b>Correction:</b> Submitting missing reports to related agencies or body.			
<b>Corrective Action:</b> Providing schedule monitoring of regular reporting that should be reported by the estate unit to the related agencies or body, such as report on the development of the plantation business, Land Use Right Utilization report, HSE Committee report must be reported each semester of each year, while Prevention and monitoring of land fires report and Obligatory Report of Labor conducted once in a year. The monitoring officer is PPD team and HR&General Assistant.			
<b>Assessor Evaluation and Conclusion:</b> <b>Verified 26 October 2017</b> The Company shows some evidence of corrective action as follows: <ol style="list-style-type: none"> <li>1. The HSE Committee report of Bah Jambi Estate in August 2017 is reported to the Simalungun Regional Office of Manpower Department dated on September 18, 2017. The Quarter 1 &amp; 2 HSE Committee Report of 2017 has been reported on July 12, 2017.</li> <li>2. Plantation Development report of First Semester in 2017; Land Use Right Utilization report and Prevention and monitoring of land fires report of 2016 for Marihat Estate to the Simalungun District Plantation Office on September 26, 2017.</li> <li>3. Prevention and monitoring of land fires report of 2016 &amp; 2017; Plantation Business Development Report of Semester II 2016 and semester I 2017; and Land Use Right Utilization report of semester II 2016 and semester I 2017 for Bah Jambi Estate to Agriculture Department of Simalungun Regency on 16 October 2017.</li> </ol>			

**Verified 28 November 2017**

1. Letter No. BAJ/SE/Intrn/33/XI/2017 dated on November 5 2017, subject: monitoring of document requirement and the report for related agencies with RSPO and ISPO, mentioned that Bah Jambi Business Unit pointed HR&General Affair and document controller team to conduct monitoring against the document requirement and the report that must be reported to related agencies.
2. Letter No. MAT/SE/Intrn/640/XI/2017 dated on November 6, 2017, subject: monitoring of document requirement and the report for related agencies with RSPO and ISPO, mentioned that Marihat Business Unit pointed HR&General and document controller team to conduct monitoring against the document requirement and the report that must be reported to related agencies.

**Verified 21 December 2017**

Kebun Bah Jambi Business Unit shown introduction letter of quarter report I, II, and III HSE Committee to Manpower and Transmigration Department of Sumatera Utara Province dated on November 20, 2017.

**Conclusion:**

**Based on the evidence shown, the non-conformity closed.**

**Verified by : Trismadi N**

<b>NCR No.</b>	<b>: 2017.02</b>	<b>Issued by</b>	<b>: Fuji Lestari</b>
<b>Date Issued</b>	<b>: 3 June 2017</b>	<b>Time Limit</b>	<b>: Before certificate issued</b>
<b>NC Grade</b>	<b>: Major</b>	<b>Date of Closing</b>	<b>: 8 December 2017</b>
<b>Standard Ref. &amp; Requirement</b>	<b>: 1.2.1 Documents opened to the publik</b>		
<b>Non-Conformance Description &amp; Evidence observed (filled by auditor):</b>			
<p>The company has document list available in each management unit. In Bah Jambi unit, there are informations available for public, such as: general information of the company, vision and mision, profit of subsidiary, associate and affiliate entity, financial performance, risk management evaluation and management, accountant company, partnership program, environment development and company information. Based on interview with Management Representative , known that the documents can be accessed in the company's website but based on the verification result, there is not enough evidence states that the documents can be accessed by public.</p>			
<b>Root Cause Analysis:</b>			
The website of the company as the public information source which cannot be accessed by the public.			
<b>Correction:</b>			
At the time of audit, there is management improvement on PTPN IV website thus it cannot be accessed by public.			
<b>Corrective Action:</b>			
HR&General Assisstant always coordinate with IT of head office if there is such a problem occur and provide general documents in estate unit thus they still can get the information if there is a problem with their public system.			
<b>Assessor Evaluation and Conclusion:</b>			
<b>Verified 8 December 2017</b>			

<p>The company showed the corrective evidence:</p> <ol style="list-style-type: none"> <li>1. Basic guidelines of work instruction with document no. 04.01.18 about providing data for stakeholders. It is explained that data and information provision about the company and stakeholders is to ease information which come in and out both for company and stakeholder business based on UU No.14 of 2008 about openness of public information.</li> <li>2. Bah Jambi Business Unit and Mariha Business Unit shown assignment letter of document controller.</li> <li>3. The company has a COC socialization program, pregnant and lactating workers, flora and fauna, administration system, gender committee, Toxic and Hazardous Waste management, family Cup system, domestic waste management, Early warning system, GHG emission, Environmental Management Plan and Environmental Monitoring Plan management report, river borders and water source management once in six months by document controller in each business unit.</li> <li>4. There are 96 types of information that can be accessed by the public, for example: Company Establishment Deed, Environmental Permit, Land Certificate, Management Report, and Financial Report.</li> </ol> <p><b>Conclusion:</b>  <b>Based on the evidence shown, the non-conformity closed.</b></p> <p><b>Verified by</b> : Trismadi N</p>	
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<b>NCR No.</b>	: 2017.03	<b>Issued by</b>	: Fuji Lestari
<b>Date Issued</b>	: 3 June 2017	<b>Time Limit</b>	: ASA-1
<b>NC Grade</b>	: Minor	<b>Date of Closing</b>	: 28 November 2017
<b>Standard Ref. &amp; Requirement</b>	: 1.3.1 The company's commitment to Ethical Conduct in all transactions and business operations.		
<p><b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor)</i>:</p> <p>There is an evidence of the documents in each management unit, such as:</p> <ul style="list-style-type: none"> <li>• Socialization of 15 employees of Bah Jambi Unit on January 2, 2016.</li> <li>• Socialization of 106 employees of Marihat Unit, including the representative of contractor on April 21, 2017.</li> </ul> <p>However, there is no adequate evidence that Bah Jambi management has socialized the code of conduct to the employees from all operational stage and contractor</p>			
<p><b>Root Cause Analysis:</b>  Lack of understanding against the implementation of the policies issued by the company.</p>			
<p><b>Correction:</b>  It can be shown the documentation of the policy dissemination process to the integrity code and the ethical action to the contractor.</p> <p>The socialization of the policy has been conducted to contractors and other stakeholders.</p>			
<p><b>Corrective Action:</b>  Conduct socialization the policy against the code of integrity and ethical action to the contractor. By checking documentation record of the code of conduct socialization program which is done by management to the contractor</p>			

which work on scope of Bah Jambi Business Unit.

**Assessor Evaluation and Conclusion:**

**Verified 26 October 2017**

The company shows the corrective evidence in the form of socialization documentation/code of >500 of code of conduct book distribution to all the employees from any level, and also to the contractor and teacher.

**Verified 28 November 2017**

1. The company has COC socialization program once in 6 months by document controller team in each business unit.
2. Bah Jambi and Marihat Business Unit show the assignment letter for document controller officer.
3. The company has a COC socialization program, pregnant and lactating workers, flora and fauna, administration system, gender committee, Toxic and Hazardous Waste management, family Cup system, domestic waste management, Early warning system, GHG emission, Environmental Management Plan and Environmental Monitoring Plan management report, river borders and water source management once in six months by document controller in each business unit.

**Conclusion:**

**Based on the evidence shown, the non-conformity closed.**

**Verified by : Trismadi N**

<b>NCR No.</b>	<b>: 2017.04</b>	<b>Issued by</b>	<b>: Rizliani Aprianita Hsb</b>
<b>Date Issued</b>	<b>: 3 June 2017</b>	<b>Time Limit</b>	<b>: Before certificate issued</b>
<b>NC Grade</b>	<b>: Major</b>	<b>Date of Closing</b>	<b>: 17 January 2018</b>
<b>Standard Ref. &amp; Requirement</b>	<b>: 2.1.1 There shall be evidence of compliance with the relevant laws and regulations</b>		
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i>			
There are several non-compliance with regulatory such as :			
<ol style="list-style-type: none"> <li>1. Based on verification document of work order no. BAJ/Tan/18/X/2016 dated on September 28, 2016 (Bah Jambi Estate with CV Umbara) and the document of work order no. 04.14/SPMK/058/IV/2017 dated on April 22, 2017 (Marihat Estate with CV Indokarya), known that harvesting is done by third party. That is not complied with regulation No.13 of 2003 clause 65 states that the work can be submitted to the other company is separately done from the main activities.</li> <li>2. Based on document verification results of the attendance list of security, security work list on March 2017 and interview with management known that security personnels work for 11-13 hours every day including on holiday. It is not in accordance with Regulation No. 13 Year 2003 article 79, Regarding the rest period.</li> <li>3. Regulation of Manpower Minister no. No. 09 Year 2010 concerning Operators Officers . The management unit of Marihat has shown letter no. MAT/04.11/38/III/2017 related to heavy equipment operator training on March 30, 2017. However, there is not enough evidence yet that the tractor operator already has a Tractor Operator license.</li> </ol>			
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i>			
<ul style="list-style-type: none"> <li>• Based on the results of the evaluation of the need for harvester known that the lack of harvester, where the norms of harvester per hectare has been determined so that it can be known the lack of harvester required by the plantation unit.</li> <li>• The existence of errors in the preparation of security shift schedule so there are security who work more than</li> </ul>			

working hours that have been determined in regulation.

- Tractor operators still operate tractors without having a machine operating license.

**Correction** *(filled by organization audited):*

- There has been a circular of operational director about levitation of gradually harvester and making requests letter for harvester in accordance with the needs of the plantation unit.
- Make a shift change schedule so that the security hours do not exceed the hours specified by the labor law.
- Work related to heavy equipment must have a heavy equipment operating license.

**Corrective Action** *(filled by organization audited):*

- By increasing the amount of harvester and raising the capacity of the harvests so that no third party is required.
- Monitoring the schedule of security shift so that the security hours do not exceed the hours specified by the labor law.
- Monitoring by looking at training records that have been implemented so that they can be identified workers who have not received training in heavy equipment operations and will soon be proposed to receive training in heavy equipment operations (demand for training on heavy equipment operational attached).

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

**Verification on October 26, 2017.**

The Company shows some evidence of improvements as follows:

1. Memo Head of HR Section No. 04.11 / GMD-I / M.9183 / X / 2017 dated October 6, 2017 About Selection of Harvesters and Loaders which is addressed General Manager District I consists of 9 plantation (BAJ: 165 people, MAT: 114 people, DOS: 78 people, TON: 51 people, PAM: 207 people, SKO: 180 people, BAL: 25 people, ULU: 77 people, MAR: 27 people.
2. Letter of GM District I. GMD-I / Facs / 24 / X / 2017 dated October 12, 2017 which is addressed to all plantation managers at District I to submit the names of harvester that will make selection on October 14, 2017.
3. Memo Unit Manager Marihat No. MAT / M-VII / 2017 dated June 12, 2017; Subject: Reduction of Working Hours Security to 3 shifts / day and required to rest 1 day a week.
4. Example of shift / working hours security in Afdeling VI Kebun Marihat period 1-31 July 2017, it is known that has applied 3 shifts per day and 6 days per week.

**Verification on November 20, 2017.**

The Company has showed documents as follows:

1. The stages of acceptance of candidate employees Group 1A - 2 D.
2. Memo General Manager District - I No: GMD-I / KOL / M-149 / XI / 2017 dated November 7, 2017 on preparation of field selection of harvesting candidate 2018.
3. Employee test and interview schedule.
4. Memo Head of Human Resource Development No: 04.11 / GMD I / M-2385.1 / X / 2017 dated 31 October 2017 regarding PTPN IV Board of Directors' decree letter on selection committee for harvesting and loader candidates.
5. Basic guidelines and work instructions for acceptance and appointment of Group 1A - 2D employees.
6. Board of Directors' Decree No: 04.11 / Kpts / R / 54 / X / 2017 on Selection committee and Personal Assessors of harvesting and Loaders candidates in District Working Zones of I.

**Verification on November 27, 2017.**

1. The company shows the list of names of harvesters and loaders of FFB submitted in the selection process and submitted to permanent employees. Based on the data there are 85 employees who submitted to become permanent employees.
2. Unit Bah Jambi and Unit Marihat showed Determination Letter of document control officer.



3. The company has a COC socialization program, pregnant and lactating workers, flora and fauna, administration system, gender committee, LB3 management, family Cup system, domestic waste management, Early warning system, GHG emission, RKL-RPL management reporting, and water source every 6 months by the PPD Team in each business unit.
4. Monitoring SIO of unit Bah Jambi, there are 16 operators whose validity period will end in 2018 and 2019.
5. Unit marihat showed the results of monitoring of Operator License & Employee Skills Certificate Semester I of 2017, there are 2 General Experts of OHS, and 14 operators of the haulage aircraft. However, there is no evidence that operators in Marihat Business Unit already have a License License (heavy equipment).

**Major Verification on 17 January 2018**

The management uni was shown several corrective action, such as:

- The Marihat Estate has one heavy equipment (tractor).
- Reference number 136/KET/SR-MDN/XII/2017 dated 22 December 2017 from PT Safindo Raya (OHS and Operator training services company) that operator (Syahrial) has been passed operator license training dated 20 – 23 November 2017.
- The Marihat Estate was shown record of interview and test result for 85 harvesters and loaders. Final decision for workers appointment from District Manager.

**Auditor's Conclusion:**

According to root cause analysis, correction and corrective action was shown. This NC was closed.

**Verified by** : Trismadi N & Benli

<b>NCR No.</b>	: 2017.05	<b>Issued by</b>	: Fuji Lestari
<b>Date Issued</b>	: 3 June 2017	<b>Time Limit</b>	: ASA-1
<b>NC Grade</b>	: Minor	<b>Date of Closing</b>	: 28 November 2017
<b>Standard Ref. &amp; Requirement</b>	: 2.1.2 A documented system, which includes written information on legal requirements, shall be maintained.		
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i> The company has regulation list which is available in each management unit. The list consists of Organization Regulatory of the company, labor, plantation and environment renewed by Management System Certification of Perkebunan Nusantara on April 2017, however, there is no evidence shows that the list has been renewed as the applicable regulation of renewal, such as: <ul style="list-style-type: none"> <li>• The regulation list of Bah Jambi Unit does not consist of: PP No.44 of 2015 about JKK and JKM, PP. No.45 of 2015 about retiring insurance, PP No.46 about JHT, Kepmenaker No.102 of 2004 about overtime work and the wage, UU No.5 of 1990 about conservation of biological resource and the ecosystem, PP No.37 of 2012 about watershed management, permenaker No.1 of 1976 about Hiperkes, etc.</li> <li>• The regulation list of Marihat Unit does not consist of: PP No.44 of 2015 about JKK and JKM, PP No.45 of 2015 about retiring insurance, PP No.46 about JHT, UU No.5 of 1990 about conservation of biological resource and the ecosystem, PP No.37 of 2012 about watershed management, permenaker No.1 of 1976 about Hiperkes, etc.</li> </ul>			
<b>Root Cause Analysis:</b> Document controller of estate unit does not need to update UU and regulation related to RSPO.			

<p><b>Correction:</b> Up date UU and regulations applicable in the company and related to the RSPO principles and criteria.</p>
<p><b>Corrective Action:</b> Circular letter has been made from the relevant personal manager responsible for the control and updating of compliance evaluation document against applicable laws and regulations.</p>
<p><b>Assessor Evaluation and Conclusion:</b>  <b>Verified 26 October 2017</b>            The Company shows a list of laws and regulations relating to the implementation of RSPO consisting of 55 Laws, 54 Government Regulations, 7 Presidential Regulations, 88 Ministerial Regulations, 46 Ministerial Decrees, 3 BAPEDAL Decisions, 3 National Standardization Bodies, and 2 Regional Regulations.   <b>Verified 28 November 2017</b>            1. The Company shows the List of Laws Regulations relating to the Implementation of RSPO in the Marihat and Bah Jambi Unit, which has incorporated Law No. 5 of 1990; PP no. 44 of 2015; PP no. 46 of 2015.            2. Letter of Bah Jambi Manager No. BAJ/SE /Intrn/3i/XI/2017 dated on November 6, 2017 and Letter of Marihat Manager No. MAT/SE/Intrn/698/XI/2017 dated on November 6, 2017. The PIC appointed by each unit is the General HR Assistant and the document controller Team.            3. Bah Jambi and Marihat Business Unit show document controller determination Letter.            4. The company has a COC socialization program, pregnant and lactating workers, flora and fauna, administration system, gender committee, Toxic and Hazardous Waste management, family Cup system, domestic waste management, Early warning system, GHG emission, Environmental Management Plan and Environmental Monitoring Plan management report, river borders and water source management once in six months by document controller in each business unit.</p>
<p><b>Conclusion:</b> Based on root cause analysis, corrective and prevention action, this non-conformity has been closed.</p>
<p><b>Verified by</b> : Trismadi N</p>

<b>NCR No.</b>	: 2017.06	<b>Issued by</b>	: Andi Pratama Pasaribu
<b>Date Issued</b>	: 3 June 2017	<b>Time Limit</b>	: Before certificate issued
<b>NC Grade</b>	: Major	<b>Date of Closing</b>	: 7 December 2017
<b>Standard Ref. &amp; Requirement</b>	: 2.2.1 Documents showing legal ownership or lease, history of land tenure ownership/control, and the actual legal use of the land shall be available.		
<b>Non-Conformance Description &amp; Evidence observed (filled by auditor):</b>			
1. Bah Jambi: Based on document verification, the sum of legal area that operated has <b>7,574.63 Ha</b> (HGU Certificate No. 2/2003 covering an area of <b>3,739.63 Ha</b> , Certificate of HGU No. 6/2007 covering an area of <b>1,661.60 Ha</b> and part of HGU area of Kebun Dolok Sinumbah covering an area of <b>2,173.40 Ha</b> ). It is not in accordance with the latest hectare statement (May 2017) stating that the operating area of Bah Jambi is <b>8,127.30 Ha</b> . 2. Marihat: Based on document verification, the sum of legal area that operated has 4,413.66 Ha (HGU certificate No. 1/2006 covering area 4,413.66 Ha and HGU certificate of Balimbangan covering 49 Ha). It is not in accordance with the latest hectare statement (May 2017) stating that the operating area of Marihat including facilities is			

4,956.70 Ha. There were 494.70 Ha. Beside that, there were indicated of land usage for IOPRI facilities and military facilities that not shown it legal standing yet.

Both Bah Jambi and Marihat has sent the confirmation letter on May 29, 2017 (received on the same day) to the Legal and Land Affairs Division of PTPN Headquarters requesting an explanation regarding the difference in the area. However, until the completion of the audit has not been shown adequate explanation and documentary evidence.

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

1. There was a discrepancy between the HGU and operating area. It has adjusted by the Legal and Land Affairs Division.
2. Legality of IOPRI facilities and military facilities still proceeded.

**Correction** *(filled by organization audited):*

Send letter to the Legal and Land Affairs Division in Headquarter in order to re-measurement land usage to avoiding administrative discrepancy.

**Corrective Action** *(filled by organization audited):*

Field assistant and HG-GA Division inventarize of land usage in accordance with HGU's and monitoring boundary poles to make sure there is no planted outside the HGU's area.

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

**Verification on 26 October 2017**

The company has shown some corrective evidence such as:

1. Letter No. BAJ/04.04/110/X/2017 dated on 5 October 2017 regarding to land usage adjustment.

Description	Area (Ha)
Planting Year 2009 - 2011	691
Planting Year 2004 - 2008	1,300
Planting Year 1997 - 2003	882
Planting Year 1993 - 1996	921
Planting Year 1990 - 1992	4,349
Planting Year 2015-2016	1,657
Replanting	456
Planning New Planting in hiaten area	4
IOPRI Area	178
Nursery	31.00
Housing Complex	138.50
WWTP	6.00
Air Strip	44.00
Electricity	35.00
Road and Bridge	64.00
Occupancy	12.00
Symbolize area	6.00
Low land	62.13
Conservation area	42.00
Cemetery, school, mosque and church	33.00
Hiaten area	270.00
Trenches	930.63
<b>Total</b>	<b>7,574.63</b>

2. Joint Decree of Directors of PT Perkebunan VI (Persero) and the Board of Directors of PT. 06. Dir / KPTS / 31/1990 / No. 07. Dir / KPTS / 05/1990 dated August 20, 1990; on the Transfer of the Management of the Marihat Research Center. Deciding: (1) Transferring the management of Marihat research center from PT Perkebunan VI (Persero) and PT Perkebunan VII (Persero) to the Marihat Research Centre (IOPRI) still owns both companies. (2) All employees of Marihat Research Centre (IOPRI) status shall be determined by Regulation of the Minister of Agriculture. (3) Inventory Items of The Marihat Research Center which belongs to each PT Perkebunan VI and PT Perkebunan VII is only handed over clothing to AP3I, while the owners remain their respective owners. (6) This Decree shall come into force as from the date of stipulation, provided that everything shall be fixed as it shall in the future.
3. Letter of the General Chairman of the State Plantation Company VII No. 07.7 / 1 / 31/1982 dated January 20, 1982, Subject: Delivery Letter Letter from the State Plantation Company (PNP) VII to the Indonesian Army. Mentioned that: since the issuance of HGU Certificate of Kebun Marihat PNP VII dated August 13, 1981 SH.30 / HGU / DA / 01 acreage area of residential complex of Army in Marihat has been removed from Marihat PNP VII area.

**Verification on 8 December 2017**

1. Marihat has been shown the hectare statement dated on November 29<sup>th</sup> 2017 as follows:

- Mature area: 3,826.50 Ha
  - Replanting area: 277.00 Ha
  - Immature area: 215.00 Ha
  - IOPRI area: 43.00 Ha
  - Road and trenches: 15.00 Ha
  - Housing complex, worship facilities, cemetery etc: 37.16 Ha
- Total area: 4,413.66 Ha  
Notes: 543.04 Ha was an Indonesian Army Facilities.

Area Tanaman Menghasilkan: 3.826,50 Ha

Area Tanam Ulang: 277,00

Area Tanaman Belum Menghasilkan: 215,00 Ha

Area Penelitian PPKS: 43,00 Ha

Jalan dan Parit: 15,00 Ha

Area emplasement, tanah lapang, tanah wakaf & Irigasi: 37,16 Ha

Total Area: 4.413,66 Ha

2. Decree of Marihat Estate Manager. MAT / SE / Intrn / 72 / XII / 2017 dated December 2, 2017, Subject: Determination of Conservation Area at Marihat Farm Unit determined that a total of 99.85 Ha. Where some riparian area still a planted area. The management carried out is by not applying the chemical to the riparian.

**Auditor's Conclusion:**

Based on the evidence showed, this conformity has been closed.

**Verified by** : **Trismadi N**

<i>NCR No.</i>	: <b>2017.07</b>	<i>Issued by</i>	: <b>Andi Pratama Pasaribu</b>
<i>Date Issued</i>	: <b>3 June 2017</b>	<i>Time Limit</i>	: <b>5 May 2019</b>

<i>NC Grade</i>	: <b>Minor raised to Major</b>	<i>Date of Closing</i>	: <b>19 April 2019</b>
<i>Standard Ref. &amp; Requirement</i>	: <b>2.2.2 Legal boundaries are demonstrated clearly and maintained.</b>		
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i>			
<p>Bah Jambi unit has Not yet able to show the following documents The company has showed their SOP of Boundary Poles Maintenance (SPO 12.0 Revision 2 dated on January, 2<sup>nd</sup> 2015). Based on the SOP, the following facts are found:</p> <ol style="list-style-type: none"> <li>Based on document verification, Bah Jambi unit has not shown several document as follows: <ul style="list-style-type: none"> <li>The latest boundary poles inventarization data including boundary poles installation not able to shown.</li> <li>Periodic monitoring results of boundary (6 monthly) conducted by assistant afdeling.</li> <li>Boundary poles monitoring from unit manager to the legal and land affairs.</li> <li>Based on field visit to boundary poles number 270 and 271 afdeling V known that two poles unavailable on that place.</li> </ul> </li> <li>Marihat: based on boundary poles monitoring that held by HR &amp; General Affair Department on December 2016 indicated 261 boundary poles (126 available, 86 broken and 49 lost).</li> </ol> <p>In accordance with SOP above, Bah Jambi and Marihat has sent letter to the Legal and Land Affairs Division of PTPN Headquarters on May, 6<sup>th</sup> 2017. Until the audit finished, there were no response from the Legal and Land Affairs Division regarding to maitenance/installation of it un-marked boundary poles.</p>			
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i>			
<ol style="list-style-type: none"> <li>There was a negligence to monitoring legal boundary (boundary poles).</li> <li>There was no budget to maintain and replaced the boundary poles.</li> </ol>			
<b>Correction</b> <i>(filled by organization audited):</i>			
<ul style="list-style-type: none"> <li>Send letter to the Legal and Land Affairs Division in Headquarter in order informed boundary poles monitoring result.</li> <li>Do the monitoring of boundary poles properly.</li> </ul> <p>Appointed personal incharge who monitoring boundary poles.</p>			
<b>Corrective Action</b> <i>(filled by organization audited):</i>			
Field assistant monitoring of boundary poles every six month according to it job description.			
<b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i>			
<b>Verification on 26 October 2017</b>			
The company has sent evidence such as:			
<ol style="list-style-type: none"> <li>Marihat Manager decree No: MAT/SK/01/XII/2016 dated on 1 December 2016 regarding to appointed boundary poles monitoring officer.</li> <li>Manager of Bah Jambi letter No. BAJ/SE/28/VIII/2017 dated on 18 August 2017 to all field assistant regarding to boundary poles maintenance. However, there was no documentation evidence of monitoring result.</li> <li>Manager of Marihat letter No. MAT/04.13/44/V/2017 dated on 6 May 2017 to all field assistant regarding to boundary poles maintenance. However, there was no documentation evidence of monitoring result.</li> <li>Boundary poles replacement program of Bah Jambi and Marihat dated on November 2017. However, there is no evidence of replacement progress.</li> </ol>			
<b>Auditor's Conclusion:</b>			

The company can not show the evidence of boundary poles monitoring records (183 poles in Bah Jambi Estate & 126 poles in Marihat Estate). It non conformity still open.

**Verification on 2 February 2019**

The company has showed some evidences as follows:

- Bah Jambi has inventorized their boundary poles and appointed third party to installing 124 poles according to the minutes of installation on November – December
- Marihat has monitored all boundary poles in second semester of 2018 and reported from 248 poles 2 broken, 3 unidentified and 53 is missing.
- Marjandi has monitored boundary poles during January to June 2018 and reported from 264 poles 60 is broken and 28 is missing.

Based on interview with the personnel in charge informed that boundary poles number in map does not synchronize with the number in physical poles. Hence, this **nonconformity No. 2017.07 is open**.

**ASA-1 findings**

1. Based on field visit known that:
  - Bah Jambi: according to the boundary poles map, auditor has visited poles number 270 and 271 (afdeling 5), poles number 518, 519 and 514 (afdeling 1) and poles number 149 (afdeling 3). Based on field visit found that poles number 270 and 271 not found, poles number 149 found with different number and poles number 518, 519 and 514 is missing.
  - Marihat: according to the boundary poles map, auditor has visited boundary poles number 1 and 2 in Afdeling 1 and number 1 and 2 in afdeling 3. There is a discrepancy with the number on the physical poles.
  - Marjandi: according to the boundary poles map, auditor has visited poles number 95U (missing), poles number 95Q (found with different number) and the rest is comply with the map. There is some discrepancy with the last monitoring report.
2. Based on interview with the boundary poles monitoring person and field staff informed that boundary poles has been monitored each semester. However, there are a discrepancy between physical numbers in boundary poles with boundary poles map.
3. Based on boundary poles co-inventorized by unit and head office team found that a discrepancy between boundary poles coordinate on the ground with boundary poles coordinate from national land agency.

Based on that fact, this **Nonconformity no. 2017.07 grade minor is raised to major**.

**Verification on 4 April 2019**

The company has showed corrective evidence in each unit as follows:

- Bah Jambi has showed monitoring chart of boundry poles checking period February 2019 that informed all boundary poles in good condition (including photos). There are also circulate letter of estate manager on 11 March 2019 that appointed field assistant to conduct regularly monitoring that should reported to the estate manager and informed to legal department in head office if any broken boundary poles. Special person that responsible in boundary poles monitoring has also appointed by estate manager.
- Marihat: has showed monitoring chart of boundry poles checking period February 2019 that informed all boundary poles in good condition (including photos). Special person that responsible in boundary poles monitoring has also appointed by estate manager.

**Auditor conclusion on 4 April 2019**

Please ensure consistency of boundary poles map and the number that used for next monitoring.

Based on that notes, this nonconformity still **open**.

**Verification on 19 April 2019**

The company has showed additional corrective action such as minutes of meeting between staf of national land agency



North Sumatera Province with management representatives of PTPN IV on 15 April 2019 regarding to boundary poles coordinat and maps. Based on that notulency informed that national land agency cannot share the coordinat of each land title but the HGU owner can self-captured the boundary poles coordinat.

*Auditor notes: the company has self-captured the boundary poles coordinat and informed on 25 March 2019 to the CB's based on their management plan, boundary poles mapped according to the coordinat will conducted on June 2019.*

**Auditor Conclusion on 19 April 2019**

Based on verification above, this nonconformity has been **Closed with observation**.

*Verified by* : **Trismadi N / Andi Pratama Pasaribu**

<b>NCR No.</b>	: <b>2017.08</b>	<b>Issued by</b>	: <b>Trismadi Nurbayuto</b>
<b>Date Issued</b>	: <b>3 June 2017</b>	<b>Time Limit</b>	: <b>ASA-1</b>
<b>NC Grade</b>	: <b>Minor</b>	<b>Date of Closing</b>	: <b>28 November 2017</b>
<b>Standard Ref. &amp; Requirement</b>	: <b>4.1.3 Records of monitoring and any actions taken shall be maintained and available, as appropriate.</b>		
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i>			
<p>The company has Internal control procedure is specific to monitor application of SOP or Work Instruction. According to document verification there are Internal Audit Reports: Period of August 2016 – January 2017 in Bah Jambi Business Unit and Period of January – December 2016 in Marihat Business Unit. However, there are no evidence that all of correction has been documented. For example:</p> <ul style="list-style-type: none"> <li>- There are low fronds in Afdeling VIII 03J, Afdeling VI 97K, Afdeling V 00C (Bah Jambi Estate).</li> <li>- There are several Pest attack on January 2017, such as: nettle attacks in Bah Jambi Estate, Block 011B, 011C and 011D (Area: 95 Ha). It causes, there are effectiveness of Early Warning System.</li> <li>- There are overtime hours more than 50 hours in Marihat Estate on December 2016 payroll. For example: overtime hours on behalf Pardamean Simatupang (security) 136 hours in December 2016; overtime hours on behalf Aryanto (Security) 98 hours on December 2016.</li> </ul>			
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i>			
The officer are late in providing data to auditor at the time of audit.			
<b>Correction</b> <i>(filled by organization audited):</i>			
Showing a corrective action of internal audit result.			
<b>Corrective Action</b> <i>(filled by organization audited):</i>			
Order the audit data on the folder, so that data can be demonstrated when an audit is performed.			
<b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i>			
<b>Verification on 28 November 2017</b>			
The company was shown several corrective action, such as:			
<ol style="list-style-type: none"> <li>1. Marihat Estate Manager Decree Number MAT/04.Dirut/R/01VII/2017 dated 26 July 2017; about: follow up of internal audit number 04.02/LHA/Rt/R/02/II/2017. Related to overtime in Marihat Estate, it has been coordination with the Human Resources in Head Office. Where the overtime incentive were provided in accordance to excess of work hours.</li> <li>2. List of summaries of recommendation and inspection from internal audit, for example: related to Early Warning</li> </ol>			

<p>System has responded by the management unit. The monitoring of Pest&amp;Disease and chemical usage control was coordination with District management and Plant Section. While related to underlying issues in Afdeling V OOC, the explanation of the management unit: it will be improved on pruning activity.</p> <p>3. Human Resources and General Affair Director Decree Letters number 04/15/SE/16/VI/2016 dated 17 June 2016, Subject: Affirmation to all Group Managers, Section Heads, and Manager Units to socialize circular letter. All of Policies that are contrary with above decisions should be approved from the relevant Board of Directors. If any action that violates the provisions of the above circular letters, it shall be expressly sanctioned in the form of warning letters will affect to Performance Assessment.</p> <p>4. Marihat Estate Manager Decree number MAT/04.Dir.SDM dan Umum/38/IX/2017 dated 30 September 2017. Subject: Overtime permits for Budget making on 4<sup>th</sup> quarter of 2017 and budget of 2018 in Central Office, Plant Office, Human Resources and General Affair Offices, transport and technical offices with total 34 workers.</p> <p>5. Bah Jambi Estate and Marihat Estate was shown Appointment letter about document controller.</p> <p>6. The company has socialization program about Code of Conduct, pregnancy and breast feeding workers policy, wildlife and flora, administration system, Gender Committee, Hazardous Waste management, prohibition of family system, domestic waste management, IPM, Early Warning System, GHG Emission, RKL-RPL reporting, and water source management every six month by PPD team in each business unit.</p> <p><b>Auditor Conclusions:</b> According to root cause analysis, correction and corrective action. This NC was closed.</p> <p><b>Verified by</b> : Trismadi N</p>
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<b>NCR No.</b>	: 2017.09	<b>Issued by</b>	: Trismadi Nurbayuto
<b>Date Issued</b>	: 3 June 2017	<b>Time Limit</b>	: ASA-1
<b>NC Grade</b>	: Minor	<b>Date of Closing</b>	: 02 February 2019
<b>Standard Ref. &amp; Requirement</b>	: 4.2.4 A nutrient recycling strategy shall be in place, and may include use of Empty Fruit Bunches (EFB), Palm Oil Mill Effluent (POME), and palm residues after replanting.		
Non-Conformance Description & Evidence observed <i>(filled by auditor)</i> :  Marihat business unit is FFB suppliers to Bah Jambi POM, where all of RSPO standards are should be applied to all of unit. There are SOP No. 17 dated 2 January 2015 about Waste Utilization from POM, including solid waste utilization procedure. EFB should be applied to the land as organic fertilizer on each Afdeling, the priority application on immature area; the mature area can be applied, if any over production of EFB with doses 40 ton/Ha. However, according to daily report verification, interview with afdeling assistant and also field observation to immature area in Marihat Estate, Afdeling IV, Block 16A-B. There are no EFB application program and or realization on this area.			
<b>Root Cause Analysis</b> <i>(filled by organization audited)</i> : Production of EFB from Bah Jambi POM can't meet the needs of Marihat Estate.			
<b>Correction</b> <i>(filled by organization audited)</i> : EFB Production from Bah Jambi POM is not enough for application in Immature Area in Marihat Estate, because it has been used on the immature area of Bah Jambi Estate.			
<b>Corrective Action</b> <i>(filled by organization audited)</i> : Clerk of Plant will coordination with Bah Bah Jambi Mill, when the budget was make.			
<b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor)</i> : Verification February 02, 2018.			

- The company has shown evidence of improvement, namely the recording of the application of empty bunches in the TBM area at Marihat Estate, with EFB originating from Pasir Mandoge Mill.
- In addition, based on a field visit to Blok 17H, Afdeling 3 Marihat Estate, it was known that the company had applied EFB in the area of TBM with a dose of 250 kg/tree.

Based on the data above, then non-conformity No. 2017.09 stated to have been **fulfilled**.

**Verified by** : **Satria Adi Putra**

<b>NCR No.</b>	: 2017.10	<b>Issued by</b>	: Yohanes hardian
<b>Date Issued</b>	: 3 June 2017	<b>Time Limit</b>	: Before certificate issued
<b>NC Grade</b>	: Major	<b>Date of Closing</b>	: 7 December 2017
<b>Standard Ref. &amp; Requirement</b>	: 4.4.2 Protection of water bodies and wetlands, including maintaining and preserving riparian areas and other water bodies buffer zones at or before replanting, must be shown.		
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by audit)</i> : The company has SOP Management of riparian No.05 (rev-2) set at 2 January 2015 has explain the manajemen area for riparian. But base on field visit ie: - Bah Jambi Estate: base on field visit at Bah Bulun River and Bah Jambi River found no boundary marks existed in the river border as a mark of the limit of chemical applications. - Marihat Estate: base on field visit at spring Afdeling 4 knew around the spring water has done spraying with chemical and no boundary marks existed in the river border as a mark of the limit of chemical applications			
<b>Root Cause Analysis</b> <i>(filled by organization audited)</i> : There is still a lack of understanding and negligence on the implementation of RSPO principles and criteria policies issued by the company.			
<b>Correction</b> <i>(filled by organization audited)</i> : Conducting marking of boundary of boundary of river as boundary mark must not apply chemical by doing red cross marking on tree which is in river border.			
<b>Corrective Action</b> <i>(filled by organization audited)</i> : Internal training programs related to water source protection will be conducted every 6 months.			
<b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor)</i> : <b>Verificasioni 26 October 2017</b> The Company shows some evidence of improvements as follows: 1. Decision Letter no. MAT / MU / Kpts / VIII / 2017, August 2017; from Manager Estate Marihat on the Appointment of field officers in carrying out the management and monitoring of HCV areas at Marihat Unit: a.n. Suyono with 9 members. 2. Decree No. MAT / MU / Kpts / 1st / VIII / 2017, July 28, 2017; from the Jambi Estate Management Manager on the appointment of field officers in carrying out the management and monitoring of HCV areas in the Bah Jambi Unit: a.n. Suwardi with 10 members. 3. Documentation of RSPO socialization at Estate Bah Jambi by Head of Renstra on 9 October 2017 followed by 23 people. 4. Documentation of RSPO socialization at Marihat Estate on March 8, 2017 is followed by 46 people.			

5. Documentation of signboard installation of a chemical application ban in the water source area at Afdeling III Unit Usaha Bah Jambi.
6. Documentation of signboard installation of chemical application ban on water source area and river border in Afdeling I, Afdeling II, Afdeling III, Afdeling IV, dan Afdeling VI.

**Verification 28 November 2017**

The Company shows some evidence of improvements as follows:

1. Bah Jambi: signboard ban on chemical applications at Umbul Sembat Blok 88A, B; Umbul David Blok 10B, Silulu Blok 10 K, Bronbosch besar blok 92T, Bronbosch kecil Blok 94 C, Sungai Batu Blok 88 L, Kasindir river at Blok 96 J, Bah Bolon river at Blok 03 F, Bah Hilang river at Blok 04 E, Bah Bolon river at Blok 96 Q, and Bah Lias river at Blok 92 A.I.
2. Marihat: signboard ban on chemical applications at spring: Blok 91B, 04I, 93H, 99I, 99Z, dan 96E; river at blok 91A, 99A, 91D, 91E, 05C-05F, 07E-11F, 93H, 87E, 99, 98I, 07X, dan 99 ADT/O55.
3. Records of socialization to chemists related to water source protection dated November 9, 2017. However, the recording of socialization to chemicals officers in Marihat Enterprises.
4. Business Unit Bah Bah and Business Unit Marihat shows Letter of Determination of document control officer.
5. The company has a COC socialization program, pregnant and lactating workers, flora and fauna, administration system, gender committee, Hazardous waste management, family cup system, domestic waste management, Early warning system, GHG emission, environment management reporting, river border management and water every 6 months by the PPD Team in each business unit.

**Verification 8 December 2017**

The Marihat Unit shows the Minutes of Implementation of pesticide handlers training on April 3, 2017, followed by Mandor 1 Afdeling 1-6, Mandor Khemis Afdeling 1-6, spray officers 5 people from each afdeling. Training to discuss about the handling of petisida from warehouse until after work. Where all are required to use adequate PPE such as: Apron, rubber gloves, helmets, glasses, masks, and rubber boots.

**Auditor's Conclusion:**

**Based on the evidence of the improvements shown, the discrepancies have been closed**

<b>Verified by</b>	<b>: Trismadi N</b>
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<b>NCR No.</b>	<b>: 2017.11</b>	<b>Issued by</b>	<b>: Trismadi N</b>
<b>Date Issued</b>	<b>: 3 June 2017</b>	<b>Time Limit</b>	<b>: Before certificate issued</b>
<b>NC Grade</b>	<b>: Major</b>	<b>Date of Closing</b>	<b>: 28 November 2017</b>
<b>Standard Ref. &amp; Requirement</b>	<b>: 4.5.1 Implementation of Integrated Pest Management (IPM) plans shall be monitored.</b>		
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i>			
<p>The company has IPM plan on SPO Integrated Pest Management:</p> <ul style="list-style-type: none"> <li>- Pest and disease on Immature Plants (Doc. No. SPO 04.3, dated 1 August 2007), this procedure explaining about: attack symptoms, census method, pest control for <i>Oryctes</i> sp, rats, wild boar, and <i>Apogonia expeditioris</i>.</li> <li>- Pest and disease on Mature Plants (Doc. No. SPO 05.11, dated 1 August 2007), this procedure explaining about: nettles (<i>Thosea asigna</i>, <i>Setora nitens</i>, <i>Darna trima</i>, <i>Thosea bisura</i>, <i>Ploneta diducta</i>, and <i>Sucica pellide</i>), bagworm (<i>Mahasena corbetti</i>, <i>Metisa plana</i>, dan <i>Cremastopsyche pendula</i>), Early warning system, pest control (physical/mechanize, biologist, plant breeding, and chemical).</li> </ul> <p>According to global telling verification on Bah Jambi Estate and Marihat Estate, and also according to interview with</p>			

Afdeling Assistants. The global telling were conducted to control of nettle and bag worm attack on mature area; and also global telling for oryctes sp on immature area. However, there are no available documentation of rat control (global telling) on immature area in accordance to SPO 04.3. Therefore according to interview with plants clerk in Bah Jambi Estate that known, there are pest control (oryctes) and it has been spraying by Marshall. However, there are no record of early warning system as the basis of chemical application to control of *Oryctes sp.*

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

- a. The failure to perform in accordance to global telling (SPO No. 05.11) about Pest and Diseases.
- b. Lack of understanding of chemical usage for pest control.

**Correction** *(filled by organization audited):*

- a. The management unit has conducted a global telling and controlling for rat attacks at Immature Area.
- b. Oryctes census has been conducted as the basis of chemical control.

**Corrective Action** *(filled by organization audited):*

Early warning system (EWS) socialization, pest control (physical, mechanical, biological, plant breeding and chemical control) to related workers in accordance to SPO number 05.11.

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

**Verification on 28 November 2017**

The company was shown several corrective action, such as:

- 1. Rat attack census has been conducted in Marihat Estate, Afdeling III On October 2017. There are one rat attack at Block 07H, 07E, 07D, 07G, and 07F.
- 2. Rat attack census has been conducted in Bah Jambi Estate, Afdeling II On August 2017. There are no rat attack.
- 3. Oryctes attack census has been conducted in Bah Jambi Estate on 2016, there are 850 pcs of 38,825 plants (2.19%); SOP mentions if the attack above 2% then should be use Marshal.
- 4. The company has socialization program about Code of Conduct, pregnancy and breast feeding workers policy, wildlife and flora, administration system, Gender Committee, Hazardous Waste management, prohibition of family system, domestic waste management, IPM, Early Warning System, GHG Emission, RKL-RPL reporting, and water source management every six month by PPD team in each business unit.

**Auditor Conclusions:**

According to root cause analysis, correction and corrective action. This NC was closed.

**Verified by** : Trismadi N

<b>NCR No.</b>	: 2017.12	<b>Issued by</b>	: Trismadi N
<b>Date Issued</b>	: 3 June 2017	<b>Time Limit</b>	: ASA 1
<b>NC Grade</b>	: Minor	<b>Date of Closing</b>	: February 02, 2018.
<b>Standard Ref. &amp; Requirement</b>	: 4.5.2 Training of those involved in IPM implementation shall be demonstrated.		
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i>			
The management unit was able to show record of IPM training dated 6-8 April 2015 from IOPRI to 33 persons from Afdeling assistant, pest officer and pest mandore from 11 business management unit. Marihat Estate has been conducted IPM training from staff to pest officer on 10 April 2017. However according to document verification: there are no evidence that IPM plan training has been conducted from staff to all of global telling workers in Bah Jambi Estate			

<p><b>Root Cause Analysis</b> <i>(filled by organization audited):</i> The lack of coaching and counseling programs in Estates.</p>	
<p><b>Correction</b> <i>(filled by organization audited):</i> IPM training has conducted to workers by Afdeling Assistant.</p>	
<p><b>Corrective Action</b> <i>(filled by organization audited):</i> Worker competencies evaluation to creating identification of training needs on next year.</p>	
<p><b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i>  <b>Verification on 26 October 2017</b>            IPM training in Bah Jambi Estate has been conducted on 16 July 2017 to 23 workers, this training was explained about nettles control, bagworm control and oryctes control. And then the management unit was appoint PIC as document controller.            The company has also socialization program about Code of Conduct, pregnancy and breast feeding workers policy, wildlife and flora, administration system, Gender Committee, Hazardous Waste management, prohibition of family system, domestic waste management, IPM, Early Warning System, GHG Emission, RKL-RPL reporting, and water source management every six month by PPD team in each business unit.   <b>Auditor conclusion:</b>            There are no record of IPM training in Marihat Estate.   <b>Verification February 02, 2018.</b>            The company has shown integrated pest training documents for PTPN IV (Marjandi Estate, Bah Jambi Estate and Marihat Estate). The realization of the training included Integrated Pest Control Training at the Bah Jambi Estate, Marihat Estate and Marjandi Estate on August 13, 2018 to 20 people working on pest control, training was attended by 20 workers. In addition, training was also conducted on Integrated Pest Control in the Marihat Estate on December 5, 2018 to 20 people working on pest control, training was attended by 18 workers.</p>	
<b>Verified by</b>	<b>: Trismadi N/Satria Adi Putra</b>

<b>NCR No.</b>	<b>: 2017.13</b>	<b>Issued by</b>	<b>: Trismadi N</b>
<b>Date Issued</b>	<b>: 3 June 2017</b>	<b>Time Limit</b>	<b>: ASA 1</b>
<b>NC Grade</b>	<b>: Minor</b>	<b>Date of Closing</b>	<b>: 28 November 2017</b>
<b>Standard Ref. &amp; Requirement</b>	<b>: 4.6.2</b> <b>Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) shall be provided.</b>		
<p><b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i>            There are no records of pesticides use including active ingredients used and their LD50, area treated, amount of active ingredients applied per Ha and number of applications during last year in Bah Jambi Estate and Marihat Estate</p>			
<p><b>Root Cause Analysis</b> <i>(filled by organization audited):</i>            Lack of understanding about pesticide usage and calculation of LD 50.</p>			



<p><b>Correction</b> <i>(filled by organization audited):</i> LD 50 calculation on excel format.</p>	
<p><b>Corrective Action</b> <i>(filled by organization audited):</i> LD 50 calculation will be conducted every half of year by PPD team.</p>	
<p><b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i>  <b>Verification on 28 November 2017</b>            The company was show several corrective action, such as:            1. Pesticide toxic calculation in Bah Jambi Estate on quarter III 2017, for example: Metil: 0.03% per Hectare and Ally: 1.5% per Hectare.            2. Pesticide toxic calculation in Marihat Estate on quarter II 2017, for example: Metil: 0.03% per Hectare and Ally: 1.5% per Hectare            3. The company has socialization program about Code of Conduct, pregnancy and breast feeding workers policy, wildlife and flora, administration system, Gender Committee, Hazardous Waste management, prohibition of family system, domestic waste management, IPM, Early Warning System, GHG Emission, RKL-RPL reporting, and water source management every six month by PPD team in each business unit</p> <p><b>Auditor Conclusions:</b>  <b>According to root cause analysis, correction and corrective action. This NC was closed.</b></p>	
<p><b>Verified by</b></p>	<p>: Trismadi N</p>

<p><b>NCR No.</b></p>	<p>: 2017.14</p>	<p><b>Issued by</b></p>	<p>: Trismadi N</p>
<p><b>Date Issued</b></p>	<p>: 3 June 2017</p>	<p><b>Time Limit</b></p>	<p>: ASA 1</p>
<p><b>NC Grade</b></p>	<p>: Minor</p>	<p><b>Date of Closing</b></p>	<p>: 28 November 2017</p>
<p><b>Standard Ref. &amp; Requirement</b></p>	<p>: 4.6.4  <b>Pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat, are not used, except in specific situations identified in national Best Practice guidelines. The use of such pesticides shall be minimised and eliminated as part of a plan, and shall only be used in exceptional circumstances.</b></p>		
<p><b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i>            Bah Jambi Estate and Marihat Estate has a pesticides list categorized in Class 1A and 1B (according to circular letter from Director No. 04.04/SE/18/X/2016 dated 14 October 2016), and also there are record of Paraquat usage for last three years. However, there are no reduce program and eliminate the paraquat uses.</p>			
<p><b>Root Cause Analysis</b> <i>(filled by organization audited):</i>            Lack of kwnledge plant division on each unit related to Paraquat reduce usage and special condition usage.</p>			
<p><b>Correction</b> <i>(filled by organization audited):</i>            Make a program of Paraquat reducing usage.</p>			
<p><b>Corrective Action</b> <i>(filled by organization audited):</i>            Socializing to all workers related to paraquate reducing program annually.</p>			

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

**Verification on 26 October 2017**

Bah Jambi Estate showing record of Paraquat usage since year of 2014: 526 litres; 2015: 500.22 litres; 2016: 489.80 litres; and 2017: 228.80 litres.

**Verification on 28 November 2017**

1. Reducing of paraquat usage program in Bah Jambi Estate since year of 2016: 4,158 litres; 2017: 3,176 litres; 2018: 2,875 litres; and 2020: 2100 litres.
2. Reducing of paraquat usage program in Marihat Estate since year of 2016: 1,200 litres; 2017: 1,000 litres; 2018: 900 litres; and 2020: 800 litres.
3. The company has socialization program about Code of Conduct, pregnancy and breast feeding workers policy, wildlife and flora, administration system, Gender Committee, Hazardous Waste management, prohibition of family system, domestic waste management, IPM, Early Warning System, GHG Emission, RKL-RPL reporting, and water source management every six month by PPD team in each business unit.

**Auditor Conclusions:**

According to root cause analysis, correction and corrective action. This NC was **closed**.

**Verified by** : **Trismadi N**

<b>NCR No.</b>	: <b>2017.15</b>	<b>Issued by</b>	: <b>Trismadi N</b>
<b>Date Issued</b>	: <b>3 June 2017</b>	<b>Time Limit</b>	: <b>Before certificate issued</b>
<b>NC Grade</b>	: <b>Major</b>	<b>Date of Closing</b>	: <b>20 January 2018</b>
<b>Standard Ref. &amp; Requirement</b>	: <b>4.6.5</b> <b>Pesticides shall only be handled, used or applied by persons who have completed the necessary training and shall always be applied in accordance with the product label. Appropriate safety and application equipment shall be provided and used. All precautions attached to the products shall be properly observed, applied, and understood by workers (see Criterion 4.7).</b>		
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i>			
<p>However there are several <b>non conformity No. 2017.15.</b> such as;</p> <ol style="list-style-type: none"> <li>a. According to field observation to chemical warehouse in Bah Jambi Estate, the MSDS of Dithane was no informing 16 item according to chemical producers. While the MSDS of Santafuron was available on English form.</li> <li>b. According to interview with pesticide applicators in Bah Jambi Estate, on block 16E; and Marihat Estate on block 87 I. They were explain about PPE's is still save in their housing, besides that according to observation to chemical warehouse in Bah Jambi Estate (Afdeling III) and Marihat Estate (Afdeling IV) there are no evidence that all of PPE's has been save on chemical warehouses.</li> <li>c. Based on work instruction No. 4.3-13-IK-33 Rev.2 about chemical/wiping instruction. There are no information about water sources for chemical mixing. Besides that, point 2.4 about PPE's; there are no information about apron usage to prevention chemical exposure to the workers body.</li> </ol>			
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i>			

<p>a. Lack of understanding of the store keeper about MSDS. b. Lack of understanding of pesticide applicators about pesticide handling.</p>
<p><b>Correction</b> <i>(filled by organization audited):</i></p> <p>a. Complete the MSDS on Bahasa format with 16 information item. b. Pesticide handling implementation in accordance to MSDS. c. Providing apron and proper apron usage procedure.</p>
<p><b>Corrective Action</b> <i>(filled by organization audited):</i></p> <p>Regularly pesticide handling training and PPE's usage every six month by PPD team.</p>
<p><b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i></p> <p><b>Verification on 26 October 2017</b></p> <p>The management unit was shown several corrective action, such as:</p> <ol style="list-style-type: none"> <li>MSDS of Santafuron and Dithane on Bahasa format with 16 information items.</li> <li>Chemical application work instrurcton number 4.3-13-IK-33 Revision 03 on Section 1.1. It was explain: water usage for chemical mixing is sourced from water springs, streams, rain water that are accommodated on special tank. This tank shouldn't contaminated by chemical. Section 2.4. PPE's for chemical applicator are helmet, safety googles, mask, apron, and rubber boots.</li> <li>HIRAC Revision dated 7 July 2017 number FM-4.2.1-01 risk control for Chemical application are helmet, safety googles, mask, apron and rubber boots.</li> </ol> <p><b>Verification on 28 November 2017</b></p> <ol style="list-style-type: none"> <li>MSDS monitoring record in chemical and fertilizer store in Bah Jambi Estate on Semester I year of 2017.</li> <li>Record of pesticide handling training dated 9 November 2017 in Bah Jambi Estate, it was explain about PPE's usage, PPE's and all of work tools and PPE's should places in store after work. And also prohibition of chemical application on riparian area.</li> </ol> <p><b>Verification 8 December 2017</b></p> <ol style="list-style-type: none"> <li>Record of PPE's and work tools places in store.</li> <li>The company has socialization program about Code of Conduct, pregnancy and breast feeding workers policy, wildlife and flora, administration system, Gender Committee, Hazardous Waste management, prohibition of family system, domestic waste management, IPM, Early Warning System, GHG Emission, RKL-RPL reporting, and water source management every six month by PPD team in each business unit.</li> </ol> <p><b>Major Verification on 17 January 2018</b></p> <p>Based on field observation to Afdeling III Bah Jambi Estate, there are no avron for pesticide applicators. Therefore according to interview with them, they were explain that all of PPE's are still brought to home.</p> <p><b>Document Verification on 20 January 2018</b></p> <p>The management unit was show socialization record of PPE's handling to all pesticide applicators in Bah Jambi Estate dated 19 January 2018. There are also documentation of avron, safety glasses, maskr and rubber gloves in storage.</p> <p><b>Auditor Conclusions:</b></p> <p>According to root cause analysis, correction and corrective action. This NC was <b>closed</b>.</p>
<p><b>Verified by</b> : Trismadi N &amp; Benli</p>

<b>NCR No.</b>	: 2017.16	<b>Issued by</b>	: Trismadi N
<b>Date Issued</b>	: 3 June 2017	<b>Time Limit</b>	: Before certificate issued
<b>NC Grade</b>	: Major	<b>Date of Closing</b>	: 28 November 2017
<b>Standard Ref. &amp; Requirement</b>	<b>4.6.6</b> <b>Storage of all pesticides shall be according to recognised best practices. All pesticide containers shall be properly disposed of and not used for other purposes (see Criterion 5.3).</b>		
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i> <p>According to field observation to chemical warehouse in Bah Jambi Estate, Afdeling IV. There are used chemical containers was no store in licensed schedule waste. Besides that, there are no monitoring of used chemical containers to ensure there are no others usage of this containers.</p>			
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i> <p>Lack of understanding of the officer related to chemical container used management.</p>			
<b>Correction</b> <i>(filled by organization audited):</i> <p>Transfer the chemical container to schedule waste and make the chemical container usage monitoring card.</p>			
<b>Corrective Action</b> <i>(filled by organization audited):</i> <p>Pesticide handling training will conducted every six month by PPD team.</p>			
<b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i> <b>Verification on 26 October 2017</b> <p>The management unit was shown several corrective action, such as:</p> <ol style="list-style-type: none"> <li>1. Bah Jambi Estate Manager number BAJ/SE/Intrn/11c/VII/2017 dated 5 July 2017 about hazardous waste management. It has been socialized to Afdeling IV workers dated 13 October 2017.</li> <li>2. Record of chemical container transfer to hazardous waste store (Sun Up 480 SL) from Afdeling IV on June 2017 and August 2017.</li> </ol> <b>Verification on 28 November 2017</b> <ol style="list-style-type: none"> <li>1. Record of pesticide handling training dated 9 November 2017 in Bah Jambi Estate, it was explain about PPE's usage, PPE's and all of work tools and PPE's should places in store after work. And also prohibition of chemical application on riparian area.</li> <li>2. Monitoring record of hazardous waste every month on each estates.</li> <li>3. The company has socialization program about Code of Conduct, pregnancy and breast feeding workers policy, wildlife and flora, administration system, Gender Committee, Hazardous Waste management, prohibition of family system, domestic waste management, IPM, Early Warning System, GHG Emission, RKL-RPL reporting, and water source management every six month by PPD team in each business unit.</li> </ol> <b>Auditor Conclusions:</b> <p><b>According to root cause analysis, correction and corrective action. This NC was closed.</b></p>			
<b>Verified by</b>	: Trismadi N		

<b>NCR No.</b>	<b>: 2017.17</b>	<b>Issued by</b>	<b>: Rizliani Aprianita Hsb</b>
<b>Date Issued</b>	<b>: 3 June 2017</b>	<b>Time Limit</b>	<b>: Before certificate issued</b>
<b>NC Grade</b>	<b>: Major</b>	<b>Date of Closing</b>	<b>: 28 November 2017</b>
<b>Standard Ref. &amp; Requirement</b>	<b>: 4.6.11</b> <b>Annual medical supervision specific to pesticide operators, and documented action to address health conditions related to it, must be shown.</b>		
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i> Management unit of Bah Jambi, has conducted a medical check up of pesticide operators on January 19, 2016. However, there is not enough evidence that the management unit has annual medical check up (year 2017)			
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i> Medical check up has been done but the medical examination results have not been out of the examiner's Hospital.			
<b>Correction</b> <i>(filled by organization audited):</i> Requesting to the HR department of the headquarters and the hospital concerned to immediately issue the results of employee health checks.			
<b>Corrective Action</b> <i>(filled by organization audited):</i> Make a program / plan of medical check up for all employees, especially those related to chemicals on a regular basis.			
<b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i> <b>Verification on November 28, 2017</b> The company showed some improvement evidence: 1. Medical examination 105 team spraying Unit Bah Jambi 6 - 9 September 2017 by PT Prima Medica Nusantara. 2. Based on health examination result 105 people of spraying team of Bah Jambi unit, entirely within normal limits. For example a.n. Turman Silaban Afdeling VII, Kartini Tunip Afdeling VII.			
<b>Auditor's Conclusion:</b> Based on the evidence of improvement shown, this discrepancy has been met.			
<b>Verified by</b>	<b>: Trismadi N</b>		

<b>NCR No.</b>	<b>: 2017.18</b>	<b>Issued by</b>	<b>: Rizliani Aprianita Hsb</b>
<b>Date Issued</b>	<b>: 3 June 2017</b>	<b>Time Limit</b>	<b>: Before certificate issued</b>
<b>NC Grade</b>	<b>: Major</b>	<b>Date of Closing</b>	<b>: 28 November 2017</b>
<b>Standard Ref. &amp; Requirement</b>	<b>: 4.6.12</b> <b>Documentation of work with pesticides should not undertaken by pregnant or breast-feeding women.</b>		
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i> Management unit of Bahjambi showed recordings of pregnant and lactating mothers in 2012. However, there is not enough evidence that Bahjambi unit already have systems to ascertain or identify pregnant and lactating women for pesticide applicators.			
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i>			

The absence of monitoring of employee related to pesticide, where pregnant and lactating mothers should not do all the work related to pesticides.	
<b>Correction</b> <i>(filled by organization audited):</i> Monitoring all Pesticide-related occupational workers.	
<b>Corrective Action</b> <i>(filled by organization audited):</i> The PPD team socializes to the workers that pregnant and breastfeeding mothers should not do all the work related to pesticides every 6 months.	
<b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i> <b>Verification on 28 November 2017.</b> The company showed evidence of improvement: 1. Circular letter Unit Manager Bah Jambi no. BAJ / SE / Intrn / IIB / VII / 2017 dated July 5, 2017 on the placement of female employees as a team of pesticide handlers; mentioned that the afdeling assistant in showing the spraying team should coordinate with the plantation clinic to ensure no pregnant / breastfeeding female workers. 2. Records of pregnancy monitoring, childbirth, and lactation of female spraying workers in Afdeling I-IX in June and July of 2017 are known no spraying workers in the condition of being pregnant.  Auditor's Conclusion: Based on the evidence of the improvements shown, the discrepancies have been met.	
<b>Verified by</b>	: <b>Trismadi N</b>

<b>NCR No.</b>	: <b>2017.19</b>	<b>Issued by</b>	: <b>Rizliani Aprianita Hsb</b>
<b>Date Issued</b>	: <b>3 June 2017</b>	<b>Time Limit</b>	: <b>Before certificate issued</b>
<b>NC Grade</b>	: <b>Major</b>	<b>Date of Closing</b>	: <b>17 January 2018</b>
<b>Standard Ref. &amp; Requirement</b>	: <b>4.7.1</b> <b>A health and safety policy shall be in place. A health and safety plan covering all activities shall be documented and implemented, and its effectiveness monitored.</b>		
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i> Management unit of Bahjambi has conducted medical check up for high-risk workers in the Mill on March, 29 2016. However, there is no evidence of follow-up of audiometric results for 18 hearing-impaired workers. <ul style="list-style-type: none"> <li>- Based on the field visit at Bah Jambi Mill, found the conditions at risk:</li> <li>- Officers at loading ramp only wear slippers</li> <li>- Workers smoking at clarification and sterilizer stations.</li> <li>- Boiler and engine rooms operators did not use earplugs</li> <li>- There are no OHS guides in all stations</li> <li>- First Aid Boxes in all stations and warehouses of Bah Jambi units are not in accordance with regulation no. 15 of 2008 and the foremen in all the field activities did not have a first-aid box.</li> <li>- There is no awareness signage to the reparation activities in the clarification station area.</li> <li>- There is no evacuation route available in the Bah Jambi mill.</li> <li>- The result of field visit and simulation of fire in mill, known that there is only 1 hydrant hose, 1 nozzle in mill area from 7 point hydrant.</li> </ul>			
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i>			



1. The company has conducted a medical examination, but the medical examination results have not been out of the examiner's Hospital.
2. Implementation of the work safety and health policy in the mill has not been well implemented.
3. The absence of circular about the use of PPE when working.
4. The absence of monitoring first aid boxes.
5. The absence of monitoring fire drill conditions.

**Correction** *(filled by organization audited):*

1. Conduct an audiometric examination for 18 people who experience decreased hearing power.
2. Make signs banned smoking, mandatory use of PPE.
3. Make OHS guidance in each station
4. Complementing health equipments in First Aid Boxes in all stations and warehouses of Bah Jambi units, as well as medical supplies contained in the foreman's bag every afdeling.
5. Make the boundary of the machine repair area at the clarification station
6. Creating an evacuation path at the Mill
7. Completing the hydrant in the mill area

**Corrective Action** *(filled by organization audited):*

1. Follow-up medical examination will be performed, if recommended by the doctor.
2. Make monitoring plan and realization of medical check up for employees of mill and plantation.
3. Socialization of the implementation of OHS within the mill.
4. Make local circular letter for the obligation of use of PPE in the mill and plantation.
5. Make program monitoring condition of PPE before doing work.
6. Make a program of first aid box monitoring every month
7. Make monitoring fire drill conditions every month.

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

**Verification on October 26, 2017**

The company showed evidence of improvement:

1. The results of audiometric examination of 18 workers in the Mill dated March 29, 2016 known that there are 7 people who have decreased hearing power.
2. Spirometry examination results of 12 mill workers, 10 spraying teams dated March 29, 2017 under normal conditions.
3. Photo of repair line boundaries at the clarification station as a sign of prohibition from entering the area.
4. Socialization of fruit sorting and socialization of use of APD on October 11, 2017 to 8 sorting officers.
5. Circular letter Unit Manager No. BAJ / SE / Intrn / 13 / VI / 2017 dated June 5, 2017 on the smoking ban at work.
6. Circular Letter Unit Manager No. BAJ / RS. Laras / 18 / VII / 2017 dated July 7, 2017 to Laras Hospital where 6 mill workers are required to be treated.
7. Photo of hose and nozzle hydrant no. 1 - 7 in the Mill.
8. Photo of Grading officer using boots, signboard of smoking ban in clarification, genset operator using earmuff, evacuation path and OHS signboard at the press station.

**Verification on November 28, 2017**

The Company shows evidence of improvements as follows:

1. The list of distribution of first aid kit/box in 14 locations.
2. The occupational safety and health form (inspection of drugs) there is 21 item information in the box.
3. Spirometry examination results of 12 mill workers, 10 spraying team dated March 29, 2016 under normal conditions.

**Verification on December 21, 2017**

The company showed evidence of improvement:

1. The results of audiometric examination of 20 workers of mill on March 8, 2017, based on the results of the examination there is 1 person who experienced a decrease in hearing a.n. Herman Wijaya.
2. The results of audiometric examination of 18 workers of mill dated March 29, 2016 known that there are 7 workers who have decreased hearing power. There is also a letter No. BAJ / RS. Laras / 18 / VII / 2017 dated July 7, 2017, that such persons will be treated.
3. Health examination result from Laras Hospital for all workers (blood chemistry test, routine urine, X-ray, and blood pressure) dated September 7, 2017. But not yet can be shown re-examination result by ENT specialist to the 7 workers. In addition, it can not be shown the follow-up from management to the worker, for example in the mutation to stations that have no noise or other. In addition, it will be re-verified during field re-visits, as there are some unreadable images.
4. Photos of first aid kit 1 foreman and 8 boxes of First Aid. However, there is no evidence to show that all of the foremen have received first aid box according to Minister of Manpower Regulation no. 15 in 2008. Need to be confirmed on field verification.

**Major Verification on 17 January 2018**

The management unit was shown:

1. References from specialis doctor (Ear Nose Throat) dated 8 January 2018 explained that seven workers from Bah Jambi Estate was normal condition.
2. First aid kit distribution to 15 formens dated 17, 18, 20, 21, 23, 25 October 2017.
3. According to field observation in Bah Jambi Mill: all of loaders in loading ramp has used safety boot, there are no smoking in clarification station, all operator in high noise level has been used earplug, OHS guidance on each station was available, each of first aid kit has comply with regulation, there are signboard for machines maintenance activity, there are evacuation lines on processing station, seven hydrant has completed with nozzle and hose.

Auditor's Conclusion:

Based on the evidence of the improvements shown, the discrepancies have been met.

<b>Verified by</b>	<b>: Trismadi N</b>
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<b>NCR No.</b>	<b>: 2017.20</b>	<b>Issued by</b>	<b>: Rizliani Aprianita Hsb</b>
<b>Date Issued</b>	<b>: 3 June 2017</b>	<b>Time Limit</b>	<b>: Before certificate issued</b>
<b>NC Grade</b>	<b>: Major</b>	<b>Date of Closing</b>	<b>: 28 November 2017</b>
<b>Standard Ref. &amp; Requirement</b>	<b>: 4.7.2 The entire operation may threaten the safety and health risks should be assessed. Measures and procedures to address the risks that have been identified should be documented and implemented. Entire precautions attached to the products should be monitored closely and applied to workers.</b>		
<b>Non-Conformance Description &amp; Evidence observed (filled by auditor):</b>			
The Management Unit has Hazard Identification, Risk Assessment & Control (HIRAC) documents, but based on document review, field visits and interviews with management, it is known that:			
1. There is not enough evidence that the HIRAC document of Bah Jambi has been reviewed at least once a year or if found any abnormality in its application as set forth in Risk Management SOP (SOP No 4.2.1 dated 12 February 2014)			

2. HIRAC of Mill has not contained any activities hazardous waste warehouse, chemical warehouse and refueling tank.
3. There is no risk control measures in the HIRAC document of the Bah Jambi unit.
4. Marihat Unit already has a 2016 HIRAC document, but the document has not been specifically explained on the risk control measures of exposure to chemicals to the applicant's body using apron.

Related to this matter, the company has not been able to show evaluation and monitoring the implementation of risk identification.

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

1. The existence of negligence in monitoring the implementation of HIRAC document in accordance with SOP No 4.2.1.
2. The lack of understanding of officers to document and review the risks that may arise throughout the operation that may threaten workers' health and safety.
3. Officer's omission in evaluating and monitoring risk identification implementation.

**Correction** *(filled by organization audited):*

1. Make evaluation and review at least once a year if found any abnormalities in the application of HIRAC.
2. Completing HIRAC of Bah Jambi POM by entering activity in hazardous waste warehouse, chemical warehouse and refueling tank.
3. Create risk control measures on the HIRAC document of the Bah Jambi plantation.
4. Incorporate levels of risk control of exposure of chemicals to applicator bodies using apron into HIRAC of unit Marihat.

**Corrective Action** *(filled by organization audited):*

1. Conduct evaluation and monitoring of Implementation Identify the risk (HIRAC) Bahjambi and Marihat units by PPD Team and HR & General Assistant.
2. Socialization the risk control measures contained in the HIRAC document to workers.

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

**Verification on October 26, 2017**

The company showed evidence of improvement:

1. The result of HIRAC evaluation on July 4, 2017 where the level of risk of using cutter in harvest activity increased from High to Extreme. Based on the accident that occurred in Afdeling VIII dated July 3, 2017.
2. Records of the socialization of apron usage in Afdeling IV, Bah Jambi dated 21 August 2017 to 12 spraying workers.
3. HIRAC Revision of July 7, 2017 FM-4.2.1-01 explained that PPE of spraying team using helmets, glasses, masks, apron, and boots.
4. HIRAC document at Plant Division that has been equipped with risk control. However, HIRAC of Bah Jambi Mill has not been shown about the activities in hazardous waste warehouse, chemical warehouse and refueling tank.

**Verification on November 28, 2017**

The Company shows evidence of improvements as follows:

1. Results of HIRAC evaluation at Plant Division, there is a change Control of harvest risk using cutter must be given PPE.
2. HIRAC of Bah Jambi POM has been contained activities at fuel stations, chemical warehouses and hazardous waste warehouse dated August 28, 2017. This HIRAC document has been equipped with risk control in each activity.

Auditor's Conclusion: Based on the evidence of the improvements shown, the discrepancies have been met.	
<b>Verified by</b>	: Trismadi N

<b>NCR No.</b>	: 2017.21	<b>Issued by</b>	: Rizliani Aprianita Hsb
<b>Date Issued</b>	: 3 June 2017	<b>Time Limit</b>	: Before certificate issued
<b>NC Grade</b>	: Major	<b>Date of Closing</b>	: 18 January 2018
<b>Standard Ref. &amp; Requirement</b>	: 4.7.3 Records of training Occupational Health and Safety program (see 4.8) and Personal Protective Equipment (PPE) in accordance with the results of hazard identification and risk analysis should be available to all workers.		

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

Based on the results of the document verification, field visits and interviews with workers it is known that:

1. Field visit in afdeling 4 block 87 L of Marihat unit it is known that harvester's shoes are in damaged condition and using a security helmet; In addition to the results of field visits in afdeling 4 block 87 I Marihat unit, known that the shoes of manual maintenance workers in damaged condition.
2. The management unit of Bahjambi and Marihat had shown evidence of PPE provision. However, there is not enough evidence that the apron has been given to the spraying team.
3. Field observation results, it is known that contractor workers in Mill did not use PPE, contractor drivers only use slippers.
4. Related to this, the auditor team considered that the company has not implemented a comprehensive OHS protection for workers and contractor workers..

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

1. Provision of PPE is given once a year so that if there is damage PPE have to wait for the next ration.
2. The collection of documents is not tidy so that evidence can not be given to the auditor while the evidence already exists but located elsewhere.
3. The lack of understanding about the usefulness of PPE as a protective device to minimize the danger of accidents at work

**Correction** *(filled by organization audited):*

1. Provide new PPE to workers.
2. Shows evidence that apron has given to the spraying team
3. Socialization the importance of using PPE

**Corrective Action** *(filled by organization audited):*

1. Make monitoring and checklist realization conditions of workers' PPE.
2. Make a circular letter related to obligation to use PPE for workers and contractors who work in the plantation and mill which also listed sanctions to be given if found not to use PPE when working.
3. Make a monitoring program on the condition of PPE before doing work by Afdeling Assistant.

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

**Verification on November 28, 2017**

The Company shows some evidence of improvements as follows:

1. Revision of Chemical Instruction / Wiping No. 4.3-13-IK-33 Revision 03 in section 1.1. mentioned that water is used

clear water that comes from springs, streams and rain water that is accommodated in special place. Where water intake from springs and rivers must use tools that are completely clean and not contaminated by chemicals. In section 2.4 described PPE of spraying team using apron to prevent exposure of chemicals to the applicator's body. 2.6. PPE and chemicals work tools should not be taken home.

2. Circular Letter of Unit Manager of marihat dated August 7, 2017 MAT / SE / Intrn / 43 / VIII / 2017; related to the use of PPE in doing work activity, especially refer to work instruction Chemis / Wiping.
3. Records of given PPE for harvesting team at Marihat unit: 15 white helmets, 15 yellow helmets, 2 blue helmets and 15 orange helmets.
4. Documentation that the contractor (loader operator) has used safety shoes in the Mill area. And the recording of the use of PPE to the contractor on October 12, 2017.
5. Records of given PPE to 36 workers of spraying team in Unit Bah jambi on 27 September 2017.
6. Evidence of apron receipt to 8 workers of spraying team of Marihat Unit on July 5, 2017.
7. The Company has a COC socialization program, pregnant and lactating workers, flora and fauna, administration system, gender committee, hazardous waste management, family cup system, domestic waste management, Early warning system, GHG emission, RKL-RPL management reporting, and river border and water source management every 6 months by the PPD Team in each business unit

**Verification on 18 January 2018**

- According to field observation and interview with several harvesters in Block 94A and 94C Afdeling III, Bah Jambi Estate that known all PPE's was provided by management unit, such as: rubber boots, gloves, helmet, and tools cover.
- According to field observation and interview with pesticide applicators in Block 05i, Afdeling II that known all workers has used avron. Therefore observation on harvesting activity in Block 10i, Afdeling IV. They were use rubber boot on good conditions.
- According to field observation to loading ramp station in Bah Jambi Mill, all of contractor workers has used rubber boot and helmet.
- According to interview with workers, they were explain that PPE's was provided once a year.
- The management unit was shown circular number BAJ/SE/Intrn/02/II/2018 dated 17 January 2018 and circular number MAT/SE/Intrn/03/II/2018 dated 18 January 2018 about PPE's replacement in Bah Jambi and Marihat Estate. OHS Inspector will monitor about PPE's condition every month and if any a damage, each of workers should be replace by own. This circular has been socialized to all workers on each Afdeling dated 17 January 2018.
- Record of PPE's provided to all workers in Afdeling I Bah Jambi Estate on January 2018.

**Auditor's Conclusion:**

According to corrective evidence, this non conformity has been closed. The effectivity of Circular on each estate, will observed on next surveillance.

**Verified by** : **Trismadi N**

<b>NCR No.</b>	<b>: 2017.22</b>	<b>Issued by</b>	<b>: Rizliani Aprianita Hsb</b>
<b>Date Issued</b>	<b>: 3 June 2017</b>	<b>Time Limit</b>	<b>: ASA-1</b>
<b>NC Grade</b>	<b>: Minor</b>	<b>Date of Closing</b>	<b>: 28 November 2017</b>
<b>Standard Ref. &amp; Requirement</b>	<b>: 4.7.4 The responsible person/persons shall be identified. There shall be records of regular Meetings concerns of all parties about health and safety</b>		

<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i>	
The Unit Management already has OHS committee and a statement letter from the OHS service institution that there has been general OHS expert training for secretaries of OHS committee in Bah Jambi and Marihat units. However, there is not enough evidence that secretaries of OHS committee have the decision appointment and authority of general OHS expert from the Ministry of Manpower of the Republic of Indonesia	
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i>	
Secretaries' OHS committee has received training but their general OHS expert certificate has not been out cause still in process at the Ministry of Labor.	
<b>Correction</b> <i>(filled by organization audited):</i>	
Decree Letter of general OHS expert for Secretaries' OHS committee has been out	
<b>Corrective Action</b> <i>(filled by organization audited):</i>	
Send a letter to the human resources department 3 months before Decree Letter of general OHS expert expired so that it can be done immediately the extension of his decree. Currently the Occupational Safety Expert is an Executing Employee, so there will be no mutation of work to another unit.	
<b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i>	
<b>Verification on November 28, 2017.</b>	
The company shows:	
<ol style="list-style-type: none"> <li>1. Decree of the Minister of Manpower of the Republic of Indonesia no. KEP. 8222 / NAKER-BINWASK3 / IX / 2017 Appointment of Occupational Safety Expert on September 20, 2017 Renny Herawati S. Garingging (Marihat unit).</li> <li>2. Decree of the Minister of Manpower of the Republic of Indonesia No. KEP. P.4773 / NAKER-BINWASK3 / IV / 2017 Appointment of Occupational Safety Expert on 4 April 2017 Oktaffi Handry Lubis (Bah Jambi unit).</li> <li>3. Decree of the Minister of Manpower of the Republic of Indonesia no. KEP. P.2501 / NAKER-BINWASK3 / IV / 2017 Appointment of Occupational Safety Expert on 4 April 2017 Irfan Irawan (Bah Jambi Mill).</li> </ol>	
Auditor's Conclusion:	
Based on evidence of improvement, this discrepancy has been met.	
<b>Verified by</b>	: <b>Trismadi N</b>

<b>NCR No.</b>	: <b>2017.23</b>	<b>Issued by</b>	: <b>Rizliani Aprianita Hsb</b>
<b>Date Issued</b>	: <b>3 June 2017</b>	<b>Time Limit</b>	: <b>ASA-1</b>
<b>NC Grade</b>	: <b>Minor</b>	<b>Date of Closing</b>	: <b>28 November 2017</b>
<b>Standard Ref. &amp; Requirement</b>	: <b>4.7.5</b> There shall be procedures in case of accidents and emergencies along with the instructions that should be able to be clearly understood by all workers. Procedure in case an accident should be provided in a language that can be understood by the workers. Workers who have been trained to provide first aid should be present both in the field and in other operations, and equipment for first aid should always be available in the workplace. Note all accidents must be kept and reviewed regularly.		
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i>			
Based on the result of field visit and document verification, it is known that:			
<ul style="list-style-type: none"> <li>• Unit management (Bah Jambi and Marihat) has not been able to show the recording of all land fire facilities. Related to this, the company has not been able to show evidence that monitoring facilities and infrastructure of land fires</li> </ul>			



and implementation to ensure facilities and infrastructure of emergency response in ready conditioncondition.	
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i> The presence of negligence from the officers in carrying out inventory of all facilities and infrastructure of fire prevention and monitoring of realization conditions of all facilities and infrastructure.	
<b>Correction</b> <i>(filled by organization audited):</i> 1. Conducting data collection of facilities and infrastructure of fire prevention owned by the unit. Monitoring the condition of fire fighting equipment on a scheduled basis every 6 months.	
<b>Corrective Action</b> <i>(filled by organization audited):</i> Issued the circular letter to determine the PIC / Afdeling Assistant responsible for monitoring the completeness and realization of the facilities and infrastructure for the prevention of land fire.	
<b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i> <b>Verification on November 28, 2017</b> The Company shows evidence of improvements as follows: 1. List of facilities of infrastructure of land fires in the first semester of 2017 at Bah Jambi unit consists of 32 types, for example: chainsaw, nozzle, portable water tank. 2. List of facilities of infrastructure of land fires in the first semester of 2017 at Marihat unit consists of 32 types, for example: chainsaw, nozzle, portable water tank. 3. Circular letter of Monitoring landfire facilities in each unit are signed by the unit manager. It was determined that each assistant afdeling as the officer responsible for monitoring.  Auditor's Conclusion: Based on evidence of improvement, this discrepancy has been met.	
<b>Verified by</b>	: <b>Trismadi N</b>

<b>NCR No.</b>	: <b>2017.24</b>	<b>Issued by</b>	: <b>Rizliani Aprianita Hsb</b>
<b>Date Issued</b>	: <b>3 June 2017</b>	<b>Time Limit</b>	: <b>ASA-1</b>
<b>NC Grade</b>	: <b>Minor</b>	<b>Date of Closing</b>	: <b>28 November 2017</b>
<b>Standard Ref. &amp; Requirement</b>	: <b>4.7.6</b> <b>All workers shall be provided with medical care, and covered by accident insurance.</b>		
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i> Unit management has policies to include workers in BPJS employment and health. In addition, there is evidence of BPJS employment and health cuts in payroll documents. However, the unit has not been able to show evidence of payment of BPJS employment and health for all workers.			
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i> Evidence of payment BPJS already exist in HR department but not yet distributed to unit.			
<b>Correction</b> <i>(filled by organization audited):</i> Ask the HR department to send evidence of payment BPJS to the unit.			
<b>Corrective Action</b> <i>(filled by organization audited):</i> The plantation unit is proactive in asking the required documents and relating to the health of the employees.			
<b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i> <b>Verification on November 28, 2017</b> The Company shows evidence of improvements as follows:			

1. Evidence of payment of BPJS employment Marihat Unit on May 2017, paid on June 16, 2017.
2. Evidence of payment BPJS employment Bah Jambi unit on May 2017, paid on June 16, 2017.
3. The company has a COC socialization program, pregnant and lactating workers, flora and fauna, administration system, gender committee, hazardous waste management, family Cup system, domestic waste management, Early warning system, GHG emission, RKL-RPL management reporting, and river border management and water source every 6 months by the PPD Team in each business unit.

Auditor's Conclusion:

Based on the evidence of improvement shown, this discrepancy has been met.

**Verified by** : **Trismadi N**

<b>NCR No.</b>	: <b>2017.25</b>	<b>Issued by</b>	: <b>Rizliani Aprianita Hsb</b>
<b>Date Issued</b>	: <b>3 June 2017</b>	<b>Time Limit</b>	: <b>ASA-1</b>
<b>NC Grade</b>	: <b>Minor</b>	<b>Date of Closing</b>	: <b>03 Februari 2019</b>
<b>Standard Ref. &amp; Requirement</b>	: <b>4.7.7 Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics</b>		
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i> Based on Guiding committee of occupational safety and health reports fourth quarter, there is a recording of occupational accidents in October-December 2016 to inform how many days of work lost. However, the Bahjambi Unit has not been able to show the accident records that have been using Lost Time Accident (LTA) calculations.			
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i> The presence of negligence of officers in doing documentation of accident record by not including the calculation of Lost Time Accident (LTA).			
<b>Correction</b> <i>(filled by organization audited):</i> Incorporate a Lost Time Accident (LTA) calculation in a work accident record.			
<b>Corrective Action</b> <i>(filled by organization audited):</i> The PPD team and the HR General asisstant monitored the recorded workplace accidents.			
<b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i> <b>Verification on November 28, 2017</b> There are reports of workplace accidents in the second quarter of 2017, where 1 operator name of Usman Adianto aged 46 years the middle finger of his left hand broke.  Auditor's Conclusion: The Loss Time Accident can not be shown, that informed the amount of labor, the number of hours worked, the type of accident (First Aid, Medical, Fatality) the number of work lost days due to accidents, FR and SR calculations.			
<b>ASA-1</b> <b>Verification January 3, 2019</b> The company has shown proof of improvement in the form of calculation of Loss Time Accident which informs: the			

number of workers, number of hours worked, type of accident (First Aid, Medical, Fatality) the number of days lost due to accidents, FR and SR calculations for all Business Units.

Based on this, the non-conformity No. 2017.25 has been declared fulfilled.

**Verified by** : **Trismadi N**

<b>NCR No.</b>	<b>: 2017.26</b>	<b>Issued by</b>	<b>: Rizliani Aprianita Hsb</b>
<b>Date Issued</b>	<b>: 3 June 2017</b>	<b>Time Limit</b>	<b>: Before certificate issued</b>
<b>NC Grade</b>	<b>: Major</b>	<b>Date of Closing</b>	<b>: 28 Novmeber 2017</b>
<b>Standard Ref. &amp; Requirement</b>	<b>: 4.8.1 Training Program related to aspects of the Principle and Criteria RSPO</b>		
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i>			
Management unit of Bahjambi has not been able to show evidence of training program for employee capacity improvement in 2016/2017, especially related to aspects in RSPO's principles and criterias.			
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i>			
Training has been done but the negligence in filing the document of training realization so that at the time of audit can not be shown.			
<b>Correction</b> <i>(filled by organization audited):</i>			
Shows evidence of realization of internal training that has been done by the unit.			
<b>Corrective Action</b> <i>(filled by organization audited):</i>			
The PPD Team and the HR General Assistant conduct monitoring of training programs related to the RSPO Aspect every 6 months.			
<b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i>			
<b>Verification on November 28, 2017</b>			
The Company shows some evidence of improvements as follows:			
<ol style="list-style-type: none"> <li>1. Training Programs in the plantation Unit and POM such as: OHS, Plants (IPM, EWS, Chemical), Processing (GHG and SCCS), Human resources, General, Flora and Fauna.</li> <li>2. Records of first aid training on 3 October 2017, records of HCV training on July 10, 2017, records of HDI training on July 16, 2017, records of waste management training on 1 August 2017, records of RSPO training October 9, 2017.</li> <li>3. The company has a COC socialization program, pregnant and lactating workers, flora and fauna, administration system, gender committee, hazardous waste management, family cup system, domestic waste management, early warning system, GHG emission, RKL-RPL management reporting, and river border management and water source every 6 months by the PPD Team in each business unit.</li> </ol>			
Auditor's Conclusion:			
Based on evidence of improvement, this discrepancy has been met.			
<b>Verified by</b>	<b>: Trismadi N</b>		

<b>NCR No.</b>	: 2017.27	<b>Issued by</b>	: Yohanes hardian
<b>Date Issued</b>	: 3 June 2017	<b>Time Limit</b>	: ASA-1
<b>NC Grade</b>	: Minor	<b>Date of Closing</b>	: 27 November 2017
<b>Standard Ref. &amp; Requirement</b>	: 5.1.3 There are environmental monitoring plan document and implementation report and also improvement plan according the monitoring results if it found discrepancy. This plan is reviewed at least 2 years.		
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i> Based on the result of document review known that: <ol style="list-style-type: none"> <li>1. Bah Jambi plantation has implemented environmental management and monitoring (RKL / RPL) in second semester of 2016, but there are still environmental parameters that have not been managed and monitored and monitoring location according to RKL / RPL matrix eg Noise, Groundwater, Replanting</li> <li>2. Marihat plantation has implemented environmental management and monitoring (DELH) in second semester of 2016, but there are still environmental parameters that have not been managed and monitored and monitoring location according to environmental management and monitoring (DELH) matrix eg Increased surface water flow rate, Surface water quality (River Lost Bah, Biak, and Bah Birung), Soil Erosion and sendimentation, Employment opportunities and business opportunity, Attitudes and public perceptions</li> <li>3. In addition, the preparation of the report has not been in accordance with Decree of the Minister of Environment no. 45 of 2005 on Guidelines for Preparation of RKL and RPL Implementation</li> </ol>			
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i> <ol style="list-style-type: none"> <li>a. The existence of negligence in entering environmental parameters in accordance with manajemen and monitoring environment (RKL / RPL) matrix semester II year 2016</li> <li>b. The lack of understanding of officers in preparing manajemen and monitoring environment (RKL / RPL) report in accordance with KEPMENLH No. 45 Year 2005</li> </ol>			
<b>Correction</b> <i>(filled by organization audited):</i> <ol style="list-style-type: none"> <li>a. Already include environment parameters that have not been managed and monitored according to manajemen and monitoring environment (RKL / RPL) matrix</li> <li>b. Already created manajemen and monitoring environment report in accordance with manajemen and monitoring environment (RKL / RPL) matrix</li> </ol>			
<b>Corrective Action</b> <i>(filled by organization audited):</i> To socialize the preparation of manajemen and monitoring environment (RKL / RPL) report in accordance with KEPMENLH No. 45 Year 2005 by PPD team & General HR Assistant every 6 months.			
<b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i> <b>Verify November 12, 2017</b> The Company has presented evidence of improvements as follows: <ol style="list-style-type: none"> <li>1. Certificate of Result of Water Test of Upper and Lower of the Bah Biak River No: 458 / BLH.SU-UPT.LL / C / IV / 2017 dated 28 April 2017 issued by UPT Environmental Environment Laboratory Environment Agency of North Sumatera Provincial Government.</li> <li>2. Report on the Result of Water Test of Bah Birung River No: 1202 / SL / XII / 16 dated December 14, 2016 issued by the Testing Laboratory of PT. Mutuagung Lestari (KAN Accreditation: LP-001-IDN).</li> <li>3. Document of implementation of erosion rate study</li> </ol>			
<b>Auditor's Conclusion November 12, 2017</b> Based on the evidence of improvements that have been demonstrated, no research results have been made on surface water flow rises, surface water quality (Bah Hilang,Bah Biak dan Bah Birung), job opportunities and business opportunities, attitudes and perceptions of the community.			

**Verify November 20, 2017**

The Company has presented additional improvement evidence in the form of a revised RKL - RPL document for the second half of 2016 and included adequate environmental monitoring parameters.

**Verify November 27, 2017**

The Company shows Letter of Introduction Letter No. MAT / SPS / 25 / 1 / 2017 dated January 18, 2017, as proof of receipt of RPL report of RPL Semester II of 2016. The report was reported on July 13, 2017 to the Environment Department of Simalungun Regency.

**Auditor's Conclusion November 27, 2017**

Based on this, the Nonconformity is stated to have been closed.

**Verified by** : **Trismadi N**

<b>NCR No.</b>	: <b>2017.28</b>	<b>Issued by</b>	: <b>Yohanes hardian</b>
<b>Date Issued</b>	: <b>3 June 2017</b>	<b>Time Limit</b>	: <b>Before certificate issued</b>
<b>NC Grade</b>	: <b>Major</b>	<b>Date of Closing</b>	: <b>28 November 2017</b>
<b>Standard Ref. &amp; Requirement</b>	: <b>5.2.1 Information shall be collated in a High Conservation Value (HCV) assessment that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors).</b>		
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i> Bah Jambi Plantation has identified HCV conducted by Citra Cendikia consultant agency which conducted field data collection on 08-10 July 2011 with methodology of Guidance of Identification of High Conservation Value Area in Indonesia 2008. Public consultation on HCV identification was conducted on October 1, 2011 i which was attended by 83 participants from various agencies (BLH, District Office, NGO, Security apparatus), local people and Workers. Result of HCV Identification of Unit Bah Jambi is 735.03 Ha (9.11%) of HGU. But the company has not presented any evidence of peer review by an HCV assessor listed as an Assessor License Scheme (ALS).			
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i> Peer review by HCV assessor already exists but PPD is late giving it to the auditor.			
<b>Correction</b> <i>(filled by organization audited):</i> Shows peer review identification of high conservation value areas of Bah Jambi units.			
<b>Corrective Action</b> <i>(filled by organization audited):</i> Document archiving is done neatly and regularly by the PPD Team and General HR Assistant.			
<b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i> <b>Verify November 28, 2017</b> Business Unit Bah Jambi show document Disclaimer (Peer Review) HCV Report signed by Rudy Ready Lamuru (approved HCV Assessor) on December 15, 2011.			
<b>Auditor's Conclusion:</b> Based on the evidence of improvement shown, this Nonconformity has been closed.			
<b>Verified by</b>	: <b>Trismadi N</b>		

<b>NCR No.</b>	: 2017.29	<b>Issued by</b>	: Yohanes hardian
<b>Date Issued</b>	: 3 June 2017	<b>Time Limit</b>	: Before certificate issued
<b>NC Grade</b>	: Major	<b>Date of Closing</b>	: 28 November 2017
<b>Standard Ref. &amp; Requirement</b>	: 5.2.2 If rare, threatened or endangered (RTE) species, and or other HCV contained in plantations or affected by the operation of oil palm plantations or factories, it should be provided that the management plan is implemented to maintain or increase its value.		
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i> Bah Jambi and Marihat Plantation already have HCV management and monitoring plans, but not yet adequate such as the management and monitoring sites have not been specifically described with clear targets and timelines.			
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i> There is still a lack of understanding from the officers in making HCV management and monitoring plans.			
<b>Correction</b> <i>(filled by organization audited):</i> Establish specific HCV management and monitoring plans by incorporating clear targets and timelines.			
<b>Corrective Action</b> <i>(filled by organization audited):</i> To socialize the creation of a correct HCV management and monitoring plan. HCV management and Monitoring Program by PPD Team and Afdeling Assistant respectively.			
<b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i> <b>Verify November 28, 2017</b> The company showed some improvement evidence: <ol style="list-style-type: none"> <li>1. HCV monitoring program at Marihat Estate and Bah Jambi consists of HCV items, location, management, methods, work tools and timeliness once a month.</li> <li>2. HCV signboard identification record in Marihat Estate has 34 signboards.</li> <li>3. HCV signboard identification records at Bah Jambi Estate have 38 signboards.</li> <li>4. Appointment of field officers in monitoring HCV areas signed by each Estate Manager consists of 1 Chairman and 9 members.</li> <li>5. The company has a COC socialization program, pregnant and lactating workers, flora and fauna, administration system, gender committee, LB3 management, family cup system, domestic waste management, Early warning system, GHG emission, RKL-RPL management reporting, and water source every 6 months by the PPD Team in each business unit.</li> </ol> Auditor's Conclusion: Based on the evidence of improvement shown, this Nonconformity has been closed.			
<b>Verified by</b>	: Trismadi N		

<b>NCR No.</b>	: 2017.30	<b>Issued by</b>	: Yohanes hardian
<b>Date Issued</b>	: 3 June 2017	<b>Time Limit</b>	: ASA-1
<b>NC Grade</b>	: Minor	<b>Date of Closing</b>	: 28 November 2017



<b>Standard Ref. &amp; Requirement</b>	<b>5.2.3</b> There are socialization program of the status of protected, RTE species to all workers and record of sanction to individuals who work to the business unit if it is proven to catch, harm, collect or kill the species.
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i> Based on the results of the document review it is known that there is no program to educate employees on a regular basis and there is no evidence that there has been any socialization of procedures and policies for the protection of rare animals and plants protected to all workers in the operational area of PTPN IV of Bah Jambi and Marihat Plantation.	
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i> Failure of estate units to run regular employee training programs and socialization of procedures and policies for RTE species	
<b>Correction</b> <i>(filled by organization audited):</i> Conduct training and dissemination of procedures and policies for RTE species	
<b>Corrective Action</b> <i>(filled by organization audited):</i> Develop training and socialization programs on procedures and policies for RTE species every 6 months by the PPD team.	
<b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i> <b>Verify November 28, 2017</b> The company showed some improvement evidence: 1. HCV training program for all workers in Marihat and Bah Jambi estate every year. 2. Records of HCV socialization and protection of flora and fauna are protected to all workers in Bah Jambi estate dated July 10, 2017. 3. Records of HCV socialization and protection of flora and fauna are protected to all workers in the Bah Jambi estate dated 11 April 2017.	
<b>Auditor's Conclusion:</b> Based on the evidence of improvement shown, this Nonconformity has been closed.	
<b>Verified by</b>	<b>Trismadi N</b>

<b>NCR No.</b>	<b>2017.31</b>	<b>Issued by</b>	<b>Yohanes hardian</b>
<b>Date Issued</b>	<b>3 June 2017</b>	<b>Time Limit</b>	<b>ASA-1</b>
<b>NC Grade</b>	<b>Minor</b>	<b>Date of Closing</b>	<b>2 Februari 2019</b>
<b>Standard Ref. &amp; Requirement</b>	<b>5.2.4</b> If a management plan has been arranged, it should be provided documentation and ongoing monitoring reports on the status of RTE species and HCV operational affected plantations and palm oil mill and the results of the monitoring are used to follow up the management plan.		
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i> Plantations Bah Jambi and Marihat have not been able to show the results of monitoring of wildlife, protected plants and HCV as well as evidence of evaluation of management plans based on the results of monitoring.			
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i> Failure to monitor and evaluate HCV (and RTE species) regularly.			
<b>Correction</b> <i>(filled by organization audited):</i> Monitoring HCV (and RTE species) regularly in accordance with the monitoring recommendations on the HCV Report			

document as well as its evaluation.

*Corrective Action (filled by organization audited):*

1. Document the evaluation of HCV (and species RTE) monitoring results regularly (6 months) in accordance with the monitoring recommendations in the HCV Report document.
2. Make a PIC assignment decree assigned to monitor HCV and RTE species

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

**Verify October 26, 2017**

The company showed evidence of improvement:

1. Results of monitoring of animals in Marihat Estate in the first semester of 2017 at Marihat Afdeling I-VI unit still found protected species in each afdeling, for example heron bird. **But has not been shown the status of protection based on IUCN (Rear / Threat / Endangered)**
2. The result of monitoring of animals in Estate Bah jambi in the first semester of 2017 at Marihat Estate Afdeling I-VI still found protected species in each afdeling, for example eagle. **But has not been shown the status of protection based on IUCN (Rear / Threat / Endangered)**
3. SK Manager Estate No Marihat. MAT / MU / Kpts // VIII / 2017, August 2017; on the appointment of field officers in carrying out the management and monitoring of HCV areas at Marihat Estate: a.n. Suyono with 9 members.
4. SK Manager Estate Bah Jambi No. MAT / MU / Kpts / 1st / VIII / 2017, July 28, 2017; on the appointment of field officers in carrying out the management and monitoring of HCV areas in the Jambi Estate: a.n. Suwardi with 10 members.
5. SE No. MAT / SE / 16 / IV / 2017 dated April 19, 2017 from Unit Marihat's manager on the prohibition of hunting, harm and destruction. **However, other monitoring results have not been shown in accordance with the management and monitoring recommendations of HCV documents.**

**Verify November 28, 2017**

Estate Bah Jambi and Marihat have completed the list of flora and fauna that are equipped with IUCN (RTE) based protection status.

**Auditor's Conclusion:**

The evaluation of the above monitoring results can not be shown, as the input of the management and monitoring program in the future.

**Verification on February 2, 2019**

The company shows the results of animal monitoring in 2018 along with an evaluation of the animal species management and monitoring program (RTE). The results of the evaluation stated that the flora and fauna species found in the field are still in accordance with the initial identification, the actual condition of the habitat is still preserved and the warning board is not damaged or missing.

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

**Verified by** : **Trismadi N / Rizliani Aprianita Hsb**

<i>NCR No.</i>	: 2017.32	<i>Issued by</i>	: Yohanes hardian
<i>Date Issued</i>	: 3 June 2017	<i>Time Limit</i>	: 5 May 2019
<i>NC Grade</i>	: Minor Raise to Major	<i>Date of Closing</i>	: 3 May 2019
<i>Standard Ref. &amp; Requirement</i>	: 5.3.3 A documented waste management plan to avoid or reduce pollution and its implementation shall be available.		
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i>			
<p>Based on the results of document review and field visits are known:</p> <ul style="list-style-type: none"> <li>- The Marihat Unit has delivered hazardous waste (used lubricants and pesticide packaging) to licensed carriers on January 26, 2016 and Bah Jambi Units on 11 January 2016, however the company stores hazardous waste over 180 days. This is not in accordance with the permits and PP. 101 of 2013.</li> <li>- Based on field observations to Hazardous Waste Storage at Bah Jambi and Marihat Plantations not yet equipped with hazardous waste label symbol, eye shower, adequate P3 box.</li> <li>- Based on the results of field observations to the hazardous waste temporary storage Bah Jambi not available adequate secondary containment to avoid potential pollution to the environment.</li> <li>- Based on interviews with employees living in Afd 2,3,9 at Bah Jambi unit as well as the result of field visits at afdeling 4 Marihat unit is known that waste management by burning.</li> <li>- Field observation results to Chemical warehouse afdeling 4 jambi and afdeling 2 and 3 Marihat unit is known to contain hazardous waste containers that are not collected at licensed sites.</li> <li>- Field observation results at Marihat unit know contain drums used lubricant in store in warehouse of used material</li> </ul>			
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i>			
<ul style="list-style-type: none"> <li>- There is still a lack of understanding of the officers of the Marihat estate units against applicable Hazardous waste legislation.</li> <li>- Officer's negligence in completing equipment that becomes standard for Hazardous waste storage</li> <li>- At the time of the secondary treatment audit found at the Hazardous waste storage Bah Jambi still in the process of repair.</li> <li>- There is still a lack of employees' understanding of how domestic household waste management works</li> <li>- Negligence of afdeling chemical warehouse officers to deliver used Hazardous waste packaging to licensed Hazardous waste storage</li> <li>- Negligence of warehouse officers to move oil drums to licensed Hazardous waste storage</li> </ul>			
<b>Root Cause Analysis ASA-1</b> <i>(filled by organization audited):</i>			
<ul style="list-style-type: none"> <li>- There was still a lack of understanding of the plantation management in managing domestic waste produced by workers in accordance with existing SOPs.</li> <li>- The lack of monitoring of conditions for domestic waste management facilities in residential areas in accordance with existing SOPs.</li> <li>- The absence of socialization of SOP for domestic waste management to management and employees of the plantation</li> </ul>			
<b>Correction</b> <i>(filled by organization audited):</i>			
<ul style="list-style-type: none"> <li>- Immediately contact a licensed waste collection contractor to immediately take Hazardous waste in the Hazardous waste storage.</li> <li>- Complete the Hazardous waste storage with Hazardous waste label, symbol, eye shower, adequate first aid kit.</li> <li>- Secondary container is already in the Hazardous waste storage in Bah Jambi Estate.</li> <li>- The domestic waste management does not burn anymore but by collecting it at Landfill and stockpiled when it is full.</li> </ul>			

- Already delivering used Hazardous waste packaging to licensed Hazardous waste storage.
- Already transferred oil drum to licensed Hazardous waste storage.

**Correction ASA -1** *(filled by organization audited):*

- Making landfill in accordance with the SOPs set by the Company
- Socialization SOP of Domestic and Household Waste Management to all workers and housing residents and evaluate at the latest 1 month after socialization.
- Creating an inventory list of domestic and household waste management facilities as well as routine monitoring

**Corrective Action** *(filled by organization audited):*

- Conducting training and socialization on Hazardous waste management and handling
- Socialize the handling of domestic waste / hazardous waste to employees
- Monitoring of Hazardous waste will be conducted by Assistant Afdeling assisted by the PPD Team every month.
- Make a circular letter related to domestic waste management by separating into organic, inorganic and Hazardous waste categories.

**Corrective Action ASA-1** *(filled by organization audited):*

- Making socialization of SOP for domestic waste management to Unit management and plantation employees.
- Make a check list of complete domestic waste management facilities in a residential area
- Creating a monitoring mechanism for domestic and hazardous waste management every 3 months carried out by the PIC appointed by the Unit Manager.

**Assessor Evaluation and Conclusion** *(filled by auditor):***Verification November 28, 2017**

The Company shows evidence of improvements as follows:

1. News of delivery of Hazardous waste from Marihat estate to PT Veronica Tannage dated 1 August 2017 consists of 7000 bags of ex-fertilizer, used oil 44 liters, 150 pcs of used jerry cans, 3 pcs of used batteries.
2. Letter of Introduction. C1.SPB / VIII / 2017 dated 1 August 2017.
3. Manifest Hazardous waste No. ARA 0000471; ARA 0000472 and ARA 0000473 for all such goods.
4. Photo documentation of eye shower, symbol of B3 waste, first aid kit in Marihat unit.
5. Circular Letter no. MAT / SE / 19 / IV / 2017 dated April 20, 2017 to all assistants and employees, concerning: management of household and office waste as well as those related to environmental pollution. Where waste management is separated into organic, inorganic, and Hazardous Material. Every month waste is thrown into the landfill. This circular was socialized on July 18, 2017.
6. Results of Hazardous waste monitoring at Bah Jambi and Marihat estate, besides also shown SOP Hazardous waste management.

**Auditor's Conclusion:**

No evidence of improvement for non-conformity in Jambi Bah Unit

**Verification January 28 - February 2 2019****Evidence observed** *(filled by auditor):***Bah Jambi**

- Based on the results of field visits at the 5 & 6 Bah Jambi Estate residential housing, it is known that garbage disposal sites are located in residential locations with a distance (10-20 meters) from the nearest house.
- Bah Jambi Estate showed proof of improvement in the form of photos of the final Bah Jambi Estate landfill, Afdeling 1 in block 99 M, afdeling 2 in block 2009, afdeling 3,4,5,8 no information block, afdeling 6 blocked 05 B, afdeling 7 blocks 09K, and afdeling 9 on block 95 T.

**Marjandi**

- Based on the results of field visits at the 2 Marjandi Estate counseling housing, it is known that garbage disposal sites are located in residential locations with a distance (10-20 meters) from the nearest house.

**Marihat**

- Based on the results of field visits at the 6 Marihat Estate counseling housing, it is known that the garbage disposal site is located near the housing location with a distance (60-70 meters) from the nearest house.

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

Based on the explanation, known that the company has not been able to demonstrate the implementation of waste management to avoid and reduce pollution (according to the SOP no. 20, the distance of landfill 1 km from the settlement).

**Assessor Evaluation and Conclusion ASA - 1 (filled by auditor):****Verification on 5 April 2019**

The company shows evidence of improvement in the form of:

**Bahjambi**

- Checklist of the completeness of the Domestic Waste Management facilities in the first quarter of 2019. In the checklist, has been explained the landfill condition in each afdeling.
- Circular Letter of prohibition on burning domestic waste No.BAJ / SE / Intrn / 03 / II / 2019 dated February 25, 2019.
- The socialization of the ban on burning domestic waste on February 26, 2019 was attended by 43 participants (management and workers). There are also photos and minutes of socialization.
- Record / photo of landfill Bah Jambi afdeling 1 is located in block 1999M with a distance of 310 m from housing, afdeling IX in block 95T is 320 m from housing, afdeling V is located in block 2000E which is 300 m from housing, afdeling VI which is located in block 05B with a distance of 318 m from housing, afdeling VIII is located in block 97J with a distance of 310 m from housing, afdeling VIII is located in block 03I with a distance of 300 m from the housing, afdeling II is located in block 17R with a distance of 300 m from housing, afdeling III in blok 15AC was 700 m from housing, afdeling IV is located in block 06K with a distance of 310 m from housing.

**Marjandi**

- Checklist of the completeness of the Domestic Waste Management facilities in the first quarter of 2019. The checklist describes the domestic waste management facilities in each afdeling. The distance between landfill and the nearest housing area is 300 m.
- Socialization of the ban on burning domestic waste on February 15, 2019 was attended by 22 participants, and on February 14, 2019 was attended by 92 participants from the afdeling II, and 78 participants from afdeling III. There are also photos and minutes of socialization.
- Recording / photo of landfill of Marjandi. Landfill of afdeling 1 is located in block 05AW, landfill of afdeling II is located in block 05AG and afdeling III is located in block 05CG.

**Marihat**

- Checklist the completeness of the Domestic Waste Management facilities in semester 1 of 2019. In the checklist, it is explained about the completeness of domestic waste management facilities in each afdeling. The domestic waste management facilities consists of a Waste Final Disposal Site/Landfill, a temporary garbage collection facility with available conditions. The distance between Landfill and the nearest housing area is 300 m.
- Socialization of Hazardous and domestic waste dated February 15, 2019 attended by 44 participants.
- Minutes of implementation landfill activities on 9 February 2019.
- Records / photos of the landfill of each afdeling.

**Verification on 15 April 2019**

The company shows evidence of improvement in the form of:

**BahJambi**

- Letter No. BAJ / SE / Intrn / 08 / IV / 2019 dated April 8, 2019 concerning the Mechanism and PIC of Domestic Waste Management Monitoring. In the Letter, it was explained about the procedures for managing domestic waste along with the PIC appointed to monitor domestic waste management, namely General HR Assistant, Administrative Assistant and Afdeling Assistant.
- SOP Domestic waste management No. SPO 20, revision 03 January 2, 2018.

**Marihat**

- Letter No. MAT/SE/Intrn/20/IV/2019 dated April 10, 2019 concerning the Mechanism and PIC of Domestic Waste Management Monitoring. In the Letter, it was explained about the procedures for managing domestic waste along with the PIC appointed to monitor domestic waste management, namely General HR Assistant, Administrative Assistant and Afdeling Assistant.

**Marjandi**

- Letter No. MAR/SE/Intrn/16/IV/2019 dated April 11, 2019 concerning the Mechanism and PIC of Domestic Waste Management Monitoring. In the Letter, it was explained about the procedures for managing domestic waste along with the PIC appointed to monitor domestic waste management, namely General HR Assistant, Administrative Assistant and Afdeling Assistant.

**Verification on 3 May 2019**

The company shows evidence of improvement in the form of the Hazardous and Domestic Waste Management Monitoring Mechanism in the operational area on 23 April 2019 No. BAJ / SE / Intrn / 09 / IV / 2019 (Bahjambi), No. MAT / SE / Intrn / 17 / IV / 2019 (Marihat) and No. MAR / SE / Intrn / 17 / IV / 2019 (Marjandi)

Based on root cause analysis, correction and corrective actions. Nonconformities are stated to be fulfilled.

*Verified by* : **Rizliani Aprianita**

<b>NCR No.</b>	: 2017.33	<b>Issued by</b>	: Fuji Lestari
<b>Date Issued</b>	: 3 June 2017	<b>Time Limit</b>	: Before certificate issued
<b>NC Grade</b>	: Major	<b>Date of Closing</b>	: 28 November 2017
<b>Standard Ref. &amp; Requirement</b>	: 6.1.3 There shall be a management plan and social impact monitoring to avoid or reduce negative impacts and enhance positive impacts were based on the analysis of social impact through the consultation process with the parties affected, documented and uncheduled including the responsibilities of implementation.		
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i> Bah Jambi Unit has not yet shown corrective Action plan of negative impact and increasing the social positive impact, and also the monitoring of them which involving impacted party including the schedule and the PIC.			
<b>Root Cause Analysis:</b> The existence of negligence in making plans and monitoring to reduce negative impacts and increase the positive social impact.			
<b>Correction:</b>			



Can show evidence of activities for plans to reduce negative impacts and increase social positive impact and update data and documents carefully and scheduled.

**Corrective Action:**

- Monitoring the management plan and documenting all socialization conducted by the company to the surrounding community related to these parameters.
- Provide decree for PIC responsible for the monitoring.

**Assessor Evaluation and Conclusion:**

**Verified 28 November 2017**

The company shows evidence of improvement:

1. Minutes of meeting socialization with villages' stakeholders around Bah Jambi Business Unit on July 25, 2016, Nagori Silau Manik discusses: Nagori development program based on priority scale, Employment information in Jambi Estate, making proposal from Nagori to get CSR aid, prohibition of shepherding cow. Response: development programs include infrastructure; related vacancy of workers will be recorded by the Nagori, will soon be made proposal submission of CSR, and will be disciplined cows from the field.
2. Minutes of Socialization with villages stakeholder around the Bah Jambi Business Unit dated July 26, 2016, **Nagori Moho** discussed about: Nagori development program based on priority scale, employment information in Jambi Estate, making proposal from nagori to get CSR aid, prohibition of shepherding cow. Response: development programs include infrastructure; related vacancy of workers will be recorded by the Nagori, will soon be made proposal submission of CSR, and will be disciplined cows from the field.
3. News Events Socialization with Villages Stakeholders around Bah Jambi Business Unit dated July 27, 2016, **Nagori Bah Jambi-I** discusses about: Nagori development program based on priority scale, employment information in Jambi Kebun, making proposal from nagori to get CSR aid, prohibition of shepherding cow. Response: development programs include infrastructure; related vacancy of workers will be recorded by the Nagori, will soon be made proposal submission of CSR, and will be disciplined cows from the field.
4. Decree of Business Unit Manager of Bah Jambi No. BAJ/MU/Kpts/02/1/2017 dated on 12 January 2017 about Appointment of Assistant & Krani Human Resources, General & Security as responsible in consultation and communication with the community related to RSPO Bah Jambi Business Unit
5. Matrix Social impacts to be monitored: Public and social facilities (plantations assist villages around the estate with road repairs, washing ditches through CSR programs and providing basic food items); Employment Opportunities (recruitment of labor from surrounding villages through the selection process); Business Opportunities (business units awaiting approval of proposals from headquarters, local residents are allowed to quote palm oil as livestock and broomsticks); Farmers (the company creates a regional zone for cattle and non-permitted areas, but farmers are allowed to take grass in the unit area).
6. The company shows the data of environmental assistance proposal and program of 2016 and 2017 Nagori / Huta around Bah Jambi Business Unit.

**Conclusion:**

**Based on the evidence shown, the non-conformity closed.**

**Verified by : Trismadi N**

<i>NCR No.</i>	: 2017.34	<i>Issued by</i>	: Fuji Lestari
<i>Date Issued</i>	: 03 June 2017	<i>Time Limit</i>	: 5 May 2019

<i>NC Grade</i>	: <b>Minor Raise to Major</b>	<i>Date of Closing</i>	: <b>3 May 2019</b>
<i>Standard Ref. &amp; Requirement</i>	<b>6.1.4</b> <b>The documented plan for management and monitoring of social impact, 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.</b>		
<i>Non-Conformance Description &amp; Evidence observed (filled by auditor):</i> <b>Deskripsi Ketidaksiesuaian &amp; Bukti yang diamati (dilengkapi oleh auditor):</b> Bah Jambi Unit has not yet conducted review/evaluation process per 2 years against the implementation of social management plan which has been decided before by involving participation of all stakeholders.			
<b>Root Cause Analysis (filled by organization audited):</b> A management and monitoring plan has been made but document controller is late in giving it to the auditor at the time of the audit.  <b>Root Cause Analysis ASA – 1 (filled by organization audited):</b> <ul style="list-style-type: none"> <li>- Lack of understanding of PPD/officer in conducting a review / review of the SIA program which must be done at least once every two years and lack of understanding in preparing documents in accordance with the request of RSPO principles and criteria</li> <li>- There is no monitoring of documents completeness in accordance with RSPO principles and criteria</li> </ul>			
<b>Correction (filled by organization audited):</b> <ul style="list-style-type: none"> <li>- Establish annual social impact management and monitoring plans.</li> <li>- Perform document storage in one special place so it is easy to immediately give it to the auditor.</li> </ul> <b>Correction ASA-1 (dilengkapi oleh organisasi yang diaudit):</b> <ul style="list-style-type: none"> <li>- Completing questionnaires of villages and other stakeholders who have not been given a questionnaire so that the SIA review has involved the participation of all affected parties.</li> <li>- Re-disseminate to PPD/officer about how to conduct the SIA program review / review.</li> <li>- Shows examples of RSPO document lists / monitoring.</li> </ul>			
<b>Corrective Action (filled by organization audited):</b> <ul style="list-style-type: none"> <li>- Make monitoring of the social impact management plan.</li> <li>- Make appointment decree of the PIC responsible for monitoring above</li> </ul> <b>Corrective Action ASA-1 (dilengkapi oleh organisasi yang diaudit):</b> <ul style="list-style-type: none"> <li>- Giving Socialization to Officer/PPD in preparing documents that are in accordance with RSPO certification requirements.</li> <li>- Make list/monitoring of document requirements related to RSPO.</li> <li>- Giving Socialization how to conduct SIA reviews and evaluate the socialization that have been given to PPD/officer.</li> </ul>			
<b>Assessor Evaluation and Conclusion (filled by auditor):</b> <b>Verification on 28 November 2017</b> <b>The company shows the evidence:</b> 1. Circular Letter in each unit about field officers in the implementation of management and monitoring of social impacts related to RSPO.			

2. The Company has documented the matrix of Social Impact Monitoring in **Jambi Bah** Unit of Semester I and II of 2017, but there is not enough evidence that the Jambi Business Unit has conducted a review / evaluation process every 2 years against the implementation of pre-established social plans involving participation of all stakeholders.

**Verification January 28 - February 2 2019****Evidence observed (filled by auditor):****Bah Jambi:**

- The Bah Jambi business unit Social Impact Analysis Report, which was compiled in collaboration with CV Citra Cendekia in 2011.
- Based on the SIA document, there are 15 Nagori adjacent to the Jambi Bah unit plantations, among others: Bah Jambi I, Mekar Bahalat, Bah Yoga, Moho, Bahalat Bayu, Mariah Jambi, Tanjung Maraja, Silau Malaha, Silau Manik, Dolok Hataran, Totap Majaya, Jambi Pagar (Bahjambi II), Baliyu, Baja Dolok, Bosar Galugur.
- Evidence of SIA evaluations / reviews in the form of 27 questionnaires that have been filled in by stakeholders. Evaluations were conducted on January 16, 2019 (1 questionnaire), December 2018 (6 questionnaires) and 3-4 January 2018 (7 questionnaires) and the remainder did not have an implementation date. The stakeholders involved include: Jambi Bah (3), Baliyu Nagori (4), Nagori Bah Yoga (3), employees (4), Silau Manik (3), Baja Dolok (3), Jambi Fence (2), Bahalat Bayu (3), and Bah Jambi I (2).

**Marjandi:**

- The Marjandi business unit Social Impact Analysis Report prepared in collaboration with PT Surveyor Indonesia in December 2015 - February 2016.
- Based on the SIA document, there are 6 villages directly adjacent to Marjandi's business units, namely Nagori Marjandi Pisang, Nagori Bosar, Nagori Marjandi, Nagori Mekar Sari Raya, Simpang Raya and Siantar Silatasari.
- Evidence of SIA evaluation / review in the form of 11 Social Impact Analysis Questionnaires filled by stakeholders consisting of: 4 Marjandi Emplasmen Employees, Nagori Marjandi Pisang Village Head, Penghulu Nagori Bosar, Central Bolon Bah Village Head, 2 stakeholders from Panai Tonga, Village Head Pangulu Nagori Rayabosi, head of Pangulu Marjandi Village.

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

Based on the explanation above, it is concluded that there is not enough evidence that the SIA (Jambi and Marjandi Bah Unit) Review / Review which is reviewed at least once every two years has involved the participation of all affected parties (external and internal stakeholders).

**Assessor Evaluation and Conclusion ASA-1 (filled by auditor)****Verification on 5 April 2019**

The company shows the evidence:

**BahJambi:**

- *Kuesioner stakeholder analisa dampak sosial dari keberadaan perkebunan kelapa sawit and Kuesioner Sikap, Persepsi dan Harapan Stakeholder* dated February, 8 2019. The questionnaires submitted were from surrounding Nagori including *Pangulu Bah Jambi II, Pangulu Dolok Hataran, Pangulu Mekar Balahat, Pangulu Moho, Pangulu Bah Jambi III, Pangulu Totap Majaya, Pangulu Silau Malaha*, dan villagers from village of Bahjambi III, Moho, Mekar Balahat, Dolok Hataran, Bahjambi II, and Silau Malaha. However, it has not been shown that a review has also involved Nagori Mariah Jambi, Tanjung Maraja and Bosar Galugur and contractors.

- List/monitoring RSPO documents in 2019, one of which is a social impact management plan and questionnaire from affected parties/stakeholders.

**Marjandi**

- *Kuesioner stakeholder analisa dampak sosial dari keberadaan perkebunan kelapa sawit and Kuesioner Sikap, Persepsi dan Harapan Stakeholder.* The questionnaires submitted were from surrounding Nagori including *Pangulu and Gamot Nagori Bosar, Pangulu and Gamot Mekar Sari, Pangulu Marjandi Embong, Pangulu and Kaur Simpang Raya Dasma, Kaur Nagori Marjandi Pisang, Head of Bah Bolon Tengah Village.* However, it has not been shown that a review has also involved Nagori Siantar Silatasari and contractors.
- List/monitoring RSPO documents in 2019, one of which is a social impact management plan and questionnaire from affected parties/stakeholders.

**Verification on 15 April 2019**

The company shows the evidence:

**Bahjambi**

- Decree of the Manager of Bah Jambi Business Unit No. BAJ / MU / Kpts / 03 / IV / 2019 concerning the PIC for the Supervision of the Implementation and Evaluation of the Management program, Social Impact Monitoring which was set in April 2019. In the Letter, it was stated that the field officers appointed were:
  - Head : Fadlan Fahmi Simatupang
  - Members: Fahu Harahap, Jaya Krisna, Juriono and Irfan Irawan.
- *Kuesioner stakeholder analisa dampak sosial dari keberadaan perkebunan kelapa sawit and Kuesioner Sikap, Persepsi dan Harapan Stakeholder* including Nagori Bosar Galugur on February 7 2019, Mariah Jambi on January 16 2019 and February 7 2019, Tanjung Maraja Village on Februari 7 2019 and also contractors on April 2019.

**Marjandi**

- Decree of the Manager of Bah Jambi Business Unit No. MAR/MU/Kpts/02/IV/2019 concerning the PIC for the Supervision of the Implementation and Evaluation of the Management program, Social Impact Monitoring which was set in 1 April 2019. In the Letter, it was stated that the field officers appointed were:
  - Head : Rudi Randa Harahap
  - Members: Zulfikar Harahap, Sutrisno, Azra'i Sitompul, Emmy Suriati and Turwati.
- *Kuesioner stakeholder analisa dampak sosial dari keberadaan perkebunan kelapa sawit and Kuesioner Sikap, Persepsi dan Harapan Stakeholder* including Nagori Siantar Sitalasari on April 10 2019 and also contractors.

**Verification on May 3 2019**

The company shows evidence of improvement in the form of socialization minutes on February 19, 2019 which are completed with photos of the implementation and attendance list. The socialization was carried out in conjunction with the dissemination of the RPL RKL report and the dissemination of document fulfillment in accordance with the RSPO P & C, and the socialization evaluation was conducted on February 25, 2019. Based on the minutes, SIA review / review procedures were also submitted.

Based on root cause analysis, correction and corrective actions, nonconformities are stated to be **fulfilled**.

Verified by : Riziani Aprianita Hsb

NCR No.	: 2017.35	Issued by	: Fuji Lestari
Date Issued	: 3 June 2017	Time Limit	: ASA 1
NC Grade	: Minor	Date of Closing	: 04 February 2019
Standard Ref. & Requirement	<b>6.2.3</b> <b>A list of stakeholders, records of all communication, including confirmation of receipt and that efforts are made to ensure understanding by affected parties, and records of actions taken in response to input from stakeholders</b>		
<b>Non-Conformance Description &amp; Evidence observed (filled by auditor)::</b> However, there is no evidence shows that the stakeholder list has consisted of all impacted or related party, such as: <ul style="list-style-type: none"> <li>Stakeholder list of Bah Jambi Unit consists of contractor, village, district, Police Office, and Danramil but the list has not yet consisted of all stakeholders such as: reporter/LSM; regency, province, and national government agencies; supplier, labor union, etc.</li> <li>Stakeholder list of Marihat Unit consists of village, distric, police office, Danramil, and regency government agency, but stakeholder list has not yet consisted of all stakeholders such as: reporter/LSM, contractor, supplier, province and national government agencies, labor union, etc.</li> </ul>			
<b>Root Cause Analysis:</b> There is an errors in listing stakeholders so that there are still stakeholders who have not been listed in the list of stakeholders.			
<b>Are there no internal audit mechanisms related to the list of stakeholders?</b>			
<b>Correction:</b> inputting stakeholders that is not yet listed in the stakeholder list			
<b>Corrective Action:</b> Updating a list of stakeholders once a year.			
<b>Who is in charge and responsible?</b>			
<b>Assessor Evaluation and Conclusion:</b> <b>Verified 28 November 2017</b> <b>The company shows the evidence:</b> <ol style="list-style-type: none"> <li>List of stakeholders of Bah Jambi Estate: Tanah Jawa Sub-district, Java Maraja and Bah Jambi, Villages: 15 villages for example: bah Joga, Moho, Bahalut Bayu, etc.; Agencies at Simalungun District: Police Office, District Attorney, Sector Police Office, local national army, National Narcotics Agency and National Land Agency; Journalist: 12 newspapers, NGOs: 5; but has not included in the list of stakeholders: contractors, suppliers, trade unions and the Gender Committee.</li> <li>List of stakeholders of Marihat Estate: Sub District: 6 wilayah, Village: 19 Villages, Simalungun District agencies: police office, the state prosecutor's office, Sector Police Office, local national army, National Narcotics Agency and National Land Agency; Journalist: 22 newspapers, NGOs: 7; <b>but have not entered into the stakeholders: contractors, suppliers, unions and gender committees.</b></li> </ol>			
<b>Conclusion:</b> <b>The list of stakeholders has not been informed: contractors, suppliers, trade unions, and gender committees</b>			
<b>Verified 04 februari 2019</b> The company shows the evidence:			

- List of all stakeholder for Bah Jambi such as Provinces Agency, District Agency, Villages, Contractors, suppliers, journalist, newspaper, internal stakeholder, NGO and others.
- List of all stakeholder for Marihat such as Provinces Agency, District Agency, Villages, Contractors, suppliers, journalist, newspaper, internal stakeholder, NGO and others.
- List of all stakeholder for Marjandi such as Provinces Agency, District Agency, Villages, Contractors, suppliers, journalist, newspaper, internal stakeholder, NGO and others.

Based on evidence above, the company has been list all of internal and eksternal stakeholder and this Non-Conformity has been Closed.

<i>Verified by</i>	<b>Trismadi N &amp; Rindu Galih Rezza Rachmansyah</b>
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<b>NCR No.</b>	<b>: 2017.36</b>	<b>Issued by</b>	<b>: Rizliani Aprianita Hasibuan</b>
<b>Date Issued</b>	<b>: 3 June 2017</b>	<b>Time Limit</b>	<b>: Before certificate issued</b>
<b>NC Grade</b>	<b>: Major</b>	<b>Date of Closing</b>	<b>: 21 December 2017</b>
<b>Standard Ref. &amp; Requirement</b>	<b>: 6.5.1 There shall be evidence of wages documentation and working requirements in accordance with provision of employment conditions.</b>		
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor)::</i>			
<p>Based on document verification, found some non-conformities, among others:</p> <ol style="list-style-type: none"> <li>1. Based on document verification of overtime work order (bahjambi unit) on April 2017, it is known that there are workers who work overtime. However, there is not enough evidence that the management unit has calculated the worker's overtime hours. For example: on April 24, 2017, there were 3 workers working overtime, but not counting overtime hours.</li> <li>2. Based on document verification results of the security placement list, assisstant book periode march-april 2017 and interview with management, it is known that security personnels average work for 12 hours every day including on holiday. Unit management paid overtime limits for only 50 hours (weekdays) and Sundays (only Marihat units paying weekday overtime) plus incentives as overtime substitute according to grade. However, the overtime paid is not in accordance with Manpower regulation no. 102 of 2004 about overtime and overtime wages and Collective Labor Agreement Article 21 stating that: <ul style="list-style-type: none"> <li>- article 1: work done outside official working days and official working hours expressed as overtime except for premiums</li> <li>- article 3: Company that employ employees over working hours as referred to in aticle 1 shall pay the overtime</li> </ul> </li> </ol>			
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i>			
<ol style="list-style-type: none"> <li>1. There is an error in entering the data into the work orders of overtime because if viewed on the list of overtime issued on april by Bahjambi unit, known that on April 24, 2017 no overtime work done.</li> <li>2. The lack of understanding of the human resources of the unit in applying the prevailing regulations.</li> <li>3.</li> </ol>			
<b>Correction</b> <i>(filled by organization audited):</i>			
<ol style="list-style-type: none"> <li>1. Improve the data entered into the work orders of overtime.</li> <li>2. Manage the security shift into 3 shifts so that overtime hours are provided in accordance with existing regulations.</li> </ol>			
<b>Corrective Action</b> <i>(filled by organization audited):</i>			
<ol style="list-style-type: none"> <li>1. Perform examination of work orders of overtime regularly by workshop officer so it is not wrong in the administration.</li> <li>2. Monitoring the distribution of shift security guards so that no longer overtime that does not comply with the</li> </ol>			



regulations.
<p><b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i>  <b>Verification on November 28, 2017</b>          The Company shows evidence of improvements as follows:</p> <ol style="list-style-type: none"> <li>1. Work orders letter of overtime 9 workers dated April 24, 2017 name of Mangasih Napitupulu, Adi Suparmin, Iskandar, Luhut Panggabean, Hekron Silitonga, Heri Sysam, Idun Basri Harahap, Muliadi Arif, and Nurdin. Also included is a list of overtime documents for April 2017 for the entire name, which has been described in detail about the overtime hours and the value.</li> <li>2. Work shift program of security at Marihat unit to 3 shifts per day. So that each security gets rest time 1 day every week.</li> <li>3. Letter of Manager of Marihat unit to Director of Human Resources &amp; General Affairs. MAT / 04.Dir.SDM and General / 38 / IX / 2017 dated September 30, 2017, related to: Overtime Permit. In relation to the increased work activities in the RKO quarter IV 2017 and RKAP 2018 requested permission for overtime hours in September 2017. Where the entire workers does not exceed 50 hours. Consist of 33 workers submitted for overtime.</li> </ol> <p><b>Verification on December 21, 2017</b>          The Company shows evidence of payment of salary and overtime period March - April 2017, for example name of Anggiat Siringo Ringo on March: Rp. 3,098,444; and on April: Rp. 1,134,016; -</p> <p>Auditor's Conclusion:          Based on the evidence of improvement shown, this discrepancy has been met.</p>
<p><b>Verified by</b> : Trismadi N</p>

<b>NCR No.</b>	: 2017.37	<b>Issued by</b>	: Rizliani Aprianita Hasibuan
<b>Date Issued</b>	: 3 June 2017	<b>Time Limit</b>	: Before certificate issued
<b>NC Grade</b>	: Major	<b>Date of Closing</b>	: 18 January 2018
<b>Standard Ref. &amp; Requirement</b>	: 6.5.2 Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment shall be available in the languages understood by the workers		
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i> Based on the results of field visits in the plantation area of afdeling 2 block 09B, it is known that there are harvesters who do harvest work with the help of their families without having work agreement with the management. Related to this, unit management has not been able to show evidence that all workers that working in the operational area already have a working relationship			
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i> The lack of understanding of regulation in company.			
<b>Correction</b> <i>(filled by organization audited):</i> Prohibit the harvesters from doing work with the help of families who are not related to the company.			
<b>Corrective Action</b> <i>(filled by organization audited):</i>			

Making a circular letter/Policies prohibiting harvesters helped by family members in harvesting activities.

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

**Verification on November 28, 2017**

The Company shows some evidence of improvements as follows:

1. Letter of GM No, GMD-I / Facs / 24 / X / 2017 dated October 13, 2017 is required that all business units send the names of harvesters and loaders to be selected maximum of 6 October 2017.
2. Letter no. BAJ / Intern / 170 / IX / 2017 dated September 16, 2017, concerning Recruitment of harvesters and loaders. Mentioned that the harvest and loader candidates of 2018 are required to submit administrative completeness maximal of October 2, 2017, submission from Bah Jambi is 165 people.
3. List of names of candidates who will follow the selection of recruitment consists of 208 people.
4. Minutes of socialization related to ban family members to help workers done on October 12, 2017 at Bah Jambi Unit from Manager to all assistant afdeling.
5. The company has a COC socialization program, pregnant and lactating workers, flora and fauna, administration system, gender committee, hazardous waste management, family cup system, domestic waste management, early warning system, GHG emission, RKL-RPL management reporting, and river border management and water source every 6 months by the PPD Team in each business unit.

**Major Verification on 18 January 2018**

According to field observation in Bah Jambi Estate, Afdeling IV there are no family gank system on harvesting activity, therefore based on interview with harvesters explained that each assistant has been socialized about prohibition of family gank system and it has been checked every muster morning. There are also record of interview and test result for 85 harvesters and loaders.

**Auditor's Conclusion:**

According to major verification and other evidence was verified by auditor team. This nonconformity has been **closed**.

**Verified by** : Trismadi N

<b>NCR No.</b>	: 2017.38	<b>Issued by</b>	: Rizliani Aprianita Hasibuan
<b>Date Issued</b>	: 3 June 2017	<b>Time Limit</b>	: Before certificate issued
<b>NC Grade</b>	: Major	<b>Date of Closing</b>	: 28 November 2017
<b>Standard Ref. &amp; Requirement</b>	: 6.9.1. A policy to prevent all forms of abuse and sexual and other violence must be implemented and communicated to all employees.		
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i>			
Management unit of Bahjambi has of women empowerment in labor union (SP-Bun) structure. However, there is insufficient evidence that management unit has a structure or organization specifically addressing women's issues (gender committees). While the results of the review of complaint documents, there are reporting of sexual harassment on September 2, 2016. In addition, there are no evidence of socialization of structure or organization specifically addressing women's issues (gender committees).			
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i>			

<p>1. The presence of negligence to document the complaints of sexual harassment reporting that occurred on September 2, 2016.</p> <p>2. There is no gender committees as a specific forum for dealing with women's issues.</p>
<p><b>Correction</b> <i>(filled by organization audited):</i></p> <p>1. Documenting sexual harassment reporting that occurred on September 2nd, 2016.</p> <p>2. Establish gender committees as a specific forum in addressing women's issues.</p>
<p><b>Corrective Action</b> <i>(filled by organization audited):</i></p> <p>Socialization to the workers about the existence of gender committees as a specific container in dealing with women's issues and is a way to prevent abuse and violence against women.</p>
<p><b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i></p> <p><b>Verification on November 28, 2017</b></p> <p>The Company shows some evidence of improvements as follows:</p> <ol style="list-style-type: none"> <li>1. Organizational Structure of Women Empowerment with Chairman: Murniati Saragih, Secretary: Monica Nainggolan, Treasurer: Sumaria and oversees 3 members.</li> <li>2. Records of the socialization of women's empowerment on September 4, 2017 to 51 women workers and workers' wives.</li> <li>3. The company has a COC socialization program, pregnant and lactating workers, flora and fauna, administration system, gender committee, hazardous waste management, family cup system, domestic waste management, Early warning system, GHG emission, RKL-RPL management reporting, and river border management and water source every 6 months by the PPD Team in each business unit.</li> </ol> <p>Auditor's Conclusion: Based on the evidence of improvement shown, this discrepancy has been met.</p>
<p><b>Verified by</b> : Trismadi N</p>

<b>NCR No.</b>	: 2017.39	<b>Issued by</b>	: Andi Pratama Pasaribu
<b>Date Issued</b>	: 3 June 2017	<b>Time Limit</b>	: Before certificate issued
<b>NC Grade</b>	: Major	<b>Date of Closing</b>	: 17 January 2018
<b>Standard Ref. &amp; Requirement</b>	<p><b>E.1.1</b>  <b>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.</b></p>		
<p><b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i>            Bah Jambi Mill only receives FFB from his own group. The core FFB supplier Bah Jambi mill during the last year (May 2016 - April 2017) is Bah Jambi, Marihat, Bah Birung Ulu, Tonduhan, Sei Kopas and Marjandi. Based on the document review and field observations with operational staff it is known that the management unit has not been able to demonstrate the separation of certified and uncertified FFBs.</p>			
<p><b>Root Cause Analysis</b> <i>(filled by organization audited):</i>            Lack of knowledge of supply chain personal in charge.</p>			
<p><b>Correction</b> <i>(filled by organization audited):</i>            Demonstrated FFB separation from certified and uncertified sources in accordance to supply chain procedure.</p>			

<b>Corrective Action</b> <i>(filled by organization audited):</i> Conducting training and socialization of RSPO supply chain procedure.	
<b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i> <b>Major Verification on 17 January 2018</b> <ul style="list-style-type: none"> <li>- Record of SCCS training to 34 workers dated 9 December 2017 including weight bridge operator, clerk, mill manager.</li> <li>- According to field observation and interview with weight bridge station and processing assistant, they can explaining about SCCS procedure. For example they can demonstrate about segregation of certified and uncertified oil palm product.</li> </ul> <b>Auditor's Conclusion:</b> According to root cause, correction and corrective action. This nonconformity was closed.	
<b>Verified by</b>	: Trismadi N

<b>NCR No.</b>	: 2017.40	<b>Issued by</b>	: Andi Pratama Pasaribu
<b>Date Issued</b>	: 3 June 2017	<b>Time Limit</b>	: Before certificate issued
<b>NC Grade</b>	: Major	<b>Date of Closing</b>	: 17 January 2018
<b>Standard Ref. &amp; Requirement</b>	<b>E.3.1</b> 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: <ul style="list-style-type: none"> <li>a. Complete and up to date procedures covering the implementation of all the elements in these requirements;</li> <li>b. The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site procedures for the implementation of this standard.</li> </ul>		
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i> Based on field observation, interview and document verification found that fact as follow: <ol style="list-style-type: none"> <li>1. The Company has not been able to show complete and update procedures that include the application of all elements in the SCCS requirements. For example, Supply Chain Certification System for CPO Mill 2014 and RSPO Rules on Market Communication and Claim June 2015.</li> <li>2. The officer who is responsible and has full authority over the implementation of SCCS.</li> <li>3. Based on the results of the interviews with the relevant officers (harvesting clerk, security at the FFB receiving post at the factory and weightbridge operators) have not understood the procedure of applying the supply chain model (SCCS). In addition, the Standard Operating Procedure of Oil Palm Supply Chain has not been fully implemented. For example, affix a CSPO stamp.</li> </ol>			
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i> <ol style="list-style-type: none"> <li>1. Failed to update the latest procedure in accordance to RSPO Supply Chain System.</li> <li>2. Not yet appointed officer responsible and have full authority on SCCS implementation.</li> </ol>			

<p>3. Lack of knowledge of field officer regarding to supply chain procedure.</p>	
<p><b>Correction</b> <i>(filled by organization audited):</i></p> <ol style="list-style-type: none"> <li>1. Update the supply chain procedure according to the RSPO requirements.</li> <li>2. Appointed the personnel incharge who had responsibility and full authority on SCCS implementation.</li> <li>3. Carry out the procedure of applying supply chain model (SCCS), such as stamped CSPO on delivery letters (TBS) for Marihat and Bah Jambi Estate which entered / processed in Bah Jambi Mill.</li> </ol>	
<p><b>Corrective Action</b> <i>(filled by organization audited):</i></p> <p>Conducting training and socialization of supply chain annually.</p>	
<p><b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i></p> <p><b>Verification on 21 December 2017</b></p> <p>The company has showed the evidence of supply chain training that held on December, 9<sup>th</sup> 2017 who attended by 29 person.</p> <p><b>Major Verification on 17 January 2018</b></p> <p>The management unit was shown several corrective action, such as:</p> <ol style="list-style-type: none"> <li>a. SPO-078 dated 2 January 2018 – Revision 03 about Certified FFB and Uncertified FFB; CSPO &amp; CSPK Handling, SPO-07A dated 2 January 2018 – Revision 03 about Certified PKO handling. All of SOP explaining about responsibility of weight bridge operator to record of Certified FFB, Production Clerk and Head of Assistant will monitor Certified FFB every month.</li> <li>b. CSPO monthly monitoring number FM-DP-04 dated 2 January 2018 explained about the number of quotas to be sold and physical of CSPO &amp; CSPK monitoring number FM-DP-05 dated 2 January 2018.</li> </ol> <p><b>Auditor's Conclusion:</b></p> <p>According to root cause, correction and corrective action. This nonconformity was closed.</p>	
<p><b>Verified by</b></p>	<p><b>: Trismadi N</b></p>

3.5.2 Identification of Findings, Corrective Actions and Observations at Surveillance 1 Assessment

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



- Application of punishment to workers who still do not use PPE at work
- Inspection of the completeness and condition of the PPE of workers before work is carried out by the Overseer every day but the bookkeeping of PPE monitoring is carried out every month

*Assessor Evaluation and Conclusion (filled by auditor):*  
**Evaluasi Penilai dan Kesimpulan (dilengkapi oleh auditor):**

**Verification 08 February 2018**

The company has shown improvement documents including:

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

- Minutes of Implementation of PPE Dissemination No.BAJ / 08 / SDM / APD / II / 2019. The socialization was held on Wednesday 06 February 2019 in Afdeling VII Bah Jambi. Besides that, it is also shown the Monitoring document for the Use and Condition of PPE (including Documentation of Attendance List) on the work of harvesting, fertilizing and khemis.
- Minutes of Implementation of PPE Socialization No.BAJ / 01 / SDM / APD / II / 2019. The socialization was held on Wednesday 06 February 2019 in Afdeling VII Bah Jambi. Besides that, it is also shown the Monitoring document for the Use and Condition of PPE (include Documentation of Present List) on security and Warehouse work.
- Minutes of Implementation of PPE Socialization No.BAJ / 10 / SDM / APD / II / 2019. The socialization was held on Wednesday, February 6, 2019 in Afdeling IX Bah Jambi. Besides that, it is also shown the Monitoring document for the Use and Condition of PPE (including Documentation of Attendance List) on the work of harvesting, fertilizing and khemis.
- Minutes of PPE Socialization on February 6, 2019.
- Register for the presentation of PPE from Vendors to 5 workers, February 6, 2019.
- List of minutes dated February 6, 2019 to engineering and transport employees
- Monitoring related to compliance with the use of PPE throughout the Afdeling of each Business Unit (Bah Jambi, Marjandi and Marihat)
- Results of recapitulation of the condition of PPE (after monitoring PPE) for all business units (Bah Jambi, Marjandi and Marihat)
- Submission of APD procurement for Marihat Business Units for 11 workers submitted on February 6, 2019 and proof of handover of PPE given to 11 workers
- Submission of procurement of PPE for Marjandi Business Units for 111 workers submitted on February 6, 2019 and proof of handover of PPE given to 111 such workers
- Submission of procurement of PPE for Jambi Business Units (Estate) for 196 workers submitted on February 6, 2019 and proof of handover of PPE given to 196 workers
- Submission of procurement of PPE for Jambi Bahar Business Unit (PKS) for 50 workers submitted on February 6, 2019 and proof of handover of PPE given to 50 workers
- Application of Punishment (postponing increases in class, transfer or demotion) to Employees of Managers (managers and assistants) if found to have workers who do not carry out the obligation to use PPE when working in accordance with the Commitment to the use and monitoring of PPE

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

*Verified by* : **Rindu Galih Rezza Rachmansyah**

<i>NCR No.</i>	: <b>2019.02</b>	<i>Issued by</i>	: <b>Rindu Galih Rezza Rachmansyah</b>
<i>Date Issued</i>	: <b>4 Februari 2019</b>	<i>Time Limit</i>	: <b>ASA-2</b>
<i>NC Grade</i>	: <b>Minor</b>	<i>Date of Closing</i>	: <b>18 April 2019</b>
<i>Standard Ref. &amp; Requirement</i>	: <b>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.</b>		
<b>Evidence observed (filled by auditor): Bukti yang diamati (dilengkapi oleh auditor):</b>			
1. The company has fire emergency response infrastructure in the form of APAR and Hydrant in Bah Jambi POM and the latest monitoring results in December 2018 state that all facilities are in good condition. However, during			

- the field visit and simulation, APAR (Sterilizer and Kernel) cannot be used and Hydrant No. 04 has not functioned properly where the hose was leaking so that the water pressure during the simulation was not optimal.
2. Based on the results of the monitoring document study in December 2018 it is known that all first aid kits are palced in the Bah Jambi unit are available according to the provisions (21 items). However, at the time of the field visit, facts were found: First aid kits in the engine room as many as 16 items, 10 items for the workshop, 10 items for the solar tank and 1 expired item in the form of iodine chloride.

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

**Deskripsi Ketidaksesuaian (dilengkapi oleh auditor):**

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

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

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

**Correction (filled by organization audited):**

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

**Corrective Action (filled by organization audited):**

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

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

**Verification on 05 April 2019**

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

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

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

**Verification on 18 April 2019**

<p>The company has shown proof of improvement in the form of:</p> <ul style="list-style-type: none"> <li>• Decision letter for appointment of PIC responsible for monitoring and implementing OHS in Marihat Unit, Marjandi, Bah Jambi and Bah Jambi POM</li> <li>• The designated PIC is the HR, General and Security Assistant of each unit</li> </ul> <p>Based on the explanation above, the company has determined that the PIC is responsible for monitoring and implementing OHS so that the precautionary measures for repeating the same occurrence of nonconformities in the next assessment have been carried out. Then nonconformity No. 2019.02 is stated to be <b>CLOSED</b> and its application will be observed again in the next assessment.</p>	
<b>Verified by</b>	<b>: Rindu Galih Rezza Rachmansyah</b>

<b>NCR No.</b>	<b>: 2019.03</b>	<b>Issued by</b>	<b>: Rindu Galih Rezza Rachmansyah</b>
<b>Date Issued</b>	<b>: 4 February 2019</b>	<b>Time Limit</b>	<b>: ASA-2</b>
<b>NC Grade</b>	<b>: Minor</b>	<b>Date of Closing</b>	<b>: 18 April 2019</b>
<b>Standard Ref. &amp; Requirement</b>	<b>: 4.7.6</b> <b>All workers shall be provided with medical care, and covered by accident insurance (see criterion 6.5.3).</b>		
<p><b>Evidence observed (filled by auditor):</b></p> <p>Based on the results of document observations and interviews with estate / factory staff and contractor employees, it was found that there were several estate / factory operational works carried out by third parties. The results of the study of documents related to the membership of "BPJS Ketenagakerjaan" are known that CV Senang Jaya and PT Jaya Wira Manggala (nursery maintenance contractor and security of the Jambi Bah Estate) has shown proof of "BPJS Ketenagakerjaan" payments for its employees. However, the same evidence cannot be shown for the contractors CV Putra Simbodu Maju (FFB transporter from Marjandi estate) and CV Alghifari (FFB transporter from Marihat estate).</p> <p><b>Non-Conformance Description (filled by auditor):</b>  The company has not been able to show an adequate system to ensure all contractor workers have been included in the "BPJS Ketenagakerjaan" program.</p>			
<p><b>Root Cause Analysis (filled by organization audited):</b></p> <ul style="list-style-type: none"> <li>• There is no monitoring of compliance with documents related to the application of RSPO certification principles and criteria</li> <li>• There has been no evaluation made on fulfilling the requirements in carrying out the work carried out by the vendor</li> <li>• There is no PIC responsible for ensuring all contractor workers have been included in the "BPJS Ketenagakerjaan" program.</li> </ul>			
<p><b>Correction (filled by organization audited):</b></p> <ul style="list-style-type: none"> <li>• Showing proof of "BPJS" payment for contractor workers CV. Putra Simbodu Maju and CV. Al Ghifari</li> <li>• Appointment in writing that the party responsible for ensuring all contractor workers have been included in the BPJS Employment Program is the HR and General Section in Estate (HR, General and Security Assistant)</li> </ul>			
<p><b>Corrective Action (filled by organization audited):</b></p> <ul style="list-style-type: none"> <li>• Make monitoring of the fulfillment of documents related to the application of RSPO certification principles and criteria</li> <li>• Evaluate the fulfillment of the requirements in carrying out the work carried out by the vendor</li> <li>• Add a clause that reads, "All workers must be included in the <i>BPJS Ketenagakerjaan</i> Program." Into the</li> </ul>			

<p>Agreement</p> <ul style="list-style-type: none"> <li>• Adding conditions for proof of payment of “BPJS Ketenagakerjaan” contributions for payment of work</li> </ul>
<p><i>Assessor Evaluation and Conclusion (filled by auditor):</i></p> <p><b>Verification on April 5, 2019</b></p> <p>The company has shown evidence in the form of:</p> <ul style="list-style-type: none"> <li>• Proof of CV Putra Simbodu Maju's “BPJS Ketenagakerjaan” payment for the period February 2019 on February 27, 2019 for 11 workers</li> <li>• Socialization related to registration and payment of “BPJS Ketenagakerjaan” of CV Putra Simbodu Maju workers on February 27, 2019</li> <li>• Program for monitoring the requirements for the implementation of the ISPO RSPO certification in 2019.</li> </ul> <p>But additional information is still needed regarding the determination of the root of the problem, the corrective and corrective actions provided by the company, then the non-conformity No. 2019.03 is still <b>OPEN</b>.</p> <p><b>Verification on April 18, 2019</b></p> <p>The company has shown proof of improvement in the form of:</p> <ul style="list-style-type: none"> <li>• Proof of “BPJS Ketenagakerjaan” payments for CV Al-Ghifari workers on 05 April 2019 through BNI Bank</li> <li>• Proof of “BPJS Ketenagakerjaan” payments for CV Indo Karya workers on April 5, 2019 through BNI Bank</li> <li>• Proof of “BPJS Ketenagakerjaan” payments for workers at CV Hizkia Jaya on April 5, 2019 through BNI Bank</li> <li>• Proof of “BPJS Ketenagakerjaan” payments for CV Ridho Akbar workers on April 9, 2019 through Bank BNI</li> <li>• Proof of “BPJS Ketenagakerjaan” payments for CV Marsanina workers on April 8, 2019 through BNI Bank</li> <li>• Proof of “BPJS Ketenagakerjaan” payments for CV Al-Ghifari workers on 05 April 2019 through BNI Bank</li> <li>• Dissemination on February 25, 2019 to local vendors and contractors in Marihat Unit which was attended by 9 participants</li> <li>• Decree concerning Monitoring and Archiving of ISPO and RSPO related documents in Marihat, Marjandi and Bah Jambi Unit</li> <li>• TBS Transportation Contracts between contractors and the Marihat Management Unit, Marjandi and Bah Jambi which have added a clause "All workers must be included in the Employment BPJS Program."</li> <li>• Form evaluation of the implementation of compliance with ISPO and RSPO requirements for contractors in Marihat, Marjandi and Bah Jambi Unit</li> </ul> <p>Based on the proof of improvement given above, then non-conformity No. 2019.03 declared <b>Closed</b>.</p>
<p><b>Verified by</b> : <b>Rindu Galih Rezza Rachmansyah</b></p>

<i>NCR No.</i>	: 2019.04	<i>Issued by</i>	: Rizliani Aprianita Hsb
<i>Date Issued</i>	: 4 February 2019	<i>Time Limit</i>	: ASA-2
<i>NC Grade</i>	: Minor	<i>Date of Closing</i>	: 3 May 2019
<i>Standard Ref. &amp; Requirement</i>	<p>5.1.2            Environment management plan document to prevent negative impacts, its implementation report and revision (if the identification of impact requires changes in current company's practices) shall be available. The company's managements shall appoint the responsible person for the implementation of the document.</p>		
<i>Evidence observed (filled by auditor):</i>			
<p><b>Bah Jambi</b>            Based on the 2004 RKL-RPL document, the types of managed include impacts:</p>			

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

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

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

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

#### **Marjandi**

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

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

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

#### **Marihat**

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

- Decreasing of air quality
- Increasing of noise
- Decreasing of quality of surface water
- Increasing of surface flow discharge
- Soil erosion and sedimentation
- Decreasing of soil fertility



- Solid waste
- Hazardous waste
- Fire potential
- Road damage
- Disruption of traffic
- Job opportunities and business opportunities
- Community attitudes and perceptions
- Repair of community facilities
- Occupational health and safety disorders
- Decreasing of public health

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

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

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

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

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

***Correction (filled by organization audited):***

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

***Corrective Action (filled by organization audited):***

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

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

**Verification on 5 April 2019**

The company shows evidence of improvement in the form of :

**BahJambi, Marjandi & Marihat.**

- Minutes of Socialization on Preparation of Environmental Management and monitoring Reports and Meeting the needs of Documents in accordance with the RSPO Principles and Criteria February 19, 2019 attended by 10 participants who were also represented by each PPD/officer Marihat, Marjandi and Bahjambi.
- Evaluation of training / socialization participants to 6 PPD from Marjandi, Marihat and Bahjambi.
- 2nd semester RKL-RPL report 2018 of Bahjambi, Marihat & Marjandi estate. The document describes the environmental management measures in accordance with the RKL-RPL matrix. The report also includes evidence (photos / data etc.) of management activities that have been carried out.
- Delivery of the 2nd semester RKL-RPL Implementation Report 2018 (Bahjambi) submitted to the District Environmental Agency through Pos Indonesia on March 20, 2019.
- But it has not been shown evidence of the delivery of the Report to the relevant agency (Marihat & Marjandi).

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

**Verification on 15 April 2019**

The company shows evidence of improvement in the form of

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

**Verification on 3 May 2019**

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

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

*Verified by* : **Rizliani Aprianita Hsb**

<i>NCR No.</i>	: 2019.05	<i>Issued by</i>	: Rizliani Aprianita Hsb
<i>Date Issued</i>	: 4 February 2019	<i>Time Limit</i>	: 5 May 2019
<i>NC Grade</i>	: Minor	<i>Date of Closing</i>	: 3 May 2019
<i>Standard Ref. &amp; Requirement</i>	<b>5.1.3</b> <b>Environment monitoring plan document, its implementation report, and the corrective plan (if non-conformance arised from the monitoring result) shall be available. This plan is reviewed on two-yearly basis.</b>		
<i>Evidence observed (filled by auditor):</i>			
<b>BahJambi</b> Based on the 2004 RKL-RPL document, the type of impact monitored: <ul style="list-style-type: none"> <li>- Air quality</li> <li>- Noise</li> <li>- Groundwater</li> <li>- Liquid waste</li> <li>- Increased regional economy</li> <li>- Employment Opportunity</li> <li>- Business opportunity</li> <li>- Community income</li> </ul>			

- Public and social facilities
- Security and order
- Public perception
- Vector of disease
- Prevalence of disease

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

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

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

#### **Marjandi**

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

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

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

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

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

#### **Marihat**

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

- Decreasing of air quality
- Increasing of noise
- Decreasing of quality of surface water
- Increasing of surface flow discharge
- Soil erosion and sedimentation
- Decreasing of soil fertility
- Solid waste

- Hazardous waste
- Fire potential
- Road damage
- Disruption of traffic
- Job opportunities and business opportunities
- Community attitudes and perceptions
- Repair of community facilities
- Occupational health and safety disorders
- Decreasing of public health

However, the results of the review of RKL-RPL report semester 2 in 2018, there were still unmonitored parameters such as soil erosion, sedimentation and decreased soil fertility. In addition, there were still monitoring plan that has not been able to show the evidence of implementation, for example: solid waste, road damage, disruption of traffic, etc.

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

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

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

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

**Correction** *(filled by organization audited):*

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

**Corrective Action** *(filled by organization audited):*

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

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

**Verification on 5 April 2019**

The company shows evidence of improvement in the form of :

**BahJambi**

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

**Marjandi**

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

**Marihat**

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

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

**Verification on 15 April 2019**

The company showed evidence of improvement:

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

**Verification on 3 May 2019**

The company showed evidence of improvement in the form of:

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

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

<i>Verified by</i>	:	<b>Rizliani Aprianita Hsb</b>
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<i>NCR No.</i>	:	<b>2019.06</b>	<i>Issued by</i>	:	<b>Rizliani Aprianita Hsb</b>
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<i>Date Issued</i>	: <b>4 February 2019</b>	<i>Time Limit</i>	: <b>5 May 2019</b>
<i>NC Grade</i>	: <b>Major</b>	<i>Date of Closing</i>	: <b>3 May 2019</b>
<i>Standard Ref. &amp; Requirement</i>	: <b>5.3.2</b> There shall be evidence that all chemicals and their empty containers are disposed of responsibly		
<i>Evidence observed (filled by auditor):</i>			
<p><b>BahJambi</b></p> <ul style="list-style-type: none"> <li>- Based on field visit in housing complex of afdeling 5 Bahjambi Estate, found that chemical containers stored at unlicense storage.</li> <li>- Bah Jambi Estate has shown evidence of submission chemical containers found in the field at the hazardous waste storage.</li> </ul> <p><b>Marjandi</b></p> <ul style="list-style-type: none"> <li>- Based on field visit in housing complex of afdeling 2 Marjandi Estate, found that chemical containers (hydrogen peroxide) which is used to hold water for housing needs.</li> <li>- Marjandi Estate has shown evidence of submission chemical containers found in the field at the hazardous waste storage.</li> <li>- The results of a hazardous waste document review of handling of Marjandi estate including stock card, Hazardous Waste Management reports for semester 1-4 of 2018, Hazardous waste logbook, and Hazardous waste manifest, known that hazardodus waste was last carried by license transporters/collectors on July 13, 2017.</li> </ul> <p><b>Marihat</b></p> <p>The results of a hazardous waste document review of handling of Marihat estate including stock card, Hazardous Waste Management reports for semester 1-4 of 2018, Hazardous waste logbook, and Hazardous waste manifest, known that hazardodus waste was last carried by license transporters/collectors on January 5, 2018</p>			
<i>Non-Conformance Description (filled by auditor):</i>			
<p>Based on the explanation, it concluded that the company has not been able to show mechanism that monitor the chemical containers (hazardous waste) that has been managed and sent to the license hazardous waste collectors in accordance with applicable regulations (Regulation No. 101 of 2014).</p>			
<i>Root Cause Analysis (filled by organization audited):</i>			
<ul style="list-style-type: none"> <li>- The company has not monitored the period of hazardous Waste storage entering the hazardous waste storage whether it is suitable or not with the Permit of hazardous waste storage and applicable regulation</li> <li>- There is no determination of the PIC responsible for controlling the management of hazardous waste produced by the plantation</li> <li>- Housing residents including employees do not understand hazardous waste management</li> </ul>			
<i>Correction (filled by organization audited):</i>			
<ul style="list-style-type: none"> <li>- Showed evidence of submission chemical containers found in the field at the hazardous waste storage</li> <li>- Sending hazardous waste at hazardous waste storage to licensed hazardous waste collectors so there is no hazardous waste is stored past the valid permit period.</li> <li>- Socialize the management of domestic waste and hazardous waste to workers and housing residents.</li> </ul>			
<i>Corrective Action (filled by organization audited):</i>			



- Monitoring hazardous waste storage period whether it is accordance or not with hazardous waste storage permit and applicable regulation.
- Creating a circular letter stipulating the PIC responsible for controlling the management of hazardous waste produced by the unit
- Sending hazardous waste Balance Sheet every month to the Planning Division as a double checking function so that Planning Division can also control the hazardous waste hazardous waste storage period for each unit at PTPN IV
- Conduct routine inspections of hazardous waste around the housing

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

**Verification on 5 April 2019.**

The company showed evidence of improvement in the form of :

**Marihat**

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

**Marjandi**

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

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

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

**Verification on 15 April 2019**

The company showed evidence of improvement in the form of:

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

Verification on 3 May 2019

The company showed evidence of improvement in the form of:

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

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

*Verified by* : **Rizliani Aprianita Hsb**

**3.5.3 Opportunity for Improvement**

No	Ref. Std.	Description Deskripsi
1	4.4.2	Ensure river border management. Observation
2	4.4.3	Ensuring Management of wastewater. Observation
3	4.6.5	Opportunity to ensure information on the MSDS
4	4.7.3	Opportunities to ensure OHS training programs for boiler operators, crane hosting operators and welders can be done on time.
5	5.2.2	Ensure monitoring of flora and fauna (location of blocks, number of population encountered, date of implementation of monitoring) Observation.
6	6.6.1	Opportunity to ensure that worker union are fully managed by workers not top management.
7	6.5.3	Evaluation of water distribution systems in housing, especially the Marjandi Unit. Observation

**1.5.4 Noteworthy Positive Components**

No	Descriptions
1	The company's commitment to apply the principles of sustainable palm oil management.
2	Improvement of the system and employee competency in implementing RSPO principles and criteria and supply chain.
3	Has obtained ISPO, ISO 9001, ISO 14001 and PROPER Biru certificates.

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

Public Issues (Institution/ NGO/Community)	Auditor Responses
<p><b>Nagori Baliyu Village</b></p> <ul style="list-style-type: none"> <li>• There is no issue of land disputes in Nagori Baliyu village.</li> <li>• Communication between the company and the village has been better than in previous years.</li> <li>• CSR provided by the company include the mosques building and river wall development. Assistance is generally given after the submission of proposals from the village.</li> <li>• There are a cooperation for contractor activities between the community and company.</li> </ul>	<p>CSR program has been explain at criterion 6.11 no issue of land disputes and has explain 2.2</p>
<p><b>Nagori Bahalat Bayu Village</b></p> <ul style="list-style-type: none"> <li>• Communication between the company and the village has been better than in previous years.</li> <li>• There is local people has been work at PT Perkebunan Nusantara IV.</li> <li>• There is no issue of land disputes in Bahalat Bayu Village.</li> <li>• The company has been socialized as related cooperative and security.</li> </ul>	<p>CSR program has been explain at criterion 6.11 no issue of land disputes and has explain 2.2</p>
<p><b>Pagar Jambi Village</b></p> <ul style="list-style-type: none"> <li>• The company existence had made a positive contribution to the community with the opening of transportation access, information, employment opportunities and business opportunities.</li> <li>• Land acquisition has following the national regulation or land acquisition procedure and also witnessed by the local government.</li> <li>• The company has been helped the local community through the CSR program.</li> </ul>	<p>CSR program has been explain at criterion 6.11 no issue of land disputes and has explain 2.2</p>
<p><b>Nagori Simpang Raya Dasma Village</b></p> <ul style="list-style-type: none"> <li>• There is no issue of land disputes in Simpang Raya Dasma Village.</li> <li>• Communication between the company and the village has been better than in previous years.</li> <li>• CSR provided by the company include the church building and river wall. Assistance is generally given after the submission of proposals from the village.</li> <li>• There are a cooperation for contractor activities between the community and company.</li> <li>• The company has been socialized as related border area.</li> </ul>	<p>CSR program has been explain at criterion 6.11 no issue of land disputes and has explain 2.2</p>
<p><b>Nagori Bosar Village</b></p> <ul style="list-style-type: none"> <li>• There is no issue of land disputes in Nagori Bosar Village.</li> <li>• Communication between the company and the village has been better than in previous years.</li> <li>• CSR provided by the company include the mosque building and bund of river. Assistance is generally given after the submission of proposals from the village.</li> <li>• There are a cooperation for contractor activities between the community and company (transport of FFB).</li> </ul>	<p>CSR program has been explain at criterion 6.11 no issue of land disputes and has explain 2.2</p>

Public Issues (Institution/ NGO/Community)	Auditor Responses
<ul style="list-style-type: none"> <li>The company has been socialized as related border area.</li> </ul>	
<p><b>Environmental Agency</b></p> <ul style="list-style-type: none"> <li>The company has land applications permit which are still valid.</li> <li>Hazardous waste permit is still valid.</li> <li>The Company regularly reports mandatory reporting such as hazardous waste report and report of Environmental Management Plan – Environmental Monitoring Plan.</li> <li>There are no issues regarding landfires</li> </ul>	<ul style="list-style-type: none"> <li>It has verified by auditor team, the company has reporting mandatory report such as RKL/RPL report every semester.</li> <li>According to field observation, there are no environment pollution from estate and mill operational.</li> </ul>
<p><b>National Land Agency District of Simalungun</b></p> <ul style="list-style-type: none"> <li>There is no new location permit.</li> <li>There is no information related land conflict.</li> <li>Company has sent report the Land use report to National Land Agency.</li> <li>BahJambi, Marjandi and Marihat are derived from erpafch lands which are nationalized</li> </ul>	<ul style="list-style-type: none"> <li>Has been verified by the auditor and has been explained in the criteria 2.1 and 2.2.</li> <li>Has been verified by the auditor, Land use report contained in the LKUP report and has been delivered to the national Land Agency</li> </ul>
<p><b>Plantation Agency District of Simalungun</b></p> <ul style="list-style-type: none"> <li>BahJambi, Marjandi and Marihat are derived from erpafch lands which are nationalized</li> <li>There are no negative issues such as fires.</li> <li>The company does not have new location permits.</li> <li>There is no environmental issues related to company's operational.</li> <li>The Company has given assistance through its CSR program and partnered with local communities.</li> <li>The company has reported its business activities to the palntation agency routinely.</li> </ul>	<ul style="list-style-type: none"> <li>The company has had all plantation permit and has been complied all obligation reports. It refer to indicator 1.1.1.</li> <li>According to field observation, there are no environment pollution from estate and mill operational.</li> <li>Based on hydrant simulation dan landfires simulation, known that company has adequate facilities and infrastructure of fire and functioning properly.</li> <li>Company has realized the assistance to local communities based on needs of society that explained in the criteria 6.11</li> </ul>
<p><b>Manpower Agency</b></p> <ul style="list-style-type: none"> <li>All of Manpower monitoring has conducted by manpower agency of Sumatra Utara Province.</li> <li>There are no issues related to industrial relations during last year.</li> <li>All the workers have been included in BPJS employment dan health.</li> </ul>	<ul style="list-style-type: none"> <li>Auditor has verified related to employment and has been described in the criteria 6.5</li> </ul>
<p><b>Gender Committee</b></p> <ul style="list-style-type: none"> <li>There is no issue related to sexual harassment, reproductive rights, discrimination, human rights and child labor.</li> <li>Routine activities is women social gathering.</li> <li>Women worker give menstruation leave by recommendation paramedic for</li> </ul>	<p>There is no negative issue related to women workers. The management unit has comply with RSPO standard criteria</p>







Public Issues (Institution/ NGO/Community)	Auditor Responses
<p>maximum 2 days. Women workers also has rights of maternity leave for 45 day before and 45 days after.</p>	<p>6.7; 6.8; 6.9; 6.12 and 6.13.</p>
<p><b>Agriculture Agency of Simalungun District</b></p> <ul style="list-style-type: none"> <li>• The CH has an Plantation Business Permit with a capacity of 60 tons / hour</li> <li>• The company has conducted mandatory Plantation Business Progress Report reporting on a regular basis</li> <li>• The CH land permit is not within the forest area</li> <li>• There are no issues related to land claims or land disputes with surrounding communities</li> <li>• There are no indigenouse people within the company because the surrounding community is a transmigration community</li> <li>• The company has reported the CSR realization report in the Plantation Business Progress Report</li> <li>• During the past year there have been no fire incidents in PTPN IV</li> </ul>	<p>Plantation Business Permit has been explained in more detail in indicator 2.1.1</p> <p>The plantation evaluation is carried out by the provincial government so that the Siak District Agricultural Agency does not know the latest updates regarding this matter.</p> <p>Realization related to CSR is explained further in criterion 6.10</p> <p>Mandatory reports to relevant agencies are explained in criteria 1.1</p> <p>Based on the results of field observations and document studies, it was found that there had been no fire incidents during the past year</p>
<p><b>National Land Agency of Simalungun District</b></p> <ul style="list-style-type: none"> <li>• Until now, there were no additional operational areas for the Marjandi, Marhat and Bah Jambi PTPN IV Units and POM.</li> <li>• There are no land dispute reports during this one year period (2018 to 2019) and there are no objections from other parties.</li> <li>• There were no reports regarding the abandoned land in the Marjandi, Marhat and Bah Jambi PTPN IV plantation areas.</li> <li>• The National Land Agency of Simalungun District routinely carries out land use inventories annually by companies holding Land Use Right Certificates.</li> <li>• PTPN IV Unit Marjandi, Marhat and Bah Jambi have reported the realization report of Land Use Right.</li> </ul>	<p>Based on verification of legal documents: Location Permit, Plantation Bussiness Permit and Land Use Rights Certificate, are still the same as the previous asesment (Stage 2). There is no addition to the new area.</p> <p>Based on the results of a document study, it is known have reported the realization report of Land Use Right regularly every year.</p>
<p><b>Manpower and Transmigration Agency of Simalungun District</b></p> <ul style="list-style-type: none"> <li>• The minimum wage applied today is the District Minimum Wage for Plantations in 2019</li> <li>• The Collective Labour Agreement used is the BKSPPS for the period 2018-2019 and has been verified by the agencies</li> <li>• The CH has a wage scale for workers</li> <li>• The CH doesn't have any contracts workers</li> <li>• The CH has labour unions which have been registered by the Manpower and Transmigration Agency</li> <li>• The CH has included workers in the "BPJS Kesehatan dan Ketenagakerjaan" program</li> <li>• Over the past year there have been no issues related to child labor, discrimination and human rights violations in the CH environment</li> <li>• The labor union structure of PTPN IV does not consist of management representatives such as manager, but all of the labour union structure is all</li> </ul>	<p>The CH has implemented minimum wages and other labor regulations in accordance with applicable regulations and is explained in the 2.1.1 and 6.5.1 indicators</p> <p>The rights and obligations of workers are listed in the Collective Labour Agreement and have been further explained in criterion 6.5</p> <p>Mandatory reports to relevant agencies are explained in criteria 1.1</p>



Public Issues (Institution/ NGO/Community)	Auditor Responses
<p>from workers.</p>	<p>The entire labour union has been registered in the agencies.</p> <p>Based on the results of interviews and document studies, it is known that to date there have never been violations of human rights, child labor and discrimination in the CH environment</p>
<p><b>Labour Union of PTPN IV Unit Bah Jambi</b></p> <ul style="list-style-type: none"> <li>• The CH has implemented a determination related to minimum wages</li> <li>• Providing work tools and PPE has been provided free of charge by the CH</li> <li>• The CH has included all workers in the BPJS Employment and Health program</li> <li>• Payment of overtime is in accordance with related regulation</li> <li>• The complaints mechanism is known by the workers and the complaints are always addressed by the CH</li> <li>• The housing conditions of workers in a good state</li> <li>• Over the past year there have been no issues related to child labor, discrimination and human rights violations in the corporate environment</li> <li>• Availability of vehicles to take workers and their families for treatment is always stand by</li> <li>• The labor union structure of PTPN IV does not consist of management representatives such as manager</li> </ul>	<p>The CH has implemented minimum wages and other labor regulations in accordance with applicable regulations and is explained in the 2.1.1 and 6.5.1 indicators</p> <p>Based on the results of field visits and interviews with workers it is known that the company has provided PPE for all workers free of charge and routine replacement.</p> <p>The CH has carried out socialization related to the complaints mechanism and has been well known by workers</p> <p>Based on the results of interviews with residents who were also daycare officers, it was found that the company always provided vehicles to transport sick workers to the clinic and to the nearest hospital.</p>
<p><b>Gender Committee of PTPN IV Unit Bah Jambi</b></p> <ul style="list-style-type: none"> <li>• The CH has supported the formation of gender committee organizations in each unit</li> <li>• The routine activities of the gender committee are the activities of the posyandu, the women recitations, and grand recitations</li> <li>• CH have implemented good gender policies including giving H1 and H2 leave rights to female workers, prohibiting workers who are pregnant and breastfeeding from working with chemicals, availability of daycare in each residential area for workers children</li> <li>• There are no issues or complaints from workers related to harassment, human rights violations or discrimination related to gender</li> <li>• The complaint mechanism is known by workers</li> </ul>	<p>According to document verification and interview with workers, there was no issues related to violation of the rights of woman.</p> <p>From the results of interviews with workers, the company has implemented of Company Policies such as reproductive rights and prohibition of pregnant woman to spray. It refer to criterion 6.9</p>
<p><b>Local Contractors (CV Senang Jaya)</b></p> <ul style="list-style-type: none"> <li>• A work agreement for each job already exists and each party has it</li> <li>• Payment of the work done is timely paid</li> <li>• In the employment agreement explain related to PPE, Giving BPJS and other matters</li> <li>• Contractor workers are given supervision from the CH</li> <li>• Provision of socialization related to the company's code of ethics carried out at the time of signing the work agreement</li> </ul>	<p>Based on document verification, show that the rights and obligation of each party has been set in the contract.</p> <p>Has been describe in criteria 6.10</p>

Public Issues (Institution/ NGO/Community)	Auditor Responses
<ul style="list-style-type: none"> <li>• Training / socialization related to work carried out by contractor workers has been carried out by the CH at the time of supervision</li> </ul>	
<p><b>Labour Union of PTPN IV Unit Marjandi</b></p> <ul style="list-style-type: none"> <li>• The CH has implemented a determination related to minimum wages</li> <li>• Providing work tools and PPE has been provided free of charge by the CH</li> <li>• The CH has included all workers in the BPJS Employment and Health program</li> <li>• Payment of overtime is in accordance with related regulation</li> <li>• The complaints mechanism is known by the workers and the complaints are always addressed by the CH</li> <li>• The housing conditions of workers in a good state</li> <li>• Over the past year there have been no issues related to child labor, discrimination and human rights violations in the corporate environment</li> <li>• Availability of vehicles to take workers and their families for treatment is always stand by</li> <li>• The labor union structure of PTPN IV does not consist of management representatives such as manager</li> </ul>	<p>The CH has implemented minimum wages and other labor regulations in accordance with applicable regulations and is explained in the 2.1.1 and 6.5.1 indicators</p> <p>Based on the results of field visits and interviews with workers it is known that the company has provided PPE for all workers free of charge and routine replacement.</p> <p>The CH has carried out socialization related to the complaints mechanism and has been well known by workers</p> <p>Based on the results of interviews with residents who were also daycare officers, it was found that the company always provided vehicles to transport sick workers to the clinic and to the nearest hospital.</p>
<p><b>Gender Committee of PTPN IV Unit Marjandi</b></p> <ul style="list-style-type: none"> <li>• The CH has supported the formation of gender committee organizations in each unit</li> <li>• The routine activities of the gender committee are the activities of the posyandu, the women recitations, and grand recitations</li> <li>• CH have implemented good gender policies including giving H1 and H2 leave rights to female workers, prohibiting workers who are pregnant and breastfeeding from working with chemicals, availability of daycare in each residential area for workers children</li> <li>• There are no issues or complaints from workers related to harassment, human rights violations or discrimination related to gender</li> <li>• The complaint mechanism is known by workers</li> </ul>	<p>According o document verification and interview with workers, there was no issues related to violation of the rights of woman.</p> <p>From the results of interviews with workers, the company has implemented of Company Policies such as reproductive rights and prohibition of pregnant woman to spray. It refer to criterion 6.9</p>
<p><b>Local Contractors (CV Putra Simbodu Maju)</b></p> <ul style="list-style-type: none"> <li>• A work agreement for each job already exists and each party has it</li> <li>• Payment of the work done is timely paid</li> <li>• In the employment agreement explain related to PPE, Giving BPJS and other matters</li> <li>• Contractor workers are given supervision from the CH</li> <li>• Provision of socialization related to the company's code of ethics carried out at the time of signing the work agreement</li> <li>• Training / socialization related to work carried out by contractor workers has been carried out by the CH at the time of supervision</li> </ul>	<p>Based on document verification, show that the rights and obligation of each party has been set in the contract.</p> <p>Has been describe in criteria 6.10</p>

Public Issues (Institution/ NGO/Community)	Auditor Responses
<p><b>Labour Union of PTPN IV Unit Marihat</b></p> <ul style="list-style-type: none"> <li>• The CH has implemented a determination related to minimum wages</li> <li>• Providing work tools and PPE has been provided free of charge by the CH</li> <li>• The CH has included all workers in the BPJS Employment and Health program</li> <li>• Payment of overtime is in accordance with related regulation</li> <li>• The complaints mechanism is known by the workers and the complaints are always addressed by the CH</li> <li>• The housing conditions of workers in a good state</li> <li>• Over the past year there have been no issues related to child labor, discrimination and human rights violations in the corporate environment</li> <li>• Availability of vehicles to take workers and their families for treatment is always stand by</li> <li>• The labor union structure of PTPN IV does not consist of management representatives such as manager</li> </ul>	<p>The CH has implemented minimum wages and other labor regulations in accordance with applicable regulations and is explained in the 2.1.1 and 6.5.1 indicators</p> <p>Based on the results of field visits and interviews with workers it is known that the company has provided PPE for all workers free of charge and routine replacement.</p> <p>The CH has carried out socialization related to the complaints mechanism and has been well known by workers</p> <p>Based on the results of interviews with residents who were also daycare officers, it was found that the company always provided vehicles to transport sick workers to the clinic and to the nearest hospital.</p>
<p><b>Gender Committee of PTPN IV Unit Marihat</b></p> <ul style="list-style-type: none"> <li>• The CH has supported the formation of gender committee organizations in each unit</li> <li>• The routine activities of the gender committee are the activities of the posyandu, the women recitations, and grand recitations</li> <li>• CH have implemented good gender policies including giving H1 and H2 leave rights to female workers, prohibiting workers who are pregnant and breastfeeding from working with chemicals, availability of daycare in each residential area for workers children</li> <li>• There are no issues or complaints from workers related to harassment, human rights violations or discrimination related to gender</li> <li>• The complaint mechanism is known by workers</li> </ul>	<p>According to document verification and interview with workers, there was no issues related to violation of the rights of woman.</p> <p>From the results of interviews with workers, the company has implemented of Company Policies such as reproductive rights and prohibition of pregnant woman to spray. It refer to criterion 6.9</p>
<p><b>Local Contractors (CV Al-Ghifari)</b></p> <ul style="list-style-type: none"> <li>• A work agreement for each job already exists and each party has it</li> <li>• Payment of the work done is timely paid</li> <li>• In the employment agreement explain related to PPE, Giving BPJS and other matters</li> <li>• Contractor workers are given supervision from the CH</li> <li>• Provision of socialization related to the company's code of ethics carried out at the time of signing the work agreement</li> <li>• Training / socialization related to work carried out by contractor workers has been carried out by the CH at the time of supervision</li> </ul>	<p>Based on document verification, show that the rights and obligation of each party has been set in the contract.</p> <p>Has been describe in criteria 6.10</p>

<b>4.0</b>	<b>CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY</b>		
<b>4.1</b>	<b>Formal Sign-off of Assessment Findings</b>		
	<p>Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.</p> <p>Signed on behalf of:</p> <table border="0" data-bbox="422 777 1299 1113"><tr><td data-bbox="422 777 763 1113"><p><b>PT. Perkebunan Nusantara IV</b> Vice President Strategic Planning</p> <b><u>Khayamuddin Panjaitan</u></b> 3 May 2019</td><td data-bbox="1039 777 1299 1113"><p>Mutuagung Lestari Lead Auditor</p> <b><u>Andi Pratama</u></b> 3 May 2019</td></tr></table>	<p><b>PT. Perkebunan Nusantara IV</b> Vice President Strategic Planning</p>  <b><u>Khayamuddin Panjaitan</u></b> 3 May 2019	<p>Mutuagung Lestari Lead Auditor</p>  <b><u>Andi Pratama</u></b> 3 May 2019
<p><b>PT. Perkebunan Nusantara IV</b> Vice President Strategic Planning</p>  <b><u>Khayamuddin Panjaitan</u></b> 3 May 2019	<p>Mutuagung Lestari Lead Auditor</p>  <b><u>Andi Pratama</u></b> 3 May 2019		

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

No	Institution/NGO/ Community	Address	Phone/Email	Form of Communication	Date of Contact	Response	
						Yes	No
1.	Environmental Agency	District of Simalungun	-	Interview	30 January 2019	√	
2.	Manpower Agency	District of Simalungun	-	Interview	30 January 2019	√	
3.	National Plantation Agency	District of Simalungun	-	Interview	30 January 2019	√	
4.	Plantation Agency	District of Simalungun	-	Interview	30 January 2019	√	
5.	Gender Committee	District of Simalungun	-	Interview	29 January 2019 – 02 February 2019	√	
6.	Nagori Baliyu Village		-	Interview	30 January 2019	√	
7.	Nagori Bahalat Bayu Village		-	Interview	30 January 2019	√	
8.	Pagar Jambi Village		-	Interview	30 January 2019	√	
9.	Nagori Simpang Raya Dasma Village		-	Interview	01 February 2019		
10.	Nagori Bosar Village		-	Interview	01 February 2019		
11.	WWF	-	wwf-indonesia@wwf.or.id	Email	22 January 2019		√
12.	Wahana Lingkungan Hidup	-	informasi@walhi.or.id	Email	22 January 2019		√
13.	Sawit Watch	-	info@sawitwatch.or.id	Email	22 January 2019		√
14.	Aliansi Masyarakat Adat Nusantara	-	rumahaman@cbn.net.id	Email	22 January 2019		√
15.	Internal Stakeholders <u>Bah Jambi POM</u> <ul style="list-style-type: none"> <li>• 3 peoples (crane operator)</li> <li>• 1 people (kernel operator)</li> <li>• 3 peoples (Boiler operator)</li> </ul>	District of Simalungun		Interview	During audit Activity.	√	

<p><u>Bah Jambi Estate</u></p> <ul style="list-style-type: none"> <li>• 9 Nursery worker in Bah Jambi Estate</li> <li>• 3 Harvesters in Bah Jambi Estate</li> <li>• 2 Female spraying workers and 1 Female supervisor in Bah Jambi Estate.</li> </ul> <p><u>Marjandi Estate</u></p> <ul style="list-style-type: none"> <li>• 7 Female spraying workers and 1 Female supervisor</li> <li>• 2 peoples (Global Telling Worker)</li> <li>• 4 peoples (Hasvester) and 1 people (Clerk)</li> </ul> <p><u>Marihat Estate</u></p> <ul style="list-style-type: none"> <li>• 7 harvester and 1 supervisor in Marihat Estate</li> <li>• 1 Global Telling Wrokers in Marihat Estate</li> <li>• 8 Fertilizer workers and 1 supervisor in Marihat Estate</li> <li>• 3 female spraying workers and 1 supervisor in Marihat Estate</li> </ul>					
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Appendix 2. Assessment Program

DATE	28 January - 4 February 2019	
PROGRAM	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
<b>Monday, 28 January 2019</b>		
05.50 – 09.00	JAKARTA → MEDAN	All Team Member
09.00 – 12.00	MEDAN → PTPN IV UNIT BAHJAMBI	
12.00 – 14.00	<b>Break</b>	All Team Member
14.00 – 15.00 15.00 – 17.00	<b>Opening Meeting</b> <b>Document Review:</b> <ul style="list-style-type: none"> <li>Review of Previous Visit Non-conformance</li> <li>Collect Basic Information (Mill and Estates)</li> <li>Review of Partial Certification and Time Bound Plan</li> </ul>	All Team Member
<b>Tuesday, 29 January 2019</b>		
08.00 – 12.00	<b>Field Observation BAH JAMBI ESTATE</b> <ul style="list-style-type: none"> <li>Manuring, Spraying, Harvesting, Integrated Pest Management (IPM), and Worker Welfare (payments, complaint mechanism)</li> <li>Legal operational</li> <li>High Conservation Value Area, Empty Fruit Bunch Application, Fragile Soil Management</li> <li>Worker facilities (housing, health clinic, clean water, etc) and Hazardous Waste Material (LB3) management, Land Fire facilities, Storage, Workshop, Landfill, etc.</li> <li>Stakeholder consultation to labour union, gender committee, local contractor and others.</li> </ul>	<ul style="list-style-type: none"> <li>SAP</li> <li>APP</li> <li>APP</li> <li>RAH</li> <li>RGR</li> </ul>
12.00 – 14.00	<b>Break</b>	
14.00 – 17.00	<b>Field Observation BAH JAMBI POM</b> <ul style="list-style-type: none"> <li>Supply Chain verification (FFB Receiving, Weighbridge)</li> <li>FFB Sorting, Processing Activity, CPO/PK Dispatch, Fire Fighting Simulation</li> <li>Occupational Health &amp; Safety Aspect (Inspection to Chemical Storage, Hazardous Waste Storage, POME Pond, Land Application).</li> <li>Stakeholder consultation to labor union, gender committee, FFB Supplier, Transporter FFB, CPO and PK.</li> </ul>	<ul style="list-style-type: none"> <li>APP</li> <li>SAP</li> <li>RAH</li> <li>RGR</li> </ul>
<b>Wednesday, 30 January 2019</b>		
08.00 – 12.00	<ul style="list-style-type: none"> <li><b>Public Consultation with Government in Simalungun</b></li> <li><b>Stakeholder's consultation to nearest village and community leader.</b></li> </ul>	<ul style="list-style-type: none"> <li>RGR &amp; RAH</li> <li>APP &amp; SAP</li> </ul>
12.00 – 14.00	<b>Break</b>	
14.00 – 17.00	<ul style="list-style-type: none"> <li>Continue Field Observation and field observation clarification</li> <li>Verification of field visit and completing checklist</li> </ul>	All Team Member
<b>Thursday, 31 January 2019</b>		

DATE	28 January - 4 February 2019	
PROGRAM	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
08.00 – 12.00	<b>Field Observation MARJANDI ESTATE</b> <ul style="list-style-type: none"> <li>• Manuring, Spraying, Harvesting, Integrated Pest Management (IPM), and Worker Welfare (payments, complaint mechanism)</li> <li>• Legal operational</li> <li>• High Conservation Value Area, Empty Fruit Bunch Application, Fragile Soil Management</li> <li>• Worker facilities (housing, health clinic, clean water, etc) and Hazardous Waste Material (LB3) management, Land Fire facilities, Storage, Workshop, Landfill, etc.</li> <li>• Stakeholder consultation to labour union, gender committee, local contractor and others.</li> </ul>	<ul style="list-style-type: none"> <li>• SAP</li> <li>• APP</li> <li>• APP</li> <li>• RAH</li> <li>• RGR</li> </ul>
12.00 – 14.00	<b>Break</b>	
14.00 – 17.00	<ul style="list-style-type: none"> <li>• Continue Field Observation and field observation clarification</li> <li>• Verification of field visit and completing checklist</li> </ul>	<b>All Team Member</b>
<b>Friday, 1 February 2019</b>		
08.00 – 12.00	<ul style="list-style-type: none"> <li>• Stakeholder's Consultation to Nearest village</li> <li>• Continue Field Observation and field observation clarification</li> </ul>	<ul style="list-style-type: none"> <li>• APP &amp; SAP</li> <li>• RAH &amp; RGR</li> </ul>
12.00 – 14.00	<b>Break</b>	
14.00 – 17.00	<ul style="list-style-type: none"> <li>• Continue Field Observation and field observation clarification</li> <li>• Verification of field visit and completing checklist</li> </ul>	<b>All Team Member</b>
<b>Saturday, 2 February 2019</b>		
08.00 – 12.00	<b>Field Observation MARIHAT ESTATE</b> <ul style="list-style-type: none"> <li>• Manuring, Spraying, Harvesting, Integrated Pest Management (IPM), and Worker Welfare (payments, complaint mechanism)</li> <li>• Legal operational</li> <li>• High Conservation Value Area, Empty Fruit Bunch Application, Fragile Soil Management</li> <li>• Worker facilities (housing, health clinic, clean water, etc) and Hazardous Waste Material (LB3) management, Land Fire facilities, Storage, Workshop, Landfill, etc.</li> <li>• Stakeholder consultation to labour union, gender committee, local contractor and others.</li> </ul>	<ul style="list-style-type: none"> <li>• SAP</li> <li>• APP</li> <li>• APP</li> <li>• RAH</li> <li>• RGR</li> </ul>
12.00 – 14.00	<b>Break</b>	
14.00 – 17.00	<ul style="list-style-type: none"> <li>• Stakeholder's Consultation to Nearest village</li> <li>• Continue Field Observation and field observation clarification</li> <li>• Verification of field visit and completing checklist</li> </ul>	<ul style="list-style-type: none"> <li>• APP</li> <li>• SAP, RAH &amp; RGR</li> <li>• All Team Member</li> </ul>
<b>Sunday, 3 February 2019</b>		
<b>Break...</b>		
<b>Monday, 4 February 2019</b>		

DATE	28 January - 4 February 2019	
PROGRAM	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
08.00 – 11.00	Closing meeting	All Team Member
11.00 – 14.00	Marihat Estate → Kuala Namu	All Team Member
14.00 – 16.00	Kuala Namu → Jakarta	All Team Member