

***Roundtable on Sustainable Palm Oil Certification  
RSPO*****[ ✓ ] Surveillance**

Name of Management Organisation : Dolok Sinumbah Palm Oil Mill subsidiary of PT Perkebunan Nusantara IV  
Plantation Name : PT Perkebunan Nusantara IV, Dolok Sinumbah Estate and Balimbingan Estate  
Location : Dolok Sinumbah Village, Hutabayu Raja Sub District, Simalungun District, Sumatera Utara Province, Indonesia  
Certificate Code : MUTU-RSPO/111  
Date of Certificate Issue : 03 April 2018                      Date of License Issue : 03 July 2020  
Date of Certificate Expiry : 02 April 2023                      Date of License Expiry : 02 April 2021

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ASA-2	02 to 07 March 2020	Arif Faisal Simatupang (Lead Auditor), Dwi Haryati, Yohanes Hardian, Johanes Pandiangan	Ardiansyah	Octo HPN Nainggolan

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-2	23 June 2020

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Figure 1. Location Map of Dolok Sinumbah POM

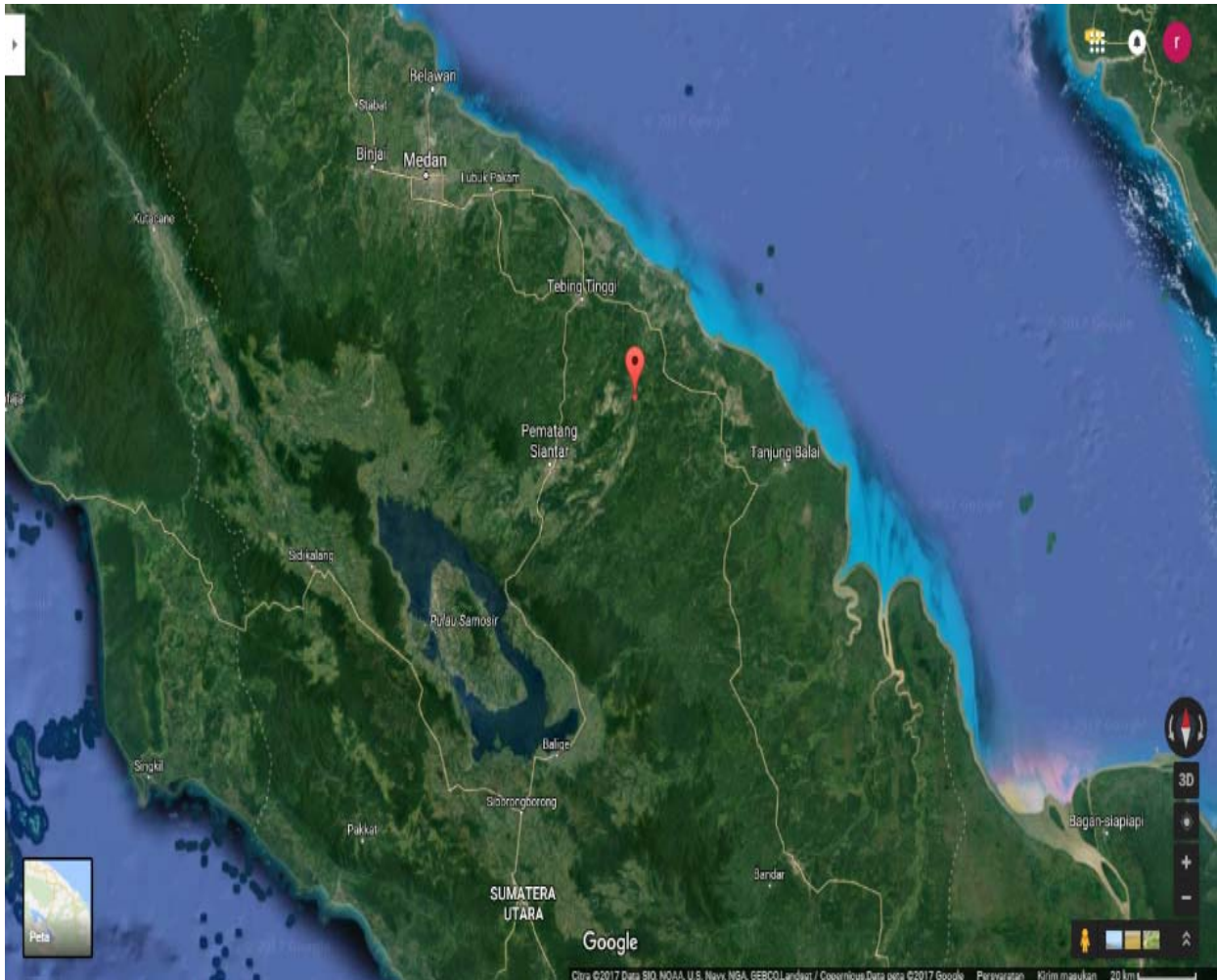


Figure 2. Operational Map of Dolok Sinumbah Estate

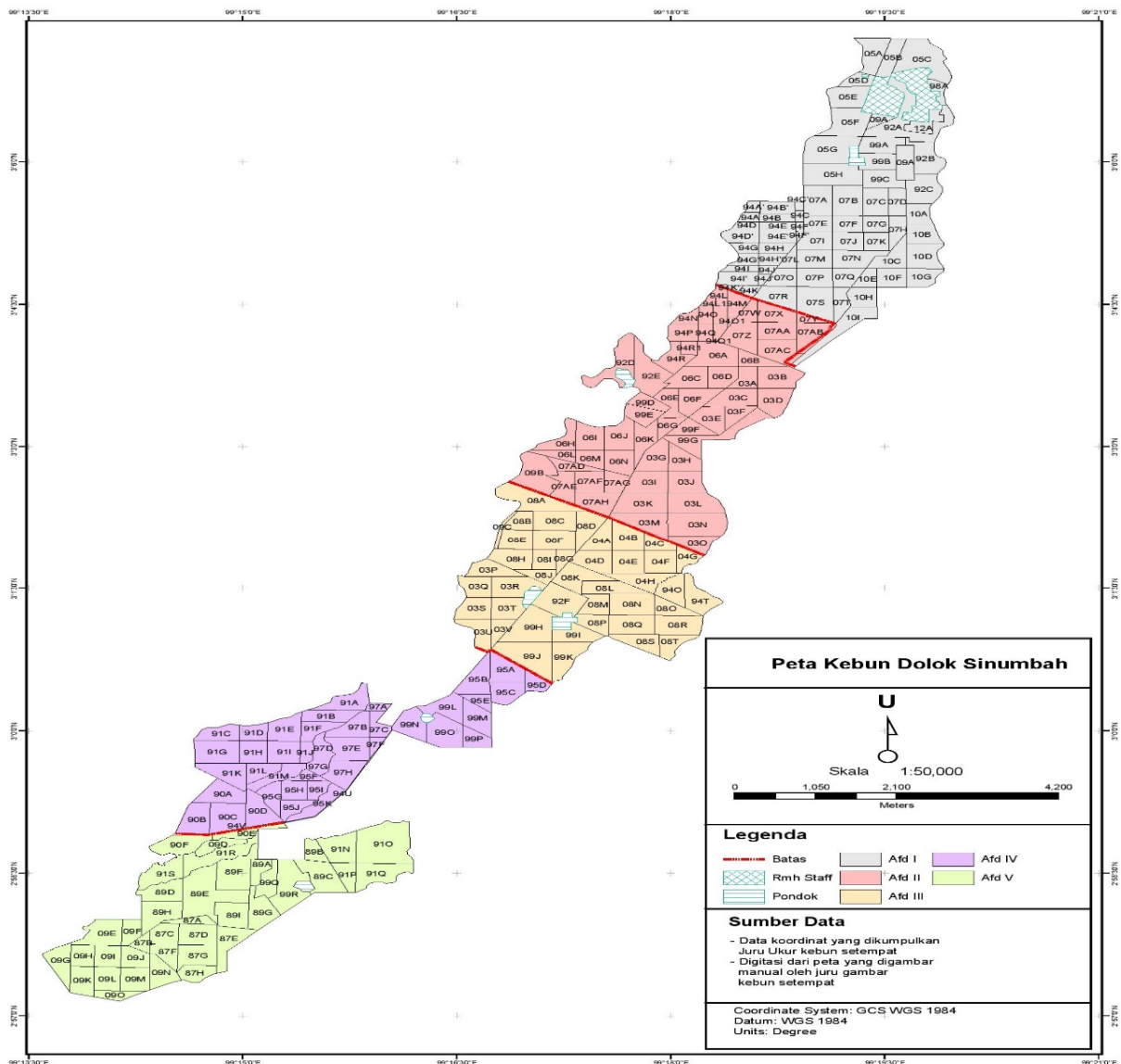
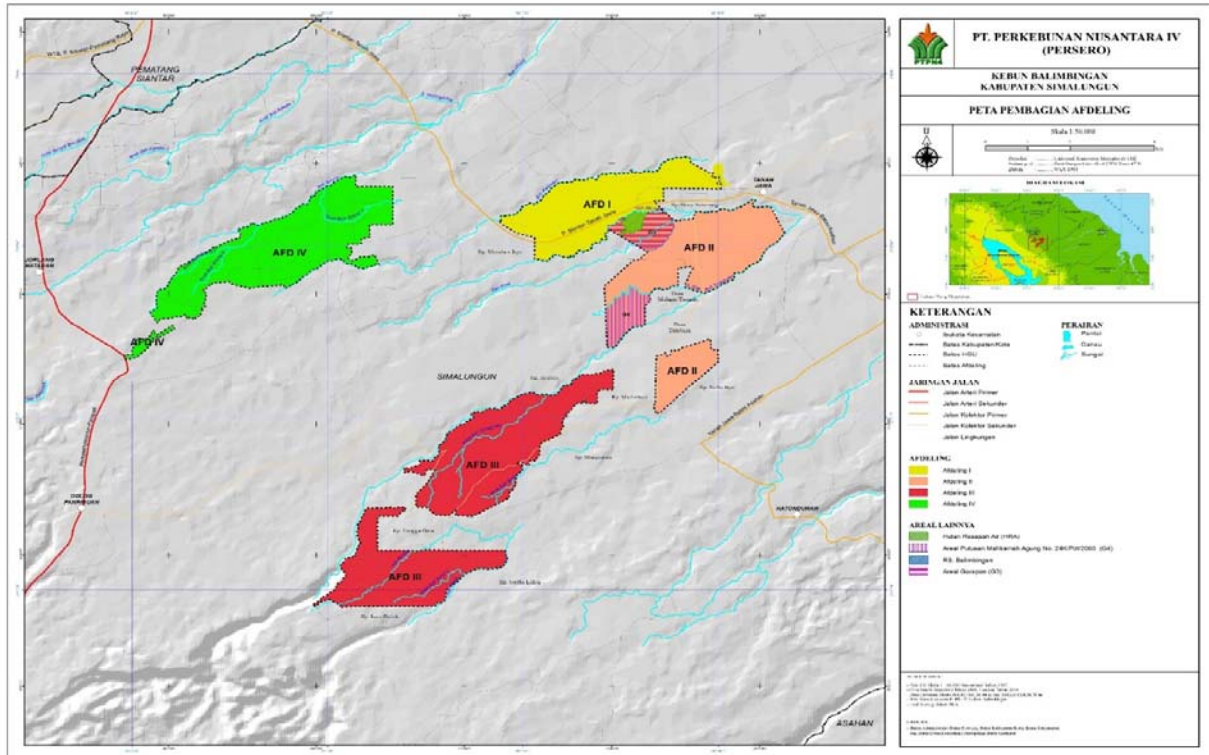


Figure 3. Operational Map of Balimbingan Estate



**Abbreviations Used**

APAR	:	<i>Alat Pemadam Api Ringan</i>
ASA	:	Annual Surveillance Assessment
BOD	:	Biological Oxygen Demand
BPJS	:	Worker Social Insurance Agency
COC	:	Conduct of Conduct
CLA	:	Collective Labour Agreements
CPO	:	Crude Palm Oil
CSR	:	Corporate Social Responsibility
CWC	:	Circle Weeding Chemical
EFB	:	Empty Fruit Bunch
FFB	:	Fresh Fruit Bunch
ERP	:	Enterprise Resource Planning
GHG	:	Green House Gas
HCV	:	High Conservation Value
HGU	:	<i>Hak Guna Usaha</i> (Land Use Permit)
HIRARC	:	Hazard Identification Risk Assessment and Risk Control
IPM	:	Integrated Pest Management
ISPO	:	Indonesian Sustainable Palm Oil
ISO	:	International Organization for Standardization
IUP	:	<i>Izin Usaha Perkebunan</i> (Plantation Business Permit)
KCD	:	<i>Kesatuan Contoh Daun</i> (leaf sample unit)
LCC	:	Legume cover crop
LPUP	:	<i>Laporan Perkembangan Usaha Perkebunan</i> (Plantation Business Report)
MSDS	:	Material Safety Data Sheet
MCU	:	Medical Check Up
NGO	:	Non Government Organization
OER	:	Oil Extraction Rate
OHS	:	Occupational Health and Safety
P2K3	:	OHS Committee
PKO	:	Palm Kernel Oil
POM	:	Palm Oil Mill
POME	:	Palm Oil Mill Effluent
PPD	:	<i>Petugas Pengendali Dokumen</i> (document controller)
PPE	:	Personal Protection Equipment
PPKS	:	<i>Pusat Penelitian Kelapa Sawit</i> (Palm Oil Research Centre)
PTPN	:	<i>Perseroan Terbatas Perkebunan Nusantara</i>
RJP	:	<i>Rencana Jangka Panjang</i> (Long-Term Bussiness Plan)
RKAP	:	<i>Rencana Kerja Anggaran Perusahaan</i> (Corporate Budget Work Plan )
RKL/RPL	:	<i>Rencana Kelola Lingkungan/ Rencana Pemantauan Lingkungan</i> (Environmental Management and Monitoring Plan)
RSPO	:	Roundtable on Sustainable Palm Oil
SAP	:	Systems, Applications & Products



SIA	:	Social Impact Assessment
SMK3	:	<i>Sistem Manajemen Keselamatan dan Kesehatan Kerja</i>
SOP	:	Standard Operational Procedures
SP BUN	:	<i>Serikat Pekerja Perkebunan</i>
TBM	:	<i>Tanaman Belum Menghasilkan</i>
Walhi	:	<i>Wahana Lingkungan Hidup</i>
WTP	:	Water Treatment Plant
WWF	:	World Wide Fund
WWTP	:	Waste Water Treatment Plant

<b>1.0</b>	<b>SCOPE of the CERTIFICATION ASSESSMENT</b>		
<b>1.1</b>	<b>Assessment Standard Used</b>	<ul style="list-style-type: none"> <li>Principles and Criteria for the Production of Sustainable Palm Oil 2018, endorsed by the RSPO Board of Governors and adopted at the 15<sup>th</sup> Annual General Assembly by RSPO Member on 15 November 2018.</li> <li>RSPO Certification System for Principles and Criteria, 14 June 2017</li> </ul>	
<b>1.2</b>	<b>Organisation Information</b>		
1.2.1	Organisation name listed in the certificate	<b>PT Perkebunan Nusantara IV – Dolok Sinumbah POM</b>	
1.2.2	Contact person	Mili Mahardika	
1.2.3	Organisation address and site address	RSPO Registered Company: Jalan Letjen Suprpto No. 2, Kode Post 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	Mili Mahardika	
1.2.9	Registered as RSPO member	1-0082-09-000-00 - 29 June 2009	
<b>1.3</b>	<b>Type of Assessment</b>		
1.3.1	Scope of Assessment and Number of Management Unit	Palm Oil Mill and supply base: <ul style="list-style-type: none"> <li>Dolok Sinumbah POM, Dolok Sinumbah Estate and Balimbingan Estate.</li> </ul>	
1.3.2	Type of certificate	Single	
<b>1.4</b>	<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>
	Dolok Sinumbah POM	Dolok Sinumbah Village, Hutabayu Raja Sub District, Simalungun District, Sumatera Utara Province, Indonesia	N 03° 6' 42"      E 99° 19' 46"
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>
	Dolok Sinumbah Estate	Dolok Sinumbah Village, Hutabayu Raja Sub District, Simalungun District, Sumatera Utara Province, Indonesia	N 03° 6' 46"      E 99° 19' 46"
	Balimbingan Estate	Balimbingan Village, Tanah Jawa Sub-district, Simalungun District, Sumatera Utara Province, Indonesia	N 02° 53' 21"      E 99° 09' 00"



<b>1.5</b>	<b>Description of Area Statement</b>			
1.5.1	Tenure			
	• State	10,314.91	Ha	
	• Community	-	Ha	
1.5.2	<b>Area Statement</b>			
	• Total area	8,071.51	Ha	
	• Planted	6,843.17	Ha	
	- Mature area	5,939.17	Ha	
	- Immature area	904.00	Ha	
	• Reserves area	143.22	Ha	
	• Nursery	9.81	Ha	
	• IOPRI area	4.00	Ha	
	• Building and mill	239.93	Ha	
	• Infrastructure	184.90	Ha	
	• Cemetery	5.67	Ha	
	• Riparian zone	386.25	Ha	
	• Water body	3.31	Ha	
	• Occupation	104.96	Ha	
	• Others	146.29	Ha	
<i>*Area of 2,173.40 Ha is used by Bah Jambi Estate, 49 Ha is used by Marihat Estate and 21 Ha is used by Balimbingan hospital</i> <i>* HCV area has include on planting area and emplacement area: 331.09 Ha</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>Dolok Sinumbah Estate</b>	<b>Balimbingan Estate</b>	
			<b>Total</b>	
	1994	227	296.00	523.00
	1995	140	1,067.00	1,207.00
	1996	-	1,649.00	1,649.00
	1997	76	-	76.00
	1998	18	-	18.00
	1999	317	12.00	329.00
	2003	402	-	402.00
	2004	130	-	130.00
	2005	163	-	163.00
	2006	207	-	207.00
	2007	499	-	499.00
	2008	317	34.50	351.50
	2009	204	-	204.00
	2010	143	27.67	170.67
	2012	10	-	10.00
	<b>Sub Total Mature</b>	<b>2,853.00</b>	<b>3,086.17</b>	<b>5,939.17</b>

	2015	100	-	100.00																									
	2016	804	-	804.00																									
	<b>Sub Total Immature</b>	<b>904.00</b>	-	<b>904.00</b>																									
	<b>TOTAL</b>	<b>3,757.00</b>	<b>3,086.17</b>	<b>6,843.17</b>																									
1.6.2	New Planting area after January 2010		- Ha																										
1.6.3	Planting Cycle		3 <sup>rd</sup> Cycle																										
<b>1.7</b>	<b>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>	<table border="1"> <thead> <tr> <th colspan="2">CPO</th> <th colspan="2">Palm Kernel</th> </tr> <tr> <th>Out put (tonnes)</th> <th>Extraction (%)</th> <th>Out put (tonnes)</th> <th>Extraction (%)</th> </tr> </thead> <tbody> <tr> <td>30,922.90</td> <td>23.10</td> <td>5,361.32</td> <td>4.01</td> </tr> </tbody> </table>	CPO		Palm Kernel		Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)	30,922.90	23.10	5,361.32	4.01													
CPO		Palm Kernel																											
Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)																										
30,922.90	23.10	5,361.32	4.01																										
	Dolok Sinumbah POM	30	133,840.80																										
	<i>*Production data source from March 2019 to February 2020</i>																												
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>	<table border="1"> <thead> <tr> <th rowspan="2">FFB (tonnes/year)</th> <th rowspan="2">Yield (tonnes/ha/year)</th> <th colspan="2">Supplied to Mill</th> </tr> <tr> <th>FFB (tonnes/year)</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>77,967.21</td> <td>20.75</td> <td>77,967.21</td> <td>100.00</td> </tr> <tr> <td>64,261.98</td> <td>20.82</td> <td>53,108.49</td> <td>82.64</td> </tr> <tr> <td><b>142,229.19</b></td> <td><b>20.78</b></td> <td><b>131,075.70</b></td> <td><b>92.16</b></td> </tr> </tbody> </table>	FFB (tonnes/year)	Yield (tonnes/ha/year)	Supplied to Mill		FFB (tonnes/year)	%	77,967.21	20.75	77,967.21	100.00	64,261.98	20.82	53,108.49	82.64	<b>142,229.19</b>	<b>20.78</b>	<b>131,075.70</b>	<b>92.16</b>							
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<b>142,229.19</b>	<b>20.78</b>	<b>131,075.70</b>	<b>92.16</b>																										
	Dolok Sinumbah Estate	4,159.57	3,757.00																										
	Balimbangan Estate	3,911.94	3,086.17																										
	<b>TOTAL</b>	<b>8,071.51</b>	<b>6,843.17</b>																										
	<i>*Production data source from March 2019 to February 2020</i>																												
1.7.3	FFB description from other source																												
	<b>Name of sources/Organisation (RSPO certified / non-certified)</b>	<b>Type of Organisation</b>	<b>number of smallholders</b>	<table border="1"> <thead> <tr> <th rowspan="2">Production Area (Ha)</th> <th>Supplied to Mill</th> </tr> <tr> <th>FFB (tonnes/year)</th> </tr> </thead> <tbody> <tr> <td colspan="2"><b>Certified</b></td> </tr> <tr> <td>1,802.00</td> <td>648.04</td> </tr> <tr> <td colspan="2"><b>Sub Total Certified</b></td> </tr> <tr> <td colspan="2"><b>648.04.98</b></td> </tr> <tr> <td colspan="2"><b>Non Certified</b></td> </tr> <tr> <td>35.94</td> <td>1,425.12</td> </tr> <tr> <td>2,175.40</td> <td>691.94</td> </tr> <tr> <td colspan="2"><b>Sub total Non Certified</b></td> </tr> <tr> <td colspan="2"><b>2,117.06</b></td> </tr> <tr> <td colspan="2"><b>TOTAL</b></td> </tr> <tr> <td colspan="2"><b>2,765.10</b></td> </tr> </tbody> </table>	Production Area (Ha)	Supplied to Mill	FFB (tonnes/year)	<b>Certified</b>		1,802.00	648.04	<b>Sub Total Certified</b>		<b>648.04.98</b>		<b>Non Certified</b>		35.94	1,425.12	2,175.40	691.94	<b>Sub total Non Certified</b>		<b>2,117.06</b>		<b>TOTAL</b>		<b>2,765.10</b>	
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<b>TOTAL</b>																													
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	Marjandi Estate	PTPN IV	-																										
	<b>Sub Total Certified</b>																												
	<b>Non Certified</b>																												
	Dolok Sinumbah Estate (HGU on progress)	PTPN IV	-																										
	Bahbirong Ulu Estate	PTPN IV	-																										
	<b>Sub total Non Certified</b>																												
	<b>TOTAL</b>			<b>2,765.10</b>																									
	<i>*Production data source from March 2019 to February 2020</i>																												
1.7.4	Product categories		FFB, CPO, PK																										
<b>1.8</b>	<b>Tonnage of Product</b>																												
1.8.1	Past Annual Claim Certified Product		Last Year Projected Certified Volume (MT)	Last Year Actual Certified Volume (March 2019 to February 2020) (MT)																									
	FFB Processed		133,303	131,723.74																									

	CPO Production		31,993		30,580.52			
	Palm Kernel (PK) Production		5,333		5,276.52			
1.8.2	Product selling							
	Type of selling product	Actual selling product for last year (March 2019 to February 2020) (MT)						
	CSPO sold as RSPO certified product				7,500.00			
	CSPK sold as RSPO certified product				4,643.01			
	CSPO sold under other scheme				0			
	CSPK sold under other scheme				0			
	CSPO sold as conventional				17,551.78			
	CSPK sold as conventional				0			
1.8.3	Estimate of Certified FFB Claim							
	<b>Name of Estates</b>	<b>Total Area (Ha)</b>	<b>Planted / Production Area (Ha)</b>	<b>FFB (tonnes/year)</b>	<b>Yield (tonnes/ha/year)</b>			
	Dolok Sinumbah Estate	4,159.57	3,757.00	82,000	21.83			
	Balimbingan Estate	3,911.94	3,086.17	68,000	22.03			
	<b>TOTAL</b>	<b>8,071.51</b>	<b>6,843.17</b>	<b>150,000</b>	<b>21.92</b>			
	<i>*Projected FFB production for 12 months of certificate (03 April 2020 to 02 April 2021)</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>	
	Dolok Sinumbah POM	30	150,000	36,000	23.50	7,000	4.50	MB
	<i>*Projected CSPO and CSPK production for 12 months of certificate (03 April 2020 to 02 April 2021)</i>							
1.9	<b>Other Certifications</b>							
	ISPO of Balimbingan Estate		ISPO Certificate No. MUTU-ISPO/164 dated 22 March 2019 valid thru 21 March 2024.					
1.10	<b>Time Bound Plan</b>							
1.10.1	<b>Time Bound Plan for Other Management Units</b>							
	<b>Management Unit</b>		<b>Estate (Supply Base)</b>	<b>Time Bound</b>	<b>Location</b>	<b>Status</b>		
	<b>POM</b>	<b>Time Bound</b>						
	Pabatu	2015	Pabatu	2015	Serdang Bedagai, Sumatera Utara	Certified on September 2015		
	Dolok Ilir	2015	Dolok Ilir	2015	Simalungun, Sumatera Utara	Certified on September 2015		
			Laras	2018	Simalungun, Sumatera Utara	Certified on December 2018		
	Pulu Raja	2015	Pulu Raja	2015	Asahan, Sumatera Utara	Certified on August 2015		
	Adolina	2018	Adolina	2018	Serdang Bedagai dan Deli Serdang, Sumatera Utara	Certified on April 2018		

Bah Jambi	2018	Bah Jambi	2018	Simalungun, Sumatera Utara	Certified February 2018
		Marihat	2018	Simalungun, Sumatera Utara	Certified February 2018
		Bah Birung Ulu	2021	Simalungun, Sumatera Utara	Stage-1 Audit
		Marjandi	2019	Simalungun, Sumatera Utara	Certified on 20 may 2019 (1,802.0 Ha)
2021	Simalungun, Sumatera Utara		Out of scope Certification 2 <sup>nd</sup> Stage Audit (30.0 Ha)		
Dolok Sinumbah	2018	Dolok Sinumbah	2018	Simalungun, Sumatera Utara	Certified on April 2018 (3,757.0 Ha)
			2021	Simalungun, Sumatera Utara	Out of scope Certification 2 <sup>nd</sup> Stage Audit (35.94 Ha)
		Balimbangan	2018	Simalungun, Sumatera Utara	Certified on April 2018
Mayang	2021	Mayang	2019	Simalungun, Sumatera Utara	Certified on March 2019
		Bukit Lima	2021	Simalungun, Sumatera Utara	Preparation
Gunung Bayu	2019	Gunung Bayu	2019	Simalungun, Sumatera Utara	Certified on September 2019
		Tanah Itam Ulu	2019	Simalungun, Sumatera Utara	Certified on September 2019
Tinjowan	2019	Tinjowan	2019	Simalungun, Sumatera Utara	Certified on March 2019
		Aek Nauli	2019	Simalungun, Sumatera Utara	Certified on March 2019
		Padang Matinggi	2019	Simalungun, Sumatera Utara	Certified on March 2019
Air Batu	2018	Air Batu	2019	Asahan, Sumatera Utara	Certified on May 2019
		Air Batu	2021	Asahan, Sumatera Utara	Out of Scope certification 2 <sup>nd</sup> Stage Audit
Berangir	2018	Berangir	2018	Labuhan Batu Utara, Sumatera Utara	Certified on July 2018
		Berangir	2021	Labuhan Batu Utara, Sumatera Utara	Out of scope Certification 2 <sup>nd</sup> Stage Audit (10.0 Ha)
Sawit Langkat	2018	Sawit Langkat	2018	Langkat, Sumatera Utara	Certified on June 2018
		Sawit Langkat	2021	Langkat, Sumatera Utara	Out of scope Certification 2 <sup>nd</sup> Stage Audit (301.50 Ha)
Pasir Mandoge	2020	Pasir Mandoge	2020	Asahan, Sumatera Utara	Stage-2 Audit
		Sei Kopas	2020	Asahan, Sumatera Utara	Stage-2 Audit
		Tonduhan	2020	Simalungun, Sumatera Utara	Stage-2 Audit
		Sei Kopas (HPK)	2021	Asahan, Sumatera Utara	Out of scope Certification 2 <sup>nd</sup> Stage Audit (763.00 Ha)
Timur	2021	Timur	2021	Mandailing Natal, Sumatera Utara	Preparation

			Balap	2021	Mandailing Natal, Sumatera Utara	Preparation
	Ajamu	2021	Ajamu	2019	Labuhan Batu Utara, Sumatera Utara	Certified on September 2019
			Meranti Paham	2019	Labuhan Batu Utara, Sumatera Utara	Certified on September 2019
			Panai Jaya	2021	Labuhan Batu Utara, Sumatera Utara	Preparation
	Sosa	2021	Sosa	2021	Padang Lawas, Sumatera Utara	Preparation
	PT Agro Sinergi Nusantara		PT Agro Sinergi Nusantara	2021	Aceh Barat, Aceh	Preparation
	PT Sinergi Perkebunan Nusantara		PT Sinergi Perkebunan Nusantara	2021	Morowali Utara, Sulawesi	Preparation
1.10.2	<b>Progress of Associated Smallholders and Outgrowers for Certifiable Standard</b>					
	PTPN IV- Dolok Sinumbah POM does not have scheme smallholders.					

<b>2.0</b>	<b>ASSESSMENT PROCESS</b>
<b>2.1</b>	<b>Assessment Team</b>
<b>ASA-2</b>	<p>1. <b>Arif Faisal Simatupang (Lead Auditor)</b>. Bachelor of Agriculture, from Department of Agriculture Agronomy, Faculty of Agriculture, University of Gadjah Mada. He has successfully completed an RSPO endorsed P&amp;C Lead Auditor Training, RSPO SCCS endorsed Lead Auditor Training, Indonesian Sustainable Palm Oil (ISPO) Lead Auditor Training, Management System Certification ISO 9001-2008 Lead Auditor Training, Environmental Management System ISO 14001 Lead Auditor Training, ISO 17021 and ISO 17065 Awareness Training, Management of High Conservation Value (HCV) Training, Social Accountability SA 8000 Training. He has four years of working experience as a Field Assistant on oil palm plantation company in Indonesia. Since 2014, he works as an auditor of RSPO and ISPO in the aspects of legal, social, best management practices of mill and estate, OHS, employment, and environmental. In this audit, he was assessing the aspects of legality, SCCS, TBP, Partial Certification, and best management practices of agriculture and processing.</p> <p>2. <b>Yohanes Hardian. Auditor</b>. Indonesian Citizen. Diploma of Forest Resource Conservation, Faculty of Forestry, Bogor Agricultural University, specialist in the environment aspect and wildlife. Has Worked as Staff Rehabilitation project at WWF Central Kalimantan region. Had attended training HCV, has been involved in several activity of HCV Identification of Oil Palm Plantation. Has worked as an environmental staff on Oil Palm Plantation. Have been trained as ISPO auditors and have attended training Auditor ISO 9001 and ISO 19011, Legal documents in-house training with the ISPO commission. Training SIA Remark Asia 2016, Training Lead Auditor RSPO by Proforest-Daemeter 2016. Experience audit RSPO And ISPO Since 2014. During this audit, he assigned to verify, Social aspect, Environment, GHG and HCV.</p> <p>3. <b>Dwi Haryati. Auditor</b>. Bachelor of Agriculture Department of Agriculture – Program study : Agronomy. She has experienced on Palm Oil Plantation as Sustainability staff. Training have been followed include: Training Auditor ISPO, Quality Management ISO 9001-2008, ISO 14001 Environmental Management, ISO 17021 &amp; 17065, HCV, General Health Safety Expert, Health Safety Management System, Workshop GHG by the ISPO Commission, IHT Palm Oil Mill Processing, Awareness RSPO, IHT Best Practice in Peat Management, Mapping Potential and Conflict Resolution in Production Forest. RSPO audit experience since March 2015 and ISPO since May 2014. During this audit, he assigned to Transparencies, Occupational Health and Safety, and Worker Welfare.</p> <p>4. <b>Johanes Pandiangan (Auditor trainee witness)</b>. Bachelor of Agriculture Department of Social Economics of Agriculture, Faculty of Agriculture. Has 7 years experience working as operational staff of one of the leading private oil palm plantation companies in Indonesia</p>
<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-2</b>	<p>Number of auditors : 3 Auditors</p> <p>Number of days for <b>ASA 2</b> at site: 6 days.</p> <p>Number of working days for <b>ASA 2</b> at site: 18 Working days.</p>
<b>2.2.2</b>	<b>Assessment Process</b>
<b>ASA-2</b>	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the Dolok Sinumbah Mill subsidiary of PTPN IV to the requirements of <b>Principles and Criteria for the Production of Sustainable Palm Oil 2018, endorsed by the RSPO Board of Governors and adopted at the 15<sup>th</sup> Annual General Assembly by RSPO Member on 15 November 2018 and RSPO Certification System for Principles and Criteria, 14 June 2017.</b></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 ASA-2 delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase ASA-3. Improvement of findings from ASA-1 findings were observed by auditors at this ASA-2 assessment. All information obtained was recorded in Check List of</p>



	<p>PT Mutuagung Lestari (MUTU) and part of ASA-2.</p> <p>During the audit, the company was cooperative in supporting the audit activities starting from the presentation of documents, facilitation of field observations and stakeholder interviews, and there was no any tendency of pressing and intervening the auditors. The opening meeting and closing meeting were involved by Company's Top Management to the Staff.</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-2</b></p>	<p>Number of units in this certification activity are two estates, which supply the raw material (FFB) to one palm oil mill. In conducting the assessment, the team of auditors used the 0.8√y 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 palm oil mill (Dolok Sinumbah POM) and two estates (Dolok Sinumbah Estate and Balimbangan Estate)</p> <p><b>Dolok Sinumbah POM</b></p> <ul style="list-style-type: none"> <li>- <b>Security Post.</b> Observation related to the acceptance of FFB and employment aspect of securities.</li> <li>- <b>Weighbridge Station.</b> Observation and interview related of supply chain implementation, and weighbridge calibration.</li> <li>- <b>Grading Station.</b> Observations and interviews related to FFB quality, handling of FFB that did not pass the criteria, OHS and employment.</li> <li>- <b>Chemical warehouse.</b> Field observations and interview related chemical management, OHS, and environmental aspect.</li> <li>- <b>Spare part Warehouse.</b> Field observations and interview related spare part management, OHS, and environmental aspect.</li> <li>- <b>Hazardous Waste Temporary Warehouse.</b> Field observations and interview related hazardous waste management, OHS and environmental aspect.</li> <li>- <b>Workshop.</b> Field observations and interview related workshop activity, OHS, environmental and worker welfare aspect.</li> <li>- <b>WTP.</b> Observations and interviews related to water management, recording of water used, OHS, and waste management.</li> <li>- <b>Waste Water Treatment Plant.</b> Field observations and interviews with WWTP operators regarding waste water management.</li> <li>- <b>Solid waste area.</b> Observation related to waste management and observation of leachate drainage.</li> <li>- <b>Sterilizer Station.</b> Interview about safety work implementation, PPE's and work accident.</li> <li>- <b>Boiler Station</b> Auditor was interview boiler operator, boiler man has license. Company was provide PPE's every year. Fibers and shell is used as fuel to reduce fossil fuel consumption and maximize renewable energy.</li> <li>- <b>Engine room.</b> Interview about safety work implementation, PPE's and work accident.</li> <li>- <b>Hydrant simulation.</b> Observation condition of pipe and nozzle, water pressure and fire team.</li> </ul> <p><b>Dolok Sinumbah Estate</b></p> <ul style="list-style-type: none"> <li>- <b>HGU stones and land demarcation No. 24 (Afdeling I Blok 18A), No. 25 (Afdeling I Blok 18A), No. 85 (Afdeling I Blok 18A), No. 100 (Afdeling I Blok 18A), No. 8 (Afdeling II Blok 18I), No. 9 (Afdeling II Blok 18I).</b> Observation of aspect of land demarcation and maintenance of HGU stone, and land dispute potency.</li> <li>- <b>Immature Area (replanting of 2018), Block 18A Afdeling I and Block 18I Afdeling II.</b> Observation related immature oil palm management and upkeep, soil and water conservation, cover crop.</li> <li>- <b>Empty Bunch Application on immature area, Block 18I Afdeling II.</b> Observations and interviews related EFB application as nutrient cycle, dosage and method of applications.</li> <li>- <b>Pheromone trap application in immature area, Block 18I Afdeling II.</b> Observation of IPM, related to suppress <i>Oryctes rhinoceros</i> infestation by installing and monitoring pheromone traps.</li> <li>- <b>HCV Bah Bolon River Riparian Area, Block 18A Afdeling I and Block 18I Afdeling II.</b> Observation the implementation of management in HCV of riparian area, and boundary marking.</li> </ul>

- **Housing Complex, Afdeling I.** Observation and interview with residents about housing facilities, domestic waste management.
- **Domestic Waste Landfill, Block 99A Afdeling I.** Observation related domestic waste management.
- **Land Clearing Area of 2019, Block K20.** Observation related zero burning land clearing method, soil and water conservation.
- **FFB Harvesting, Block 05B.** Observation and interviews with foreman and harvester related FFB quality, harvesting round, OHS, and employment.
- **Global Telling of Pests and Diseases, Block 07B Afdeling I.** Observation and interview with the census officer regarding technical work, employment and OHS

**Balimbingan Estate**

- **HCV Aek Moyam River Riparian Area, Block 19A Afdeling III.** Observation the implementation of management in HCV of riparian area, and boundary marking.
- **Immature Area (replanting of 2019), Block 19A Afdeling III.** Observation related immature oil palm management and upkeep, soil and water conservation, cover crop.
- **Empty Bunch Application on immature area, Block 19B Afdeling III.** Observations and interviews related EFB application as nutrient cycle, dosage and method of applications.
- **Pheromone trap application in immature area, Block 19H Afdeling III.** Observation of IPM, related to suppress *Oryctes rhinoceros* infestation by installing and monitoring pheromone traps.
- **Oil Palm Nursery, Afdeling I.** Observation and interview with workers related oil palm nursery, preparation of replanting, OHS and employment.
- **HGU stones and land demarcation No. 156 J (Afdeling IV Blok 95AQ), No. 150 (Afdeling IV Blok 19H).** Observation of aspect of land demarcation and maintenance of HGU stone, and land dispute potency.
- **Pandawa Lima area of land dispute, Afdeling II Blok 96B.** Observation of Pandawa Lima area land dispute.
- **FFB Harvesting, Block 94 G Afdeling I.** Observation and interview with harvesters related to FFB harvest activities, fruit quality, OSH aspects and employment.
- **Woody Growth spraying, Block 94L Afdeling I.** Observation and interview with spray workers related to spraying activities, K3 aspects and employment and the impact on the environment
- **Global Telling of Pests and Diseases, Block 94H Afdeling I.** Observation and interview with the census officer regarding technical work, employment and OHS
- **FFB Transport, Block 96 AG Afdeling II.** Observation and interviews with clerk related FFB transport, traveling time to mill, OHS, and employment.
- **Housing Complex.** Observation and interview with residents about housing facilities, domestic waste management.
- **Domestic Waste Landfill, Block 94P afdeling I.** Observation related domestic waste management.
- **Daycare.** Observation and interview with worker related labor aspect and OHS.
- **Fire Fighting Facilities.** Observation and simulation the emergencies response facilities.
- **Sparepart and PPE warehouse.** Observation minimum stock of PPE's.
- **Diesel Tank.** Observation of OHS, environment aspect, emergency response and fire facilities.
- **Oil and Agrochemicals Warehouse.** Observation related to management of oil and agrochemical material and waste, MSDS, emergency response facilities and the types of pesticides used.
- **Hazardous Waste Warehouse (Temporary).** Field observations related to the fulfillment of the attribute's health and safety, recording, and the implementation of compliance requirements hazardous waste temporary warehouse, wages and complaint mechanism.

**Consulted Stakeholder**

- Gender Committee of Dolok Sinumbah
- Gender Committee of Balimbingan Estate
- Local Contractor of Balimbingan Estate – CV Rio Mandiri
- Worker Union of Balimbingan Estate
- Worker Cooperative of Balimbingan Estate
- Kasinder Village
- Jorlang Hantaran Sub-District

<b>2.3</b>	<b>Stakeholder Consultation and Stakeholders Contacted</b>
<b>2.3.1</b>	<b>Summary of stakeholder consultation process.</b>
<b>ASA-2</b>	<p>Summary of stakeholder consultation process</p> <p>Consultation of stakeholders for Dolok Sinumbah POM subsidiary of PTPN IV was held by:</p> <ul style="list-style-type: none"> <li>- Public announcement on the MUTU website (<a href="http://www.mutucertification.com">www.mutucertification.com</a>) at 14 February 2020.</li> <li>- Stakeholder consultations with NGOs have been conducted by sending questionnaires via email to several NGOs (WWF, WALHI, Sawit Watch) on 27<sup>th</sup> February 2020.</li> <li>- Public consultation meeting with internal stakeholders (worker union, committee gender, local contractor and local communities such as Village Head and Jorlang Hantaran Sub-District) by interviews at 3<sup>rd</sup> March 2020.</li> </ul> <p>The agencies in regency level had been visited in IC and ASA 1, therefore in this ASA 2 the auditor decide to visit Sub-District Office. Numbers of input from stakeholders were clarified by management unit.</p>
<b>2.3.2</b>	<b>Stakeholder contacted</b>
	Please find appendix 1
<b>2.4</b>	<b>Determining Next Assessment</b>
	The next visit ( <b>ASA-3</b> ) will be conducted eight (8) month to twelve (12) month after date of certificate license.

**3.0 ASSESSMENT FINDINGS**

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

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

During the assessment, there were three (3) Nonconformities were assigned against Critical Indicators; two (2) nonconformities were assigned against Non Critical Indicators; and three (4) opportunities for improvement were identified.

Further explanation of the non-conformities raised and corrective actions taken by the company are provided in section 3.5. The company has already prepared and implemented the corrective actions that had been reviewed and accepted by Auditors in form of documentation evidences e.g. (document record). Those corrective actions taken that consist of ten (10) Major non-conformities, three (3) Minor non-conformities against P&C RSPO and two (2) against supply chain requirement for CPO mill had been closed out shall be verified during next assessment.

MUTUAGUNG LESTARI found that Dolok Sinumbah POM – PT Perkebunan Nusantara IV complied with the requirements of *Principles and Criteria for the Production of Sustainable Palm Oil 2018, endorsed by the RSPO Board of Governors and adopted at the 15<sup>th</sup> Annual General Assembly by RSPO Member on 15 November 2018 and RSPO Certification System for Principles and Criteria, 14 June 2017.*

Therefore MUTUAGUNG LESTARI Recommends RSPO Certification of compliance is continued.

Ref Std.	VERIFICATION RESULT of MUTU-Certification	
<b>PRINCIPLE #1 BEHAVE ETHICALLY AND TRANSPARENTLY</b>		
<b>1.1 The unit of certification provides 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>		
<p><b>1.1.1 ; 1.1.2</b> The company already has a list of stakeholder related / direct contacts with it. The list of stakeholders includes government, community leader, contractors, labor union, etc. The data is prepared by HR and General Assistants, renewing the list of stakeholders is carried out whenever there is information on stakeholder changes.</p> <p>The types of documents accessible and provided to stakeholders are in the list of information for stakeholders. There are type of information that can be given to the stakeholders include company profile, annual report, Document of Plantation Business Permit, SEIA, and Land Use Tittle, OHS Document, HCV Document, Complaint and grievant, Public Summary of Certification Assessment, Etc.</p> <p>Based on interview with community of villages, if they need information, they will submit a letter to the company. According to them, the company always responds each letter submitted. Based on verification of document incoming and outgoing mail, a request for information only in the form request for assistance.</p> <p>The results of public consultations with stakeholders on March 3, 2020 and based on document verification of incoming letter and the respond by the company until December 2019 there was no request for information, there was only a request for assistance and has been responded.</p> <p><b>1.1.3 ;1.1.4 ; 1.1.5</b></p>		

The company keeps a list of stakeholders under the management of the HR and General Assistants which is updated annually. Likewise, the recording of requests for information and complaints from stakeholders under the management of the HR and General Assistants.

Based on interview with villagers they have understood mechanism of communication and consultation. Normally, head of the village or communities will send a letter as a form of communication.

The results of interviews with community leaders in March 2020 it is known that they know the mechanism of communication and consultation with the community. Management and company that manage the partnership which is belonging PTPN IV have a Personnel in Charge which is appointed to communicate with stakeholders. PIC which is appointed to respond the stakeholders from HR and General Assistants. The position of that PIC is made officially to communicate with stakeholders. Based on interview with villagers, they have known the personnel which is appointed to communicate with them.

**Status : Comply**

**1.2**

**The unit of certification commits to ethical conduct in all business operations and transactions.**

**1.2.1 ; 1.2.2**

The company has compiled and managed commitments related to integration codes and interactions in the implementation of operations and transactions. This commitment is related to a written policy that contains commitments to the code of integrity and ethical behavior contained in the Code of Conduct prepared in 2013, Chapter V Prohibition of Business Actors. This chapter comments on Issues Regarding Conflicts of Interest, KKN and Bribery, Political Activities, Drugs and Gambling, and Despicable Actions which are prohibited for insurance business companies. Every issuing business that is issued does KKN (Corruption, Collusion, Nepotism and Bribery).

This company code of ethics policy has been supplemented and socialized to the workers regularly every morning at the briefing before go to work and on the information boards. Externally, this has been agreed in the documented agreements with the contractor.

Based on interviews with plantation workers, mills and local contractors can explain the ethical principles set by the company in a language acceptable to the auditor.

For involvement in the implementation and implementation of company policies, both internal and external, the company already has an SOP for ownership approval contained in the mechanism of communication and consultation. SOP for Internal Communication and Handling of Employee Complaints (internal), No. 19 (Revised 1) effective January 02, 2015 and SOP for Handling of Customer and Environmental Complaints (external), No. 13 (Revised 1) effective January 02 2015 and participates in SOP Communication and Consultation with the People No. SPO 03, revision 02, effective date 02 January 2015.

This is suitable to provide space for all stakeholders to make complaints or reports if there are practices that are not in accordance with the ethical practices policy.

**Status : Comply**

**PRINCIPLE #2 OPERATE LEGALLY AND RESPECT RIGHTS**

**2.1**

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

**2.1.1**

The company shown compliance to applicable national and ratified international regulations, in aspects of legality, operational practices, OHS, employment, and environmental.

In worker welfare aspect it's known that company has paid the employees wage in accordance with applicable regulation. In OHS Aspect the company has established the structure for guiding committee for occupational health and safety in each management unit and this committee has received an approval from Ministry of Manpower and Transmigration in Simalungun District, has provide emergency facilities and etc. In legality aspect, the company has had land title (HGU)

and plantation business permit (IUP) described in more detail in criterion 4.4.

**Compliance with Manpower Regulation**

Certification unit in general has complied with manpower regulation, including:

- Reporting of Labor Report for Balimbingan unit and Dolok Sinumbah in 2019 to the Manpower and Transmigration Agency of Regency on January, 2020.
- The application of the minimum wage in 2020 is in accordance with the Minimum Wage Decree established by the Governor of Sumatera Utara.
- Payment of overtime wages to workers in accordance with Decree of the Minister of Manpower No. 102 of 2004.
- Application of the structure and scale of wages for all levels of workers in accordance with Minister of Manpower Regulation No. 01 of 2017.

**Compliance with OHS Regulation**

Certification unit in general has complied with OHS regulation, including:

- The establishment of the P2K3 (OHS Committee) for PTPN IV (Balimbingan and Dolok Sinumbah Unit) which were registered / approved by the Manpower and Transmigration Agency of Sumatera Utara Province. (Document No. 74-7/DTK/SU/X/2019 for Balimbingan Unit and Document No. KEP.135-7/DTK/SU/WIL.III/2020 for Dolok Sinumbah unit).
- Provision of PPE for free to all workers and arrange the use of PPE according to the type of work based on the free predetermined HIRAC
- Have permits for all factory operating machines such as boiler and sterilizer machines that have been tested for eligibility according to applicable regulations (the last feasibility test was in September 2019).
- Has a license / competency for some special jobs that require more expertise such as OHS experts, hyperkes, boiler operators, diesel engine operators, welder, wheel loader operators and others in accordance with the requirements contained in the legislation.
- Has carried out a general health check (Medical Check Up) every year for all workers and special checks (cholinesterase, spirometry and audiometry) according to the level of risk / danger for certain jobs.
- Has a Hazardous Warehouse permit based on the Decree of the Head of the Regency Environmental Agency no. 188.45 / 855 / kert-2016 regarding B3 waste storage permit PTPN IV - PKS Dolok Sinumbah Business Unit Huta Bayu Raja District Simalungun Regency was ratified on May 4, 2016, valid for 5 years
- Permit No. 188.45 / 3436 / LINGHUP-2015 concerning Extension of Waste Palm Oil Industry Waste Water Utilization Permit on land in the PT Perkebunan Nusantara IV Palm Oil Plantation Unit Dolok Sinumbah, dated October 23, 2015 and is valid for up to 5 years.

**2.1.2**

The system to ensure the legal compliance contained in SOP of Regulation Compliance (*Pedoman Dasar dan Instruksi Kerja Identifikasi dan Evaluasi Kepatuhan terhadap Peraturan Perundang-Undangan dan Persyaratan Lainnya* No. 04.01/KOL/KOL/P/034 dated 31 August 2018). The SOP explained that the Head of the Corporate Legal and investor relations Sub-Section at least annually identifies and updates the laws and other requirements. while the implementation of regulations and other requirements is carried out by the Division / District / Unit and evaluated by the Head of District / GM District / Manager Unit / Chair of P2K3.

Evaluation of regulatory compliance is carried out regularly in annual regulatory compliance audit, latest on 10 December 2019 and manifested in Document of Evaluation of Regulation Compliance.

**2.1.3**

Based on explanation from CH, the coordinate of HGU is not provided by government because this plantation already exists since Dutch Colonial. CH has been conducted inventory of HGU poles and coordinates and also informed in boundary map as the follow up of ASA 1 NC and OFI. All HGU poles has been identified and recorded in HGU inventory, and has been all installed in the field. Based on field observation on HGU poles and land demarcation in all Estates, known that HGU poles sampled were available in the field, and other boundaries such as boundary drain and road were maintained. There is no planting exceed the HGU boundary.

<b>Status : Comply</b>		
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**2.2**

**All contractors providing operational services and supplying labour, and Fresh Fruit Bunch (FFB) suppliers, comply with legal requirements.**

**2.2.1**

Based on review production data of and information from management unit, it was known that Dolok Sinumbah Mill has only received fresh fruit bunches (FFB) from main estate as main supply base.

List of contractor is presented in the following Table.

Unit	Contractors	Address
Kebun Dolok Sinumbah	CV Ridho Cahaya	Kota Pematang Siantar
	UD Kasih	Kabupaten Simalungun
	CV Angkasa	Kabupaten Asahan
	CV Karya Mandiri	Serdang Bedagai
	CV Global Mandiri	Tebing Tinggi
	CV Karya Mandiri	Medan
Kebun Balimbingan	Koperasi Aroma Benoatee	Balimbingan
	CV Ambia Group	Pematang Siantar
	CV Rio Mandiri	Balimbingan
	CV Hizkia Jaya	Pematang Siantar
	CV Domasi	Balimbingan

The list informed document reference of work agreement, PIC of contractor, contact number.

In monitoring the use of contractors for plantation and mill activities, the certification unit has well documented the list of contractors, the number of workers they have, contact persons, work agreements. At present the certification unit has 11 contractors for Dolok Sinumbah and Balimbingan Unit. These contractors collaborate in the activities of FFB Transport, PK transport, CPO transport and Immature maintenance.

In managing the contractor, the certification unit has a copy of the cooperation agreement in each unit. For example for agreement between two parties such as contract Nomor 04.04/SPKP/ANGKUT-MUAT-BONGKAR TBS/16/II/2020 for FFB transport. The explanation above can be concluded that the certification unit has managed and documented the list of contractors along with supporting documents.

**2.2.2**

The inspection mechanism by the company to the contractor regarding compliance with regulatory is done through periodic monitoring of contractor data which includes the address of the contractor, the period of the work agreement, work units and monitoring of compliance with the contents of the work agreement. Furthermore, for PPE compliance, monitoring has been carried out by the foreman or Assistant during the briefing before work and working hours.

Based on interviews with contractor employees for the work of FFB transport in the Balimbingan Estate it is known that the contractor has provided a minimum wage, BPJS-Labor, in accordance with applicable regulations. But there is some information from document review and field observation thus published a non-conformity with the principles and criteria.

**NCR No.2020.01**

Not all legal obligations have been stipulated in work agreements with third parties, and not all of them have been implemented in the field. This is known based on the following evidence:

- a. Review of the Contract document between PTPN IV - Kebun Dolok Sinumbah and the contractor, for example the FFB Transport contract (No.GMD-I / TAN / S.Perj-PY / 121 / ANGKUT-TBS / I / 2020, valid from 9 January until 9 April 2020), the contract has not yet been stated in a separate clause regarding the fulfillment of applicable legal obligations, for example relating to the minimum age of workers, minimum wages, work accident insurance, and the provision of PPE to contractor employees.
- b. Field observations and interviews with FFB loading workers (contractors) in Block AG 96 Division II Balimbingan

Estate, it is known that workers do not use PPE boots and gloves, in accordance with the risk analysis and regulations set by the company (workers only use PPE helmets when working).

- c. Interviews with contractor workers in Division I Balimbingan Estate explain the working conditions such as the availability of PPE provided by the workers themselves, as well as the absence of work safety guarantees.

Also based on the Memo from the Head of Strategic Planning Section (No. 04.03 / Kol / M-09.A / XI / 2019, dated November 6, 2019) regarding vendor evaluation. This memo explains that the unit is bound by work agreements with third parties to make vendor evaluations including: PPE monitoring, BPJS membership, proof of payment of BPJS, salary slips, track record assessments, and other evaluations if needed. However, the company has not shown an overall assessment in documentation every month in accordance with the Memo.

The list of contractors managed by the Dolok Sinumbah unit consists of 6 partners (immature plant maintenance, FFB transport, palm kernel transportation, wheel loader rental, and CPO transportation) and Balimbingan unit there are 5 partners (loading and unloading FFB).

Based on the explanation, raised the **non conformance NC 2020.01 with non critical** category.

**2.2.3**

In each work agreement between the company and the contractor, there are clauses related to fulfilling legal obligations in Indonesia as one of the obligations that must be fulfilled by the contractor. Some of these obligations are related to disallowing child, forced and trafficked labor to be employed by the third party, and where young workers are employed, the contracts include a clause for their protection. To ensure compliance with these clauses, the certification unit always requests the requirements for the completeness before the contractor does / starts work.

The results of the document review of the list of contractor workers revealed that there were no workers under the age of 18 and the work provided was in accordance with the agreement when the initial worker worked. This is in line with the results of interviews stating that no child laborers have worked up until now, there are no forced laborers / workers resulting from trafficking because all workers have understood the work agreement at the start of work and payment for the work is always equal.

The company unit has proven that all contracts have clauses disallowing child, forced and trafficked labor to be employed by the third party, and where young workers are employed, the contracts include a clause for their protection.

Clause of disallowing child, forced and trafficked labour in contract agreement is not available, due to there is no employees' contractor ages under 18 years old.

<b>2.2.2</b>	<b>Status: Non conformance NC.2020.01 with non critical category</b>
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<b>2.3</b>
<b>All FFB supplies from outside the unit of certification are from legal sources.</b>

2.3.1, 2.3.2  
The Mill has no directly sourced FFB from outsider except from certified Estates of PT Perkebunan Nusantara IV Group, that are Bah Birong Ulu Estate and Marjandi Estate.

	<b>Status : Comply</b>
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<b>PRINCIPLE #3 OPTIMISE PRODUCTIVITY, EFFICIENCY, POSITIVE IMPACTS AND RESILIENCE</b>
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<b>3.1</b>
<b>There is an implemented management plan for the unit of certification that aims to achieve long-term economic and financial viability.</b>

**3.1.1**

The company has shown the company's long-term plan for 2019-2024 which explains the plantation area, FFB production targets, CPO and PK production targets, CPO and PK yields, production cost projections, revenue projections, for each Estate, both Balimbingan and Dolok Sinumbah. For example, the projection in 2021 Dolok Sinumbah Unit:

- Production :
- FFB :114,333 ton
  - CPO : 26,306 ton
  - PKO : 4,666 ton
  - OER : 23.01 %

KER : 4 %  
 FFB price : Rp. 1657/Kg  
 CPO : Rp. 7662.19/Kg  
 PKO : Rp. 5855.09/Kg

The company conducts annual evaluations of existing long-term plans. As an evaluation of the achievement of 2019. As an example based on the results of the evaluation know that in 2019 it is planned that the yield target is 24% but the realization of 2019 is 23.47%.

**3.1.2**

The company has shown replanting plans for the next 5 years. Replanting is only done in the following replanting: Estate Balimbingan. The plans are as follows:

Replanting (ha)				
2019	2020	2021	2022	2023
153	258	489	328	479

The company evaluates every year. The result of management evaluation is that replanting in 2019 will go according to plan, which is 153 ha.

**3.1.3**

The company conducts an annual evaluation of the achievement of existing long-term plans. As an evaluation of the achievement of 2019 Dolok Sinumbah Estate conducted on February 29, 2020. As an example based on the results of the evaluation know that in 2019 the target of a yield of 24% is planned but the realization of 2019 is equal to 23.47%. Company explanation related to not achieving oil yield due to factory stagnation hours above the norm (norm 5% realization 6.77%)

PTPN IV Balimbingan Estate annually evaluates the achievement of the company's long-term plan to ensure the continuity of the plantation business. As an example of achieving FFB production of 66,580,100 kg or reaching 89.01% of the 2019 plan of 74,797,000. This is due to a decrease in the average weight of the bunches on plants that have not been fertilized (to be replanted), namely year 1994 planting (already 3 years not fertilized), planting year 1995 (already 2 years not fertilized), planting year 1996 (already 1 year not fertilized).

**Status : Comply**

**3.2**

**The unit of certification regularly monitors and reviews their economic, social and environmental performance and develops and implements action plans that allow demonstrable continuous improvement in key operations.**

**3.2.1**

The company has conducted an internal audit on Dolok Sinumbah unit which was carried out on 7th February 2020. All non-conformities have been met and have been demonstrated. The company regularly monitors continuous improvement, covering economic aspects / best practices, social, and environment for each unit (Mills and Plantations). The company has carried out regular environmental monitoring reports and there are no environmental pollution issues.

In social aspect, most of the employees of the contractor are residents of the surrounding community. It has been verified to the community (based on interviews) that the company's policy significantly increases the positive perception of the surrounding community towards the company.

In worker welfare, the company has set minimum wage regulations for all workers based on the minimum wages by the Governor of Sumatera Utara for year 2020. The facilitates workers with adequate housing, electricity facilities, and availability of clean water in every publicly available housing. The company is also committed to avoiding acts of discrimination, sexual harassment, child labor or acts of human rights violations in the work area

**3.2.2**

Based on interviews with company management, it is known that the company has not made an annual report to the RSPO secretariat for continuous monitoring and improvement because the RSPO metric template has not been published.

**Status: Comply**

**3.3****Operating procedures are appropriately documented, consistently implemented and monitored.****3.3.1**

The Business Unit has Standard Operating Procedures (SOPs) for Plants and Factories in the Basic Guidelines document and Work Instructions of PT. Perkebunan Nusantara IV (Persero) which was created and approved by the President Director in June 2013. The Basic Guidelines and Work Instructions, namely:

Plant SOP:

Basic Guidelines and Plant Work Instructions, including:

- Nurseries (No. Doc. Business units.A.01)
- Plant Rejuvenation / Replanting (No. Doc. Business unit.A.02)
- Maintenance of Productive Plants (No. Doc. A.03)
- Maintenance of Immature Plants (No. Doc. A.04)
- Castration and Sanitation (No. Doc. A.05)
- Pollination of Assistance (No. Doc. A.06)
- Mutation of Immature Plant to Producing Plant (No. Doc. A.07)
- Control of Pests and Plant Diseases (No. Doc. A.08)
- Road and Bridge Maintenance (No. Doc.A.09)
- Fertilization Management (No. Doc. A.10)
- Harvest Management (No. Doc.A.11)
- Harvest Premiums, Loads, Fines and Harvest Supervision (No. Doc. A.12)
- Submission of Minutes of Promotion of TBM (No. Doc. A.13), and
- Transport of FFB (No. Doc.A.14).

Factory SOP:

Basic Guidelines and Factory Work Instructions, including:

- Weighbridge Station (No. Doc. C.01)
- Loading Ramp Station (No. Doc. C.02)
- Stew Station (No. Doc. C.03)
- TBS Cutting Station (No. Doc. C.04)
- Empty bunch Station (No. Doc C.05)
- Kempa Station (No. Doc. C.06)
- Oil Purification Station (No. Doc. C.07)
- Timbun Tank Station (No. Doc. C.08)
- Seed Mill Station (No. Doc. C.09)
- Steam Boiler Station (No. Doc. C.10)
- Water Purification Station (No. Doc. C.11)
- Engine Room Station (Do. No. C.12).
- How to produce Super CPO and Golden CPO (Do. No. C.13).
- Quality Guidelines (Do. No. C.14).
- Laboratory Work Guidelines, Equipment, Chemicals and Sample Analysis (Do. No. C.15).

Based on the results of the field visit on the spray work at the Balimbingan Estate, it was found that the workers understood the procedures related to spraying, the type of pesticides used, dosages, target weeds and the workers understood they were not allowed to spray in the river border areas.

**3.3.2 and 3.3.3**

Internal control conducted by the company is in the form of internal audit activities carried out by the Internal Control Unit (SPI). This SPI is a team formed by the head office of PTPN IV to monitor the operation of the unit in accordance with the SOP and RKAP that have been determined. Internal supervision activities are carried out every 6 months. Internal audit activities include all existing SOPs, namely plant SOPs, factory SOPs and management SOPs.

The Dolok Sinumbah Business Unit and the Balimbingan Estate already have a routine inspection / monitoring mechanism for operational activities in the form of an internal audit which is carried out at least once a year by the Internal Control Unit (SPI). There is a recording of the audit results for the 2019 period in the form of an Overview Inspection document,

Suggestions and Recommendations. Examples of audit findings, namely:

1. Findings: realization of midrib trimmer under the Balimbingan Estate RKAP. Confirmation of the results of the audit is to carry out written communication to the office of the board of directors to evaluate the extent of harvested rice given to each harvester. The follow-up of the estate, namely the shortage of shoots due to shoots has been done by the harvester, so that the time of shoot work is no longer able to be done by the harvester because of time constraints. The deadline is until the first semester of 2019. Explanation of the auditee is done by the harvester on the afternoon and Sunday holidays and when there are no harvesting activities, to catch up with the planned budding lag.
2. Findings: *Mucuna Bractheata* (MB) TBM (Immature plants) I beans are not yet completely closed. The action time limit is 7 days. Follow-up by the company making a letter to the plant and District I section for the procurement of *Mucuna Bractheata* (MB) seedlings insertion. The request letter was made on August 10, 2019 with the letter number: DOS / 04.04 / 45 / VIII / 2019 regarding the need for a mucuna insertion budget.
3. Findings on the Balimbingan Estate: Load / Unloading of FFB by vendors is not effective. Confirmation of the results of the audit is to make a reprimand letter to vendors who do not meet the requirements in accordance with the results of the estate and make a letter to the plant about the principle permit of outsourcing the workforce into a FFB loader. Time limit is 60 days. Follow-up is that Balimbingan Estate has provided a letter of reprimand to the vendor regarding the inability of the vendor to provide download labor as stipulated in the work contract, communicating between the vendor and the plant part at the request of an increase in the loading price of FFB, and the Balimbingan Estate communicating / linking with plants regarding the transfer of FFB strength while being a loader.

The company evaluates vendors / contractors that are owned. This is stated in the company's memorandum No. 04.03 / Kol / M-09.A / XI / 2019 signed by the head of strategic planning regarding vendor evaluation. The memorandum explains that vendor evaluations should be carried out, including:

- Monitoring personal protective equipment, specifically vendors that provide and / or involve labor
- Evidence of BPJS membership in employment
- Proof of payment of labor BPJS contributions
- Vendor worker payroll
- Vendor track record assessment
- What other evaluations are needed

Evaluations are conducted monthly and documented. Vendors who do not comply will be given a written warning.

One example of this evaluation is the evaluation of PPE monitoring for employees of the FFB transport in Balimbingan Estate for the February 2020 period. From the results of the evaluation, it is known that 30 FFB transport workers do not have PPE and the company has followed up on the evaluation results by giving a written warning to the vendor. The example of the reprimand is a letter of reprimand No. BAL / X / 01 / II / 2020 dated 3 February 2020.

**Status: Comply**

### 3.4

**A comprehensive Social and Environmental Impact Assessment (SEIA) is undertaken prior to new plantings or operations, and a social and environmental management and monitoring plan is implemented and regularly updated in ongoing operations.**

#### 3.4.1

Dolak Sinumbah Estate & Mill.

The company shows the document of Environmental Evaluation of PTPN IV Dolok Sinumbah Business Unit for Estate & Mill units in accordance with the Decree of the Head of the Environmental Service Office of Simalungun Regency number 188.45 / 556 / 10.2 / 2018 effective from April 18<sup>th</sup>, 2018. Legalized by the Regent of Simalungun, Head of the Simalungun District Environmental Management Office. The total area of the land is 4,211.89 ha with a capacity of 30 tons / FFB per hour. A public consultation was held on March 22<sup>nd</sup>, 2018.

The company has identified HCV and RTE species on 2011. The identification was done by Citra Cendekia which is lead assessor is registered as RSPO approved assessor. The result was reviewed by Lingkar Komunitas Sawit (LINKS). Publik consultation has been done October, 3 2011 attended by 80 people from government agency, workers and communities around the operational. The identified HCV area are HCV 1.1; HCV 4.1 and HCV 6. Total of the business unit-managed HCV area is 331.09 Ha consist of HCV 1&4 in the form of riparian of water springs and river with total area of 328 Ha and HCV 6 in the form of graveyard with total area is 3.09 Ha .



The SIA assessment of Dolok Sinumbah carried out by CV Citra Cendekia in 2011. The assessment method was conducted by guideline interview, random questionnaire, and field observation. In the aspect of assessment, it includes cultural, religious, religious, educational and community livelihood values. The document has also identified positive impacts and negative impacts caused by the company's operational activities.

Balimbingan Estate.

The company has an environmental document such as Evaluation Environmental document, based on the approval of environmental agency of Simalungun District Number. 188.45/12.2/SEKRT-2014 January 20 2014 for scope area ± 3,981.94 hectare. Based on interview with relevant agency, the environment document still valid and used as reference in environment management. The company has the HCV identification documents created in November 2016 by cooperation *PTPN IV Balimbingan Estate, PT Surveyor Indonesia*. Based on these documents, identified 3 species are protected under IUCN and there are no protected flora. The total area identified as HCV area covering 88.48 hectare.

The Social Impact Assessment for the unit of Balimbingan was carried out by PT Surveyor Indonesia on December 2015 to February 2016. The assessment method was conducted by guideline interview, random questionnaire, and field observation. In the aspect of assessment, it includes cultural, religious, religious, educational and community livelihood values. The document has also identified positive impacts and negative impacts caused by the company's operational activities.

Based on stakeholder consultation with Sub – District Head of *Jorlang Hantaran* and Head of *Kasindir* Village is there are no negative issues related to social impact, the company already has a CSR program and communicates through letters and proposals.

#### **3.4.2**

In the process of drafting the SIEA document for Dolok Sinumbah, a public consultation was carried out on November 11, 2013. For the Balimbingan unit, a public consultation was carried out on March 22, 2018 located in the Simalungun Regency. In the identification of HCV companies have explained that in the HCV identification process public consultations have been carried out

In the SIA assessment report document for both units has includes records of participatory meetings with surrounding villages, for example:

1. The attendance list of public consultation in the Balimbingan unit on November 16, 2016 which was attended by 18 participants consist of internal and external stakeholders.
2. The SIA questionnaire and list of stakeholder aspirations in the Dolok Sinumbah unit on October 3, 2011 and minutes of public consultation with the external stakeholders in Dolok Sinumbah.

Based on interviews with representatives of the surrounding community stated that the community had been involved in the SIA assessment.

#### **3.4.3**

The updating of management and monitoring plan of RKL-RPL and HCV conducting if necessary, meanwhile for SIA updated in two yearly basis. Based on review of HCV Management and Monitoring Report of 2019, the issue and program for 2020 still relevant and there was no update of the program compared to the previous year.

The Company has shown the implementation of *RKL / RPL* Semester II in 2019 which refers to Environmental Evaluation Document in accordance with number 188.45 / 556 / 10.2 / 2018. The monitored impacts include: air quality testing every 6 months, noise testing, ground water testing, liquid waste testing, aquatic biota testing, socio-economic, socio-culture and public health.

Based on the results of monitoring in semester 2 of 2019, it is known that there is no environmental pollution based on the results of the air quality and water quality tests that have been carried out in accordance with applicable regulations. Based on stakeholder consultation with Sub – District Head of *Jorlang Hantaran* and Head of *Kasindir* Village is there are no negative issues related to social impact.



The company shows the management and monitoring plan for the HCV area on year 2020 which informs HCV types, location, management actions, monitored indicators, monitoring objectives, benchmarks, methods, period and person in charge. The company has also conducted wildlife observations for semester 2 of 2019 with many species encountered, including birds *Centropus sinensis*, *Ictinaetus sp*, *Egretta garzetta*, *Alcedo coerulescens*, *Dicaeum trochileum*, *Pycnonotus goiavier*.

The company has set a program for social impacts management that are compiled every year, the preparation has been carried out in participatory way with the surrounding Community. Sighted the program for the 2020, informs: the types of impacts, locations, management plans, schedule, indicators of program, results of program implementation and responsible persons.

**Status : Comply**

**3.5**

**A system for managing human resources is in place.**

**3.5.1**

The Recruitment Mechanism is listed in the Quality Procedure for Manpower Provision (Recruitment) No. The revised TAN.DOS-PM-SDM-01 document 00 dated 1 October 2018 was endorsed by the Dolok Sinumbah Unit Manager. The description of the change in SOP is Upgrade ISO 9001: 2008 to ISO 9001: 2015. The other procedure related promotion, selection, employment, promotion, retirement and termination of employment can be explained in the Collective Labor Agreement PTPN IV. All types of employees in the company are permanent employees. Distinguished rights, for example, are related to the structure and scale of wages obtained depending on the class and length of service each employee has.

The results of interviews with workers (harvesting, manuring, spraying and mill operators) in Dolok Sinumbah Estate and Mill, note that workers have a sufficient understanding of the procedures related to recruitment, promotion, retirement and factors causing termination of employment. Workers explain that in the acceptance process carried out in accordance with the terms / conditions according to ability / expertise, promotion is based on an assessment of the performance of each employee each year, and one of the causes of termination of employment can occur if the worker has committed a serious violation.

From this explanation it can be concluded that the certification unit have procedures for recruitment, selection, employment, promotion, retirement and termination of employment must be documented / available to workers and their representatives.

**3.5.2**

The company has well documented all employment procedures that it has such as recruitment, promotion, performance appraisal, and others. The following are some sample labor procedures that have been implemented and are well documented by the company. For example the appointment of permanent employees (newly promoted harvesters) of 16 people for the Balimbangan and Dolok Sinumbah Estate. The youngest is the harvester NIK 569410001, afdeling IV Balimbangan Estate, group 1A / 0.

The document has been completed with complete recruitment requirements such as employee identity (KTP), family card (*Kartu Keluarga*), job application letter, and other supporting documents. Workers have received performance evaluations in the probation period and are eligible to be appointed as permanent workers. After obtaining an assessment, the worker is appointed as a permanent worker in accordance with company decisions.

Based on the explanation from HRD management representatives, information was obtained that in 2019-2020 the recruitment of new employees in the form of transition to permanent employees (harvesters on probation). The explanation above proves that the company has implemented work procedures with documentation for each employee.

**Status: Comply**

**3.6**

**An occupational health and safety (H&S) plan is documented, effectively communicated and implemented.**

**3.6.1**

The company has had a policy of occupational safety and health were written in Bahasa. The policy has been legalized

on January 2, 2020. This policy is designed to control hazards in every activity that is in the working area to prevent accidents and occupational diseases. Management have work program of occupational health safety every year. Realization this program will be monitored through regular meetings Guiding Committee of Occupational Safety & Health (P2K3) every month. This work program applies generally to all workers in the workplace. If the plans have been made yet on target then will be evaluated in the regular meetings to assess effectiveness.

The company have document of hazard identification, risk assessment and risk control (HIRAC) which issued on January 2020. It will be reviewed if any occupational accident happen. The document describes the activity, potential hazards, risk assessment and risk control.

Based on site observation at boiler and engine room in Dolok Sinumbah Mill, it was clearly confirmed that workers had been aware related potential risk and hazards in the work place. Following up on this, the company has been reduce the potential risk by routine socialization about OHS, providing PPE, MCU and OHS signboard are available in workplace.

Based on interviews can be concluded that workers understand the OHS policy and it's recognized that every morning briefing before works always affirmed about the importance of safety and the use of PPE in work. For example mill employees exposed to high noise such as boiler employees and engine rooms who have used a complete hearing protection device according to risk analysis, namely ear muff and ear plug. There is no complaints from employees exposed to high noise exposure. To ensure that every workers are in good health then certification unit do the medical check up. The results of each employee's health examination have been properly stored. Last medical checkups conducted in December 2019.

The HIRAC document has not shown risk assessments for nursery work while in the field there are still nursery activities. Whereas work in the workshop is still displayed in the HIRAC document, but in the field there is no such work. Both of these have been corrected, but this will be ensure that every job in the unit's operations has a risk assessment. Ensure the types of work that have not been included in the identification of risk analysis **OFI**.

**3.6.2**

Realization the program of work will be monitored through regular meetings Guiding Committee of Occupational Safety & Health (P2K3) every month. This work program applies generally to all workers in the workplace. If the plans have been made yet on target then will be evaluated in the regular meetings to assess effectiveness. Balimbangan Estate and Dolok Sinumbah Unit can show evidence implementation of the OSH program. For example having carried out routine OSH inspections at the workplace every month, APAR checks, routine first aid equipment, MCU for pesticide operator annually and identifying risks for all operational activities.

**Status : Comply**

**3.7**

**All staff, workers, Scheme Smallholders, outgrowers, and contract workers are appropriately trained.**

**3.7.1 and 3.7.2**

Improving the ability of employees is always a concern of management units through employee training programs. This was compiled based on an analysis of training needs for 2019.

The internal training needs analysis form in 2019 explains the training needs of each field, namely the fields of Plants, Engineering, Administration and HR, requiring training such as: SAP and ERP Training, Management of HCV, GHG, Pest and Disease Monitoring, Agronomy Training, Welding, Genset Operator, Water Pump Machines, SMK3, ISO, RSPO P&C and supply chain, ISPO, Online Tax, Assets, Hazardous and toxic materials, Fire Extinguisher, P2K3, Labor Law.

Realization of internal training in 2019/2020, including:

1. The socialization of spraying techniques (chemistry procedures) on June 13, 2019, which was delivered by the Afdeling II Plant Assistant and attended by the Afdeling II foreman, afdeling II clerk, chemistry foreman, chemist workers / teams, and RSPO PPD. Based on interviews with spray workers in the 94L block Afdeling 1 Balimbangan Estate, explained that they had received training related to spraying procedures. Workers can explain their procedures ranging from good spraying methods, first aid in the event of a work accident, the type of pesticide used, to explaining that spraying is not allowed near water bodies or river borders.
2. The socialization of harvest procedures on June 12, 2019 by the Afdeling I Plant Assistant and attended by the

- foreman, afdeling I clerks, foreman and afdeling I harvest workers (11 people).
3. Training of First Aid Officers on 18-20 July 2019 and 8-10 August 2019 at the N4 Acceleration Center of the Company. From the Balimbingan unit send 6 employee representatives. This is demonstrated by certificates from the Indonesian Ministry of Manpower as many as 5 first aid Officer certificates, for example on behalf of Chairul Amry Sitepu (Harvest foreman) who have participated in K3 Development in the field of P3K in the workplace organized by PT Emcotama at the PTPN IV Pabatu Puskdiklat on July 18-20 2019, established on 18 October 2019 and valid until 25 July 2022.
  4. Socialization to contractors regarding the whistleblowing system and human rights socialization on March 1, 2019
  5. Contractor training program related to management system and RSPO policy socialization. This activity was attended by 7 vendors / contractors. Based on the results of an interview with one of the contractors, CV Rio Mandiri, it was found that they could explain the prohibition on child labor, human trafficking, PPE management and health in the workplace.

All training documentation will be stored in the unit (mill/estate) with an evaluation of the implementation, photos and attendance activities. Documentation of all training needs and formal training attended by workers has been shown to the auditor.

The results of field observations in Estate operations activities, it is known that the company has provided training to employees on a regular basis, employees are able to demonstrate their work properly according to procedures, as well as in a safe manner.

The management unit shows the training documentation along with the trainee evaluation sheets with the components of the training benefits on increasing knowledge, work quantity, work quality, work attitude and independence, increasing analytical and logic, initiative and creativity, problem solving, ability to share knowledge and Personal Development.

The company has also shown certificates relating to the limited pesticide applicator issued by the North Sumatra Provincial Government's Fertilizer and Pesticide Control Commission, including:

Balimbingan Estate

1. Ronal Sinaga Certificate No. 521.4 / 428.51 / UPTTPH / X / 2018 P2B Balimbingan Estate
2. Mujirah Certificate No. 521.4 / 428.51 / UPTTPH / X / 2018 Chemist and Pest Management Unit
3. Miyati Certificate No. 521.4 / 428.51 / UPTTPH / X / 2018 Chemist and Pest Management Unit
4. Sri Herawati Certificate No. 521.4 / 428.51 / UPTTPH / X / 2018 Chemist and Pest Management Unit

Dolok Sinumbah Unit:

1. Safari Certificate No. 521.4 / 428.51 / UPTTPH / X / 2018 P2B Dolok Sinumbah Unit
2. Sri Hayati Certificate No. 521.4 / 428.51 / UPTTPH / X / 2018 Dolok Sinumbah Unit Maintenance Officer
3. Tumiran Certificate No. 521.4 / 428.51 / UPTTPH / X / 2018 Foreman Chemist and Pest Unit Dolok Sinumbah
4. Hairul Hamdan Certificate No. 521.4 / 428.51 / UPTTPH / X / 2018 Foreman Chemist and Pest Unit Dolok Sinumbah
5. Keliwon Certificate No. 521.4 / 428.51 / UPTTPH / X / 2018 Foreman Chemist and Pest Unit Dolok Sinumbah
6. Rasikun Certificate No. 521.4 / 428.51 / UPTTPH / X / 2018 Foreman Chemist and Pest Unit Dolok Sinumbah

**3.7.3**

The training of SCCS has conducted on 23 February 2020. Based on interview to the workers involved in supply chain operations, such as security (for FFB receiving verification), weighbridge operator (for dividing amount of certified and uncertified sourced), and Administration Head (for recording and monitoring the MB data), known that the PIC related supply chain has been understood the supply chain mechanism, and the MB record has conducted and monitored well.

**Status: Comply**

**3.8**

**Supply Chain Requirements for Mills**

**3.8.1**

The Mill used Mass Balance Module

**3.8.2**

Based on document verification and interview with the weighbridge operator, the Mill implements the MB Module, which

is received both FFB from certified and uncertified sources. Verification of Mass Balance record, the Mill has been recorded well the FFB and products (CPO and PK) from certified and uncertified sources. The Mill only claims certified products from certified sources.

**3.8.3**

Estimated certified product recorded in the last assessment report and certificate, as well as in the RSPO IT Platform. Actual certified produced has been verified during this assessment, and not exceed the estimate. The estimates of certified production for the next license period also have been set, in reasonable amount considering the last year production. The data are shown in the following table:

Product	Estimate Production of 12 month license period (MT)	Actual Production of 12 months previous the audit (MT)	Estimate Production of 12 month for next license period (MT)
FFB	133,303	131,723.74	150,000
CSPO	31,993	30,580.52	36,000
CSPK	5,333	5,276.52	7,000

**3.8.4**

The Mill has registered as RSPO member under PT Perkebunan Nusantara IV (No. 1-0082-09-000-00) and also registered in palm trace as PT. Perkebunan Nusantara IV Dolok Sinumbah Palm Oil Mill with License Member ID RSPO\_PO1000005868.

The reporting requirements has been conducted by the Mill through RSPO IT Platform, such as CSPO and CSPK sales announcement and confirmation from the buyer.

Other than that, the CSPO and CSPK sold as non-certified, mostly allocated to credit, and several amount has been removed.

**3.8.5**

The Mill has had procedure related supply chain in the SOP of Basic Guidance and Work Instruction of Certified Palm Oil Product Handling (No. 04.03/KS/SUS/P/001 dated 1 August 2018). The procedure has covered all aspects in SCCS MB model, such as receiving and recording that identify the traceability of RSPO certified and uncertified source and products, FFB processing, the announcement in RSPO Palmtrace, key persons such as security, weigh bridge clerk, dispatch/kernel officer, production clerk, Administration Head, as well as the training.

The personnel in charge are:

- Field assistant managed certified FFB in Estate.
- Mill Manager register the mill in RSPO IT platform and documented book-keeping.
- Weighbridge operator recapitulate amount of FFB received from certified/non-certified area.
- Planning and Strategic Department Staff monitor the certification period and quota.

The dissemination of procedures has been conducted annually, latest on 24 February 2020.

Based on field observation, obtained information that key persons for SCCS implementation (such as weighbridge operators, security, and Planning and Strategic Department Staff) understood the supply chain implementation. FFB from certified and uncertified sources were received and verified by the software program to classified and separate RSPO certified and uncertified source.

**3.8.6**

Internal audit of RSPO SCCS conducted annually, latest on 7 February 2020. All of NC has been addressed. Management Review of RSPO SCCS implementation conducted on 20 February 2020. The management review discussion has

covered the input from internal audit result, correction and corrective action, customer feedback, perform of process and product compliance, follow up of previous management review, and recommendation for improvement. The point discussed among others the improvement of current customer satisfaction, that are 92.5% for CPO and 90 % for PK.

**3.8.7**

The Mill has maintain the record of Mass Balance data, that informed amount and sources of FFB certified and uncertified received, as well as the certified products (CSPO and CSPK), shown as follows :

Month	FFB (MT)		
	RSPO Certified	RSPO Non Certified	Total
Mar-19	10,131.03	50.78	10,181.81
Apr-19	10,177.19	51.30	10,228.49
May-19	13,164.82	70.00	13,234.82
Jun-19	10,809.98	62.66	10,872.64
Jul-19	14,075.15	91.83	14,166.98
Aug-19	13,181.87	60.78	13,242.65
Sep-19	11,518.33	217.72	11,736.05
Oct-19	11,729.91	67.58	11,797.49
Nov-19	10,091.43	60.16	10,151.59
Dec-19	9,524.30	55.23	9,579.53
Jan-20	8,217.67	45.86	8,263.53
Feb-20	9,102.06	1,283.16	10,385.22
<b>Total</b>	<b>131,723.74</b>	<b>2,117.06</b>	<b>133,840.80</b>

In early of February 2020, the Mill saw projected overproduction, and informed the CB to request the volume extension amount of 13,212 MT of FFB, 3,171 MT of CSPO, and 529 MT of CSPK.

Product	Estimate Production of 12 month license period (MT)	Actual Production of 12 months previous the audit (MT)
FFB	133,303	131,723.74
CSPO	31,993	30,580.52
CSPK	5,333	5,276.52

Based on the table above, know that there is no FFB overproduction of against credit given in the license period.

Related for handling non-conforming oil palm products, has been set in the SOP of Customer Feedback/, Complaint and Survey (No. SPO 19 dated 6 November 2018). This procedure set the mechanism to deliver and address complaints of non-conforming products from customers/buyers. During the audit, there is no written complaint from stakeholders related to nonconforming products.

**3.8.8**

The CSPO and CSPK from the Mill were sold has met the requirements of certified product information. The selling documentations shown were contract agreement, delivery order, delivery ticket, report of loading, weighing minutes, weighing card, and delivery note. Those documents cover information of delivery date, description of product and supply chain model, product quantity, identification number (unique code), certificate number, sender name and address of the seller.

**3.8.9**

The Mill outsources its products transportation to the third parties and has contractual agreements. CSPO and CSPK transporter handled by CV Pelita Jaya (Agreement No. 04.09/S.Perj/04/1/2019 dated 2 January 2020).

To ensure the contractors complies with the RSPO Supply Chain, in the agreement, there were clauses that set obligations

of the contractor to comply with the supply chain rules. For instance, the responsibility to ensure the purity of certified product delivered during the distribution, as well as the willingness to be observed by Certification Body in order to verify the compliance.

**3.8.10**

The Mill has the record of details of the contractors, covers the contractor's company profile, address, contact person, email and phone number, contract agreement and period, and list of vehicles.

**3.8.11**

There is no new contractors and transporter since ASA 1 to ASA 2.

**3.8.12**

The Mill has maintained accurate, complete, and up to date records related RSPO Supply Chain implementation that kept at least 2 years in accordance with Mill's procedure. The records cover FFB received from certified and uncertified sources, production of CPO and PK (certified, noncertified, total), products dispatch (as RSPO certified, sold in another certified scheme, sold as noncertified, total sold), as well as balance/stock of certified products.

The Mill balancing the certified products and dispatch on a monthly basis. However, there was a CSPK sale in September 2019 which caused the stock to become negative at - 552.70 MT. The company immediately made improvements in October 2019 but the stock was still negative at - 31.01 MT, and eventually the stock became positive in November 2019 (within three months). Management stated that sometimes CSPK's demands are irregular and fluctuating in number, and economic considerations and market needs are so important. This matter become an opportunity for improvement to the company, to keep positive stock in the monthly mass balance period (OFI).

The summary of Mass Balance data 12 months previous the audit can be seen on the table below:

**Mass Balance record of CPO**

Period	All CPO Production (MT)			CSPO Dispatch (MT)				Balance of CSPO
	CSPO	Non-Cert CPO	Total	RSPO	Other Scheme (NA)	As Non-Cert	Total CSPO Dispatch	
Mar 19 – Feb 20	30,580.52	342.38	30,922.90	7,500.00	-	17,551.78	25,051.78	5,807.37

**Mass Balance Record of PK**

Period	All PK Production (MT)			CSPK Dispatch (MT)				Balance of CSPK
	CSPK	Non Cert PK	Total	As RSPO	As another Scheme (NA)	As Non Cert	Total	
Mar 19 – Feb 20	5,276.52	84.79	5,361.32	4,643.01	-	-	4,643.01	847.13

**3.8.13**

The conversion rate of production of CSPO (OER) and CSPK (KER) were based on actual daily, monthly, and yearly production. Then the Mill set the target of OER and KER, even though the actual may vary. Based on production data 12 months previous audit the average OER of CSPO was 23.21 %, while KER of CSPK was 4.00 %.

**3.8.14**

The conversion rate of production of CSPO (OER) and CSPK (KER) were based on actual daily, monthly, and yearly production. Then the Mill set the target of OER and KER, even though the actual may vary. The target of OER and KER



reviewed annually.

**3.8.15**

The Mill only applying RSPO SCC Module of Mass Balance.

**3.8.16**

Based on delivery and transaction document review, it was known that the announcement was carried out regularly, but sometimes over three months after the transaction. This is because before 2020, the company still refers to the previous supply chain standard that not strictly set the period of announcement. The supply chain PIC already known that for P&C 2018 (included supply chain standard) the announcement should be conducted within three months after the delivery date. For example, the sales of CPO on October amount of 1,000 mt has been announced on 28 November 2020 and confirmed (trans id TR-866a1edf-57e0). The removing stock of certified product that sold conventionally conducted for several amount, and the rest allocated as credits, for example the removing of CSPO amount of 567.94 mt on 3 March 2020 (trans id ST-TR-a1a588b2-6a5d).

**3.8.17**

The products are claimed as mass balance and conventional. The Mill does not use RSPO logo on product or off product.

**Status : Comply**

**PRINCIPLE #4 RESPECT COMMUNITY AND HUMAN RIGHTS AND DELIVER BENEFITS**

**4.1**

**The unit of certification respects human rights, which includes respecting the rights of Human Rights Defenders.**

**4.1.1**

The company has a commitment to respecting human rights described in the Human Rights policy (Policy No. 07, Revision 02, effective date 02 January 2015). This policy explains that PTPN IV respects the human rights in accordance with applicable legal requirements. The commitment to respecting human rights has been implemented well in the absence of problems and incidents of human rights violations that occurred in the operational areas of plantations and mills. This is evidenced by statements from estate workers (harvesters, pesticide operator and maintenance), mill unit (mill operators and warehouse workers) and contractor workers stating that so far no incidents or problems of human rights violations have occurred in the operational area of the certification unit.

The parties have a commitment not to discriminate, provide freedom of religion, thought, opinion, respect and uphold human rights. The policy / declaration has been well documented and has been socialized to workers at briefings before work and by using warnings placed in several locations to make it easier for workers to find out.

Based on interviews during field observations with workers, union representatives and women's committees can be obtained information that the past year there were no issues / incidents of human rights violations that occurred in the operational area.

**4.1.2**

During the past year, the company did not have records related to the use of violence paramilitaries in resolving conflicts that existed between the company and related stakeholders (surrounding communities, workers, or others).

This has been stated in the company's Code of Conduct which explains that the company does not use violence in maintaining peace and order. Always maintains peace and order of plantation or mill operational activities by not using violence / paramilitary use in resolve existing conflicts / problems.

The results of interviews with the surrounding community and company workers revealed that up to now if there was a conflict / problem with the company, the resolution action taken was deliberation without resorting to violence. Resolution of conflicts / problems using these deliberations has been quite effective and during the past year there have never been any conflicts / problems with the company.

**Status: Comply**

**4.2**

**There is a mutually agreed and documented system for dealing with complaints and grievances, which is**

**implemented and accepted by all affected parties.**

**4.2.1; 4.2.2; 4.2.3; 4.2.4**

The company can demonstrate the existence of standard communication and consultation procedures as indicated by SOP for Internal Communication and Handling of Employee Complaints (internal), No. 19 (Revised 1) effective January 02, 2015 and SOP for Handling of Customer and Environmental Complaints (external), No. 13 (Revised 1) effective January 02, 2015. There is a SOP for Communication and Consultation with the Community No. SPO 03, revision 02, effective date 02 January 2015. The deadline for responses to requests for information to stakeholders is a maximum of 30 working days.

In the Procedure (SOP for Internal Communication and Handling of Employee Complaints (internal), No. 19 (Revised 1) effective January 2, 2015; SOP on Handling Customer Complaints and the Environment (external), No. 13 (Revised 1) effective January 2, 2015 and there is a SOP for Communication and Consultation with the People No. SPO 03, revision 02, effective date 02 January 2015 ) the responsibility for complaints for internal is SP-Bun (*Serikat Pekerja Perkebunan*) and managers. And for external is the Human Resource Assistant.

The results of interviews with representatives of surrounding communities, it has known about the communication procedures and people who served as communicators between the company and the community so that people who cannot read / write can be informed by the related communicators. In addition, during the past year there were no complaints or conflicts that occurred between the company and the surrounding community.

**Status : Comply**

**4.3**

**The unit of certification contributes to local sustainable development as agreed by local communities.**

**4.3.1**

The company has evaluated the activities of the SIA program in 2019 in consultation with Pagulu Nagori who are around the company through a questionnaire conducted in January - February 2020. In addition, the business unit communicates through activity proposals sent to related units in the form of activity proposals or assistance. In the IUP there is no obligation to develop smallholder schemes. the company continues to build partnerships with surrounding communities in terms of procurement of goods, transportation of FFB, or infrastructure Development. An example of the realization of CSR assistance in 2019 is that the activities that will be realized in 2019 are as follows:

- Flood mitigation assistance in the form of making sodetan along 3150 meters April 6, 2019
- Emergency Response Assistance for the Impact of the Flood Disaster in Nagori Totap Majawa 5 September 2019
- 22 Bible bounties at the Pardomuan Kasindir HKBP church on December 19, 2019.

**Status : Comply**

**4.4**

**Use of the land for oil palm does not diminish the legal, customary or user rights of other users without their FPIC.**

**4.4.1**

The total of RSPO Certification Scope area amount of **8,071.51 ha**, consist of Dolok Sinumbah Estate amount of 4,159.57 ha, and Balimbangan Estate amount of 3,911.94 ha. The detail usage of this area can be seen in Part 1.5.2 Area Statement of this report.

However, both Estate has had HGU (land title) and IUP (plantation business permit)with total area covered of **10,314.91 ha**. The rest of 2,243.40 ha area (10,314.91 ha – 8,071.51 ha) are outside of RSPO Certification Scope, consist of area of Bah Jambi Estate (2,173.40 ha) that supplied the FFBs to other Mill, Balimbangan Hospital (21.00 ha), and Marihat Estate research area (49.00 ha) of IOPRI (Indonesian *Oil Palm* Research Institute, locally known as *Pusat Penelitian Kelapa Sawit*(PPKS).

Based on information obtained from historical documents of the company, information in HGU, obtained information that PTPN IV is a nationalization company from Dutch Colonial which had long existed before Indonesia independence and has been nationalized. So that the acquisition of land is neither through the compensation against individuals nor from customary land.

The total HGU (10,314.91 ha) and IUP detail as follows:

**Dolok Sinumbah Estate (6,332.97 ha)**

- HGU Certificate No. 2 dated 13 November 2003 amount of **6,332.97 ha**, valid thru 31 December 2026. The HGU Certificated issued based on HGU Decree No. 44/HGU/BPN/2003 dated 8 August 2003.
- IUP based on Regent Decree No. 188.45/2769/K-PPT/2012 dated 08 August 2012, coverage area of **6,332.97 ha**, and Mill's capacity of 30 ton of FFB/hour.
- The usage of 6,332.97 ha HGU area of Dolok Sinumbah Estate as follows:
  - Dolok Sinumbah Estate amount of 4,159.57 ha area (within certification scope)
  - Bah Jambi Estate – PTPN IV amount of 2,173.40 ha area (outside of certification scope).

**Balimbingan Estate (3,981.94 ha)**

- HGU Certificate No. 1 dated 6 October 2006 amount of **939.79 ha**, valid thru 31 December 2029. The HGU Certificate issued based on HGU Decree No. 14/HGU/BPN/2006 dated 22 August 2006.
- HGU Certificate No. 7 dated 12 November 2008 amount of **3,042.15 ha**, valid thru 11 August 2043. The HGU Certificate issued based on HGU Decree No. 54-HGU-BPN RI-2008 dated 11 August 2008.
- IUP based on Regent Decree No. 188.45/4016/K-PPT/2012 dated 09 November 2012, coverage area of **3,981,94 ha**.
- The usage of 3,981.94 ha HGU area of Balimbingan Estate as follows:
  - Balimbingan Estate amount of 3,911.94 ha area (within certification scope)
  - Marihat Estate research area of IOPRI (Indonesian *Oil Palm* Research Institute) amount of 49.00 ha (outside of certification scope).
  - Balimbingan Hospital amount of 21.00 ha (outside of certification scope).

**4.4.2, 4.4.3, 4.4.4, 4.4.5, 4.4.6**

Based on information obtained from historical documents of the company, information in Land Use Title and clarification from stakeholder consultation, Balimbingan Estate and Dolok Sinumbah Estate of PTPN IV is a nationalization company from Dutch Colonial which had long existed before Indonesia independence and has been nationalized. So that the acquisition of land is not through the compensation against individuals or to customary land. Until ASA 2, the company did not conduct any new land acquisition.

	<b>Status : Comply</b>	
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<b>4.5</b>	<b>No new plantings are established on local peoples' land where it can be demonstrated that there are legal, customary or user rights, without their FPIC. This is dealt with through a documented system that enables these and other stakeholders to express their views through their own representative institutions.</b>
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**4.5.1. to 4.5.8**  
 Based on information obtained from historical documents of the company, information in Land Use Title and clarification from stakeholder consultation, Balimbingan Estate and Dolok Sinumbah Estate of PTPN IV is a nationalization company from Dutch Colonial which had long existed before Indonesia independence and has been nationalized. So that the acquisition of land is not through the compensation against individuals or to customary land. Until ASA 2, the company did not conduct any new land acquisition.

	<b>Status : Comply</b>	
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<b>4.6</b>	<b>Any negotiations concerning compensation for loss of legal, customary or user 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>
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**4.6.1 to 4.6.4**  
 The company is the nationalization of Dutch colonial companies, where the initial land acquisition process is not conducted through land acquisition and 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. Hence the company does not have procedures related to land identification and compensation.

	<b>Status : Comply</b>	
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**4.7**  
**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 FPIC and negotiated agreements.**

**4.7.1, 4.7.2, 4.7.3**  
 The company is the nationalization of Dutch colonial companies, where the initial land acquisition process is not conducted through land acquisition and compensation from user rights or customary rights. 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.

**Status : Comply**

**4.8**  
**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.**

**4.8.1, 4.8.2, 4.8.4**  
 Based on area statement and management interviews, as well as observation of Afdeling II Block 96B/D, there was a land dispute with the Pandawa Lima Group starting in 1995 in an area of 104.96 ha. The area of the dispute has been mapped in the documentation of land dispute settlement and operational map. This dispute has been reported to Land Agency of Simalungun Regency and has been through legal process from 1997 until 2010, the case was won by the management unit in accordance with the decision of the Simalungun District Court No. 13/Pdt/PLW/2009/PN.SIM dated 2 March 2010. This is also meet with Decision of the Supreme Court of the Republic of Indonesia No. 780 K / Pdt / 2013 dated July 19, 2013 stating that the area is part of the legal PTPN IV HGU. But based on interview with the company revealed that the area had not been managed (take over) by Balimbing Estate because awaiting a decision from PTPN IV HQ.

The results of interviews with stakeholders known that there is another land conflicts during IC untuk this ASA 2.

The company has had the Procedure of Conflict Resolution (No. SPO 04 dated 2 January 2015) stating that dispute settlement is pursued by deliberation, the best solution for the parties, to the legal path, and not using violence. The management unit also has code of conduct which is inscribed to circumvent instigated to maintain peace within the management unit operational activities. The conflict of Pandawa Lima has been addressed in accordance with the procedure.

**4.8.3**  
 The company is the nationalization of Dutch colonial companies, where the initial land acquisition process is not conducted through land acquisition and 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. Hence the company does not have procedures related to land identification and compensation.

**Status : Comply**

**PRINCIPLE #5 SUPPORT SMALLHOLDER INCLUSION**

**5.1**  
**The unit of certification deals fairly and transparently with all smallholders (Independent and Scheme) and other local businesses.**

**5.1.1 to 5.1.6**  
 During the period of 12 months before the audit, the company did not receive the FFB from both independent and scheme smallholder.

**5.1.7**  
 The Mill's weighbridge has been calibrated annually. The latest calibration has been conducted based on Letter of calibration dated 17 March 2019 (valid thru 31 March 2020) by Metrology Body - Trade and Industry Agency of Simalungun Regency.

**5.1.8 , 5.1.9**  
 The company does not have a cooperation in receiving FFB from Independent Smallholder. The company shows facsimile memo no. 04.05 / Kol / Facs / 83 / V / 2018 dated May 23, 2018 from the Head of Processing to all Unit Managers

explaining the Termination of Purchase of Third Party FFB in this case farmers or outside FFB collectors. This is evidenced from the realization of the 2019 FFB revenue realization, there is no purchase from third parties.

**Status : Comply**

**5.2**

**The unit of certification supports improved livelihoods of smallholders and their inclusion in sustainable palm oil value chains.**

**5.2**

The company does not have a cooperation in receiving FFB from Independent Smallholder. The company shows facsimile memo no. 04.05 / Kol / Facs / 83 / V / 2018 dated May 23, 2018 from the Head of Processing to all Unit Managers explaining the Termination of Purchase of Third Party FFB in this case farmers or outside FFB collectors. This is evidenced from the realization of the 2019 FFB revenue realization, there is no purchase from third parties.

**Status : Comply**

**PRINCIPLE #6 RESPECT WORKERS' RIGHTS AND CONDITIONS**

**6.1**

**Any form of discrimination is prohibited.**

**6.1.1; 6.1.2; 6.1.3**

The company has a human rights policy (Policy No. 07, Revision 02, effective date of January 2, 2015) which explains that the company in conducting its business respects the human rights and dignity of all people in accordance with applicable legal requirements. The company treats all people who work fairly and without discrimination. In this policy, forms of respect for human rights are mentioned, for example freedom of association (SP-Bun). The company respects the rights of people in the communities affected by the company activities. The company will try to identify adverse human rights impacts and take steps to avoid, minimize and or reduce them.

The company will also try to make commitments with third party that encourage them to comply with similar principles contained in this policy statement. The company also has a commitment to provide equal opportunities for all workers, and to embrace diversity regardless of ethnicity, religion, race, gender, age, disability in work, control of time and between groups in the entire business process of the company. It ensures that workers are protected from discrimination in all stages of labor relations, there is no forced labor system that can cause human rights violations and inconvenience of employees / prospective employees in employment or recruitment processes.

Based on the explanation from the HRD management representative, it was obtained information that in 2019-2020 there was no recruitment of new employees but there were examples of permanent staff appointments. The appointment of 16 permanent employees (newly promoted harvesters) for the Balimbingan and Dolok Sinumbah units.

The review of documents and interviews with workers, it can be seen that the appointment of permanent employees has been carried out based on their skills, abilities, quality, and performance evaluation in the probation period and is eligible to be appointed as permanent workers. After obtaining an assessment, the worker is appointed as a permanent worker in accordance with the decisions and procedures of the company.

This explanation can conclude that the company has treated all workers fairly without discrimination based on sex, ethnicity, religion, health conditions or other.

The results of a review of labor documents prove that the certification unit does not discriminate and treat all workers fairly, the following is evidence that can be shown by companies:

- The composition of workers consisting of various ethnic groups, religions, sexes, and workers' origins.
- Recruitment of workers based on the results of selection, performance appraisal, ability and expertise of workers.
- Worker placement and training is carried out according to their expertise / type of work, such as prospective harvest workers being placed as harvest workers and receiving routine harvest training.
- Women workers are given equal rights, wages and opportunities to get promotions with male workers of the same type of work, for example there are several maintenance foremen who are female workers.

The company has also provided equal opportunities and treatment at work. This is evidenced by the diversity of ethnicities



that are accepted to work. The results of interviews with workers during field visits and interviews with labor unions and representatives of the Gender Committee also obtained information that there were no indications of discrimination based on religion, ethnicity, gender, and regional origin in the process of accepting employment.

**6.1.4**

A pregnancy test for workers is carried out every month just to ensure that pregnant workers are not allowed to do work with chemicals, not as a basis for discriminating against these workers. If declared pregnant, the worker will be transferred to a safer job but still equal in terms of wages and other benefits, so that there is no discriminatory action. This is made clear by the results of interviews with women workers in the Balimbing Estate stating that they are required to have monthly pregnancy testing at the clinic to ensure that no female workers working with chemicals are pregnant / breastfeeding and testing the pregnancy is not a discriminatory measure given by the company.

**6.1.5**

Gender committees have been formed and are still active today in the company which is chaired by the committee chairperson along with coordinators in several sections and there are representatives in each unit. The main objective of forming a gender committee is to provide a forum that can accommodate the aspirations / complaints of workers (especially women), as company partners in carrying out the activities of socialization related to gender and other policies related to workers' reproductive rights. In carrying out its activities this gender committee always collaborates with the labor union so that the socialization of matters related to women's rights can be conveyed properly and there is no discrimination in terms of gender.

The results of interviews with women workers and representatives of the gender committee revealed that until now there were no reports / issues / complaints related to gender reported by the workers and at the moment the activities carried out were gender meetings during children healthcare (*posyandu*), women recitation weekly and others.

**6.1.6**

Equal payment of wages has been made by company properly, taking into account the ability, performance, expertise, length of work and other factors as a basis for remuneration. So that the payment of wages provided is in accordance with the burden / duties / types of work respectively.

For example, a boiler operator with a security worker whose value is above the minimum wage, but with a different amount based on years of service, ability, attendance and job performance.

The results of interviews with workers and union representatives know that they have an adequate understanding of their rights (wages, overtime, incentives, fines, etc). This rights listed in the CLA in accordance with routine socialization provided by the company. Workers' wages in 2019/2020 have been above the minimum wage set by the government and there are no late payments every month.

Based on the explanation above it can be concluded that the workers have understood the work requirements that have been socialized by the company in an understandable language.

**Status : Comply**

**6.2**

**Pay and conditions for staff and workers and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages (DLW).**

**6.2.1**

The company has a Collective Labor Agreement (PKB) for the Period 2020-2022 in accordance with the Decree Head of the North Sumatra Province Manpower Agency No.560 / 04-6 / DTK / I / 2020 dated January 13, 2020 and applies from January 10, 2020 to January 9, 2022. CLA is made in Bahasa which explains the working conditions and rights / obligations of workers such as, recognition of the SP Bun organization, recruitment of employees, appointment of permanent employees, promotion, demotion, working hours, working days and other workers' rights and obligations. This Collective Labor Agreement has been routinely distributed by the company to all employees, namely through Labor Union. During the last year the company did not have workers with contract status (PKWT / BHL), the current employee status is permanent workers who have Orientation Worker status (orientation period 3 months).



Based on the management unit's explanation, when the ASA-1 audit activity in March 2020 still referred to the UMP in 2019 because it was still awaiting a decision from the Central Office to adjust the 2020 wages. UMP 2019 based on North Sumatra Governor Decree Number 188.44 / 1365 / KPTS / 2018, dated November 1, 2018 amounting to Rp 2,303,403.43.

Review of documents and interviews with company employees and contractors, information was obtained that salaries for company employees and contractor employees were in accordance with the minimum wage provisions applicable at the time of the audit of IDR 2,303,403.43. This has been verified by the auditor based on the wage slip indicated.

The number of contractors in the Balimbing Estate are 5 contractors with 30 employees. As for the Dolok Sinumbah Estate, there are 6 contractors with 40 employees.

While the number of permanent employees for the Dolok Sinumbah unit: 405 employees.

Responding to OFI in ASA-1 that the auditor has verified the employee salary slip that has been informed to each employee, for example, the pay slip of harvester afdeling II Dolok Sinumbah Estate with basic wage information, special allowances, worker rice supply, electricity allowances, overtime, irregular incentives, BPJS allowances, discounted components (*SP Bun* contributions, rice natura, cooperatives, mid-month loans, TK BPJS and BPJS Health). This wage slip is printed automatically by the SAP system so that it does not require an employee's signature and is given directly to each employee.

The results of interviews with workers (harvesters, sprayers, warehouse officers and mill operators) and union representatives know that workers have an adequate understanding of their rights (wages, overtime, incentives, fines, etc.) listed in the CLA and are in accordance with routine socialization provided by the Company. Workers wages in 2019 and 2020 are above the minimum wage set by the government and there are no late payments every month.

A review of the December 2019/2020 wage document for harvest workers, pesticides operator and mill operators proves that wages received are above the minimum wage and in accordance with the wage scale structure determined by the company for 2019. Based on the above explanation it can be concluded that workers have understand the work requirements that have been socialized by the company in an understandable language.

### **6.2.2; 6.2.3**

The company has Collective Labor Agreement (PKB) are made in a Bahasa that explains the working conditions and rights / obligations of workers such as recruitment, selection, transfer, promotion, performance appraisal, remuneration, discipline, deduction, overtime, sick leaves, holiday entitlement, maternity leave and other provisions. In addition to being generally stated in PKB, the company also has a decree, policy, memorandum and work contract for workers in orientation period that specifically explain these matters. An example is:

- Memo from General Manager of District I PTPN IV dated February 20, 2020 number GMD-I / Unit / M-20 / II / 2020 regarding the Appointment of Harvesters in Probation. This Memo Letter decides the appointment of employees of Group IA to IID on probation for 3 months and can be extended or terminated without compensation in any form, if based on the results of the evaluation deemed incapable. The employee is given income which consists of basic salary, special allowances, worker's supply value and housing facilities, as well as workers' obligations to approve and comply with the rules / regulations applicable in the company.
- Memorandum on January 8, 2020 No. 04.11 / Col / M-52 / I / 2020 regarding the price of BKS PPS Rice Supply for the January 2020 period of Rp 9,500 / kg. The memo explained that the wage for money plus the value of workers' rice supply for the current year was 15 kg / month.
- Payment for overtime in December 2019 in accordance with applicable law for boiler operator & security workers.
- December 2019 salary slip for workers with detailed wages in the form of basic wages, benefits, rice supplies, and deductions.
- Decree of the Governor of North Sumatra No. 188.44 / 1366 / KPTS / 2018 concerning the Determination of the Minimum Wage of North Sumatra Province in 2019.

The results of interviews with workers (harvesters, warehouse officers and miii operators) and union representatives know that workers have an adequate understanding of their rights (wages, overtime, incentives, benefits, etc.) listed in the CLA in accordance with routine socialization given by the company. Workers' wages in 2019 are above the minimum wage set

by the government and there are no late payments every month, working hours are seven (7) hours a day with 6 days a week and overtime has been paid in accordance with applicable regulations.

A review of the December 2019 wage document for harvest workers, pesticides operator and mill operators proves that the wages received are above the minimum wage and in accordance with the wage scale structure determined by the company for 2019.

There is no deduction/penalty to workers. The company has shown consistency in this ASA-2 assessment of work agreements that are owned by every worker so there is no policy to accept family members who help with work without a valid work association. In addition, during the field observation activities during the audit, there were no family members of workers who helped work in the field without work ties.

Based on this explanation, it can be concluded that the certification unit has performed work requirements in accordance with applicable laws and regulations in Indonesia.

#### **6.2.4**

The company has provided welfare facilities to occupants in the form of housing, clinics, clean water electricity, education, transportation and other facilities. The results of the field visit in the housing area revealed that workers were provided with adequate housing facilities with 2 bedrooms and 1 bathroom. The house is inhabited by 1 family and specifically for workers who are not married then 1 house will be filled by 2 workers. This is in line with the results of interviews with housing residents stating that the facilities provided by the company are houses, electricity, availability of clean water, transportation of school, elementary & middle school (for high schools located outside the estate with an affordable distance), child daycare, places of worship (mosque & church), sport facilities and others. In general, the facilities provided by the company are good / suitable for use by workers and their families.

#### **6.2.5**

The company has made it easier for workers and their families to obtain food sources by providing employee cooperatives that sell the daily needs of workers and provide access to vegetable traders to sell in the workers' housing area.

Based on interviews with workers, housing residents, labor unions and gender committees, it is known that workers have no difficulty in getting food sources because the company has provided cooperatives that sell daily necessities and the existence of vegetable sellers given access to sell at home. In addition, workers can buy these needs into markets around the area of the company with easy access.

#### **6.2.6**

In Indonesia no living wage standard is established, so certification unit still implemented the national minimum wages for all workers. In addition to the payment of minimum wages, certification unit has been conduct an assessment of the prevailing wages and in-kind benefits provided to workers in the certification unit aligned with the RSPO Guidance for Implementing a Decent Living Wage.

The company does not yet have a valid wage assessment and all types of benefits for DLW simulaton in 2020. There has been no calculation by including aspects of the calculation of food costs, housing facility costs, non-food costs, non-housing costs, and other costs. The company is still waiting for the adoption of the RSPO DLW benchmark for Indonesia.

#### **NCR No.2020.02**

The company has not been able to show the results of the calculation of applicable wages and benefits in the form of goods given to workers in accordance with RSPO guidelines in the implementation of Living Wages (UHL), such as housing, water, electricity, health facilities, children's education, food, etc. etc., even though minimum wages have been paid to workers in accordance with regulations.

This is not in accordance with the instructions of the RSPO Secretariat in the document "Statement From The RSPO Standards Committee Regarding Indicator 6.2.6 on Decent Living Wage" Endorsed by the RSPO BoG 7 November 2019, it states that: For countries where no living wage standard is set , until such time as the benchmark adopted by the RSPO for that country exists, the national minimum wage must be paid to all workers. In addition to the payment of the minimum wage, the certification unit must carry out an assessment of the RSPO guidelines to apply for a Living Wage (UHL).

Based on the explanation, raised the **non conformance NC 2020.02 with non critical** category.

**6.2.7**

During the last year did not have workers with contract status (PKWT / BHL), the current employee status is permanent workers who have Orientation Worker status (3 month orientation period). During the last year the company did not have workers with contract status (PKWT / BHL), the current employee status is permanent workers who have Orientation Worker status (orientation period 3 months) for Implementing Staff and Staff (Lead Employees).

For workers with the status of Orientation Workers for permanent status, they must approve the past 3 months for the results announced and the requirements for permanent employment. While Orientation Workers who are approved for permanent status (IA - IID Groups) must be approved in the future 3 months for results that are approved to become permanent workers. Currently Orientation Workers who ask for permanent Workers are 16 for Balimbangan Estate and 20 workers for Dolok Sinumbah Estate.

The results of interviews with pesticide operator, warehouse clerk, harvester and mill operators' found that workers understood the recruitment system, the status of workers and the orientation period that had to be passed before the worker was appointed as a permanent worker. These processes are stated to be fair and provide equal opportunities to work according to the abilities, expertise and achievements of the workers during the orientation period.

**6.2.6** Status: **Non conformance NC.2020.02 with non critical category**

**6.3**

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

**6.3.1**

In the Collective Labor Agreements there is a statement of recognition of freedom of association. The document is published in Bahasa which can be understood by all employees. The statement states that employees have the right to establish trade unions and become members / leaders of trade unions in accordance with applicable regulations. The information on freedom of association listed in the Company Regulations was carried out regularly. Based on interviews with workers and labor union representatives who explained that the company had given freedom of association and at present 1 labor unions have been formed.

**6.3.2**

The company has a list of workers who have joined the union and the last update was carried out. In addition to properly documenting the list of members, the certification unit also has records of meetings between labor unions and management representatives as well as with internal unions. The following are examples of records of meetings conducted by trade unions in 2019, namely:

- PKB socialization on 18-30 July 2019 for the 2017-2019 period, attended by 53 participants.
- The minutes of the meeting of the management and members of the Plantation Workers Union (SPBUN) PTPN IV Dolok Sinumbah Unit with the company on September 28, 2019 were attended by 40 officials

**6.3.3**

The absence of company interference in the selection or operation of trade union activities, this is evidenced by the results of interviews with workers and union representatives stating that in the process of selecting / making decisions and planning activities, members provide input / aspirations to their representatives. each to make an election / decision-making and no management has a position as staff / managerial (assistant and above). The employee who currently serves as Chairperson of SP Bun. This explanation reinforces the fact that management does not interfere directly / indirectly with decision making and activities carried out by trade unions.

Related to ASA 1 OFI of selection mechanism for central union management, based on the re-review of employment and worker union regulations, there is no workers leveling system by the position. Therefore, all workers regardless the position stated as workers/employee and has the same rights with no discrimination. Except, for board of directors based on regulation of limited company (*Perseroan Terbatas*) stated as Company Management (*Pengurus Perusahaan*) that excluded from employment regulation. Hence, there is no law violation with the process of selecting the SP BUN chairman

at PTPN. In addition, based on interviews with representatives of SP BUN in each unit also stated there were no problems related to this. So the auditor stated this had been fulfilled, and no need to reconfirm to the Labor Agencies.

**Status: Comply**

**6.4  
Children are not employed or exploited.**

**6.4.1; 6.4.2; 6.4.3; 6.4.4**

The company has a policy regarding the age requirements of workers listed in Child Labor Policy Document No. 03, revision 02, dated January 2, 2015. In addition, the Dolok Sinumbah management showed Circular No.DOS / SE.Int / 05 / 1 / 2020 regarding the Prohibition of Employing Underage Children under Law No.19 of 1999 concerning Ratification of the ILO Conventions on the minimum age to be allowed to work and Law No.1 year 2000 on Ratification of ILO Convention No.182 concerning Prohibition and Immediate Action to eliminate the worst forms of child labor.

The company states that the requirement for starting work is at least 18 years old. This is proven by showing an Identity Card (KTP) at the time of employee recruitment. Document verification results reveal that there are no workers under the age of 18. In addition to having a policy governing the minimum age for workers, the certification unit also includes clauses on child protection and prohibitions on employing workers under the age of 18 in any agreement with the contractor.

Based on field visits and interviews with workers in the Estate and Mill, it is known that the minimum age for work is 18 years, and no workers are found below the specified minimum age. This is supported by the results of a review it and contractor workers' documents which prove that there are no workers under the age of 18.

**Status : Comply**

**6.5  
There is no harassment or abuse in the workplace, and reproductive rights are protected.**

**6.5.1; 6.5.2**

The company have a policy to protect reproductive rights and prevent all forms of sexual harassment and violence. The policy contained in the Sexual Harassment Prevention Policy No.06, revision 02, effective date 02 January 2015 which explain that the company is committed to providing opportunities for all employees to work in an environment free from sexual harassment.

The results of interviews with worker, gender committee and document verification found that the policy had disseminated to workers through gender committee meetings with workers. The company showed socialization related to the mechanism of handling women's problems and based on interviews with women workers such as workers in the Balimbangan warehouse, Balimbangan Daycare, and Dolok Sinumbah Weighbridge Station workers explained that they knew mechanism for reporting on women's issues such as sexual harassment or sexual violence. The last year period, that hasn't any issue related to sexual harassment, violence at work/reproductive rights.

**6.5.3**

The company has memorandum No DOS / SE. Int / 10 / 1 / 2020 regarding the Prohibition of Employing Pregnant and Lactating Women who Use Pesticides / chemicals. This memo is based on Law No. 1 of 1970, CLA document and Law No. 1 of 1951 concerning the Declaration of the Enforcement of Labor Law No.12 of 1984, namely Part III article 9: Women should not carry out work that is dangerous to their health or safety, as well as work which by its nature, place and condition is dangerous to its decency.

For now the company has recorded employees who have experienced pregnancy conditions in each unit by recapitulating the total number of female workers who were pregnant in 2019 and all of them were confirmed not to work in chemical-related work.

Based on interviews with women workers and gender committee representatives, it is known that the company has provided a special place for breastfeeding at daycare / office and has given 30 minutes of special time to breastfeed. There is no prohibition from supervisors in the field related to this matter.

The company has specifically provided the need for new mother or breastfeeding workers to breastfeed by setting a

special time for breastfeeding at work, the availability of a special room for breastfeeding and other supporting facilities.

**6.5.4**

Complaint mechanism of workers was contained in SOP for Internal Communication and Handling of Employee Complaints (internal), No. 19 (Revised 1) effective January 02, 2015 and SOP for Handling of Customer and Environmental Complaints (external), No. 13 (Revised 1) effective January 02, 2015 and there is a SOP for Communication and Consultation with the Community No. SPO 03, revision 02, effective date 02 January 2015.

The SOP aims to accommodate complaints and grievance from employees. In the procedure described that if requested, the company guarantees the confidentiality of the reporting identity and the disclosure of disgrace or incident (whistleblower).

The results of interviews workers for example spraying teams, warehouse officers, and mill operator are known to be aware of the grievance mechanism. Related complaints of sexual harassment (women's issues) can be submitted to the gender committee. In the last year period, that hasn't any complaint related to sexual harassment violence at work/reproductive rights.

**Status: Comply**

**6.6**

**No forms of forced or trafficked labour are used.**

**6.6.1; 6.6.2**

The company have policy related prohibits forced or bonded labor or debt bondage and take steps to prevent it. The procedures related to human resources management shows that every worker has a work agreement that describe specific job description. Based on employee list in 2019-2020 and observation in field known that there is no migrant workers, forced labor. Every worker has a work agreement that describe specific job description, there is no substitution of contract without prior consultation and agreement from the worker.

Based on employee data and interview with workers, most of the workers came from local communities. They have the recruitment process in the company and is in accordance with applicable employee acceptance procedures.

There is no significant obstacles related to employment or violations of company regulations. For example for the harvesters works daily based in 7 working hours. Certification unit provides output targets that can be obtained in less than 7 hours of work. If the harvester obtains more output within or more than 7 working hours, then the harvester will get the harvest premium payment. No penalty is given to the harvester if it does not get output due to natural factors such as rain. Based on payment list, the harvesters have earned above the minimum wage.

**Status : Comply**

**6.7**

**The unit of certification ensures that the working environment under its control is safe and without undue risk to health.**

**6.7.1**

The company have persons that responsible for the OHS program within the organizational structure of Committee of Occupational Health and Safety (P2K3) established in each management unit. The P2K3 team has received approval from the Head of Manpower and Transmigration of the Province of Sumatera Utara and the P2K3 secretary is a certified occupational health and safety expert.

OHS committee routinely conducts monthly meetings on OHS issues in the workplace. The documentation of the meeting were recorded and stored well. Based on interviews to workers who are members of the P2K3 organization it is known that monthly meetings are always routinely conducted to discuss about OHS such as consistency of PPE usage, work accident analysis, report, fire simulation, checking of emergency response equipment, OHS sign board, safety patrol, etc.

**6.7.2**

SOP for Handling Accidents and Health Checks no. documents: 4.3.16 effective date 1 June 2015, has been ratified by the company. In that procedure has explained the handling of accidents from reporting to coordination. Simulation was performed regularly to ensure the preparedness of emergency response equipment in the certification unit. The simulation



was performed on hydrants located in the mill and water pump in Balimbingan Estate, the result of the simulation was concluded that the emergency tool that company have is ready for use.

The company unit has licensed first aid officers and also has a first aid box in each unit and based on observations, it's concluded that the contents in the first aid box are sufficient (21 items). There is also a checklist of observations of the contents of first aid boxes routinely performed every month by first aid officers. Based on field visits and interviews, it was found that all the supervisor in each of activities were equipped with first aid kit and had been trained on the use of first aid boxes and the supervisor explained the usefulness of each first aid kit. In addition there are evacuation routes in the operational area that are clearly visible through the signboards.

The recording of work accidents has been shown by the management unit, for example there were 2 work accidents in December 2019 at the Dolok Sinumbah Mill. The auditor has verified by looking at the reporting documentation and corrective actions in work accident investigations. All work accidents have been reported to *BPJS* and the labor agency. Overall monitoring of first aid equipment at work to always be in sufficient condition of its availability. There is a recommendation from the doctor in charge of the company regarding the availability of the first-aid kit in the building and the field (foreman). The number of first aid box contents in the building is in accordance with regulations (21 items) and the foremen brought to the field amounted to 13 items. However, there are only 13 items in buildings such as material warehouses, which are the provisions of the number of contents of first aid boxes in the field carried by the foreman. This is an improvement opportunity for companies to monitor the contents of first aid boxes in buildings in accordance with regulatory provisions (21 items). **OFI**.

### 6.7.3

Based on documents verification and interviews, it is known that all operators at Balimbingan Estate, Dolok Sinumbah Estate and Dolok Sinumbah Mill already have license/certificate for boiler operators, lift carrier operators, welders and electrical technician. The management unit has had the training plan for every worker that has been exposed high danger level work such as all mill process operators. For example engine room operators that has been exposed to high noise levels such as training of procedure, socialization of HIRAC and safety briefing before work.

Based on observation and interviews with workers, the certification unit has provided PPE to every workers. PPE for type of glove, ear plug, ear muff, helmet, apron, goggles and safety shoes can be replaced immediately if damaged. This is evidenced by shown the recording of PPE distribution documents to the workers and the workers recognition from interviews also confirmed it. For examples provided PPE for pesticide operators such as apron, boots, goggles, glove, respirator and others.

However, there are notes in the field observation which constitute non-conformity with standards so that issued **NCR No.2020.03**

The company has provided PPE for workers in the workplace, but has not shown sufficient evidence of monitoring the use of PPE to all workers in the workplace.

This is known from field observations, such as :

- a. Field observations and interviews with 2 employees harvesting the Dolok Sinumbah block in 2007 B and 1 census officer division stated that PPE replacement is done once a year and if the PPE provided by the company has been damaged, then workers take the initiative to provide PPE themselves. During interviews with auditors, workers use PPE that is provided by themselves.
- b. Field observations and interviews with loading FFB workers (contractor) in Block AG 96 Division II of Balimbingan Estate, workers do not use PPE boots and gloves (workers only use PPE helmets when working). This is not in accordance with the results of the company's risk identification, which stipulates that loading FFB workers using PPE boots, gloves and helmets.

This is not in accordance with applicable regulations, for example, Article 50 of the Collective Labor Agreement which states that the Company provides work equipment in accordance with SNI standards as a company inventory for companies working in work units. This also includes third party workers who have been listed in the employment contract clause.

Also in the mechanism governing PPE replacement if damaged before the scheduled replacement period is listed in the



SE Manager (No. BAL / SE / Intern / 11/1/2019 for the Balimbingan unit and No. DOS / SE / intern / 01 / 1 / 2019 for Dolok Sinumbah) which states that the identification of defective PPE is carried out through monitoring the completeness of PPE that is carried out monthly by a technical assistant, reported to the HR assistant for PPE replacement, and distribution of PPE to employees. Based on the explanation, raised the **Non conformance NC 2020.03 with critical category**.

**6.7.4**

The company have Company Regulation that describe about workers have the right to receive medical care and be protected by the accident insurance company. The management unit show proof of payment of BPJS. Payments are made every month by percentage according to the regulation. The last payment that has been paid by certification unit is on 5 February 2020 for BPJS periode of January 2020.

There are examples of work accident claims:

- Report of work accidents in the form of KK2 Dolok Sinumbah Mill Press station workers who suffered work accidents on December 6, 2019.
- Report of work accidents in the form of KK1 Dolok Sinumbah Mill workers who suffered work accidents on December 24, 2019.

All work reports have been sent to the Simalungun District Manpower Office and have been processed for BPJS Employment claims.

Based on the interview with Dolok Sinumbah Estate and Mill workers, concluded that all employees were aware of the medical service procedures in the event of an accident or illness. All employees interviewed also claimed to have a health BPJS card, if they went to a company clinic there was no fee at all. Based on interview with contractor representative, it is known that the accident insurance for contractor's workers is covered by the head of contractor it self.

**6.7.5**

The company is still consistent in monitoring the recording of occupational accidents by calculating the lost time accident (LTA). Recapitulation of work accidents with a formula to find the level of severity and frequency of accidents. This document informs the time period, the number of working days, the number of non effective working days, overtime, hours of work in total, the number of accidents, the number of working days lost, hours of work a year, the number of accidents a year, lost days a year. Calculation of Severity Rate and Frequency Rate is reviewed regularly and monitoring will be evaluated at the monthly meeting of Committee of Occupational Health and Safety. For examples in period of 2019, Dolok Sinumbah Mill have 2 incidents, 27 lost time, Severity Rate is 24,29 and Frequency Rate is 1,79.

<b>6.7.3</b>	<b>Status: Non conformance NC.2020.03 with critical category</b>
<b>PRINCIPLE #7 PROTECT, CONSERVE AND ENHANCE ECOSYSTEMS AND THE ENVIRONMENT</b>	

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

**7.1.1**  
 The company has shown SOPs related to the observation and control of plant-disturbing organisms (OPT) contained in SPO. 04.3 about Pests and Diseases in TBM, SPO 05.10 about Pangkal Batang Rot Disease (Ganoderma), SPO 05.11 about Pests in oil palm and SPO 05.12 about diseases.  
 SPO 04.3. Disease pests in TBM explain the types of pests and diseases in TBM, how to monitor (census method), control methods (chemical, manual, and biology) and administration.  
 SPO 05.10. Root base rot disease (Ganoderma) which explains the symptoms of the disease, prevention and treatment of the main attack Ganoderma,  
 SPO 05.11. Pests in oil palm that explain the types of pests, early control systems (EWS), pest eradication (mechanical, biological, plant breeding, and chemistry), and census.  
 SPO 05. 12. Disease in oil palm which explains the types of diseases in oil palm, control strategies (manual and chemical)  
 The company has been monitoring and controlling pest and disease in each estate. The examples of OPT Observation are shown in the 2019 Barchart maintenance of Balimbingan Estate, as follows:

- Effective telling on 12 March 2019 in the 96L Afdeling II block with an area of 5 hectares, with the result of 16.5 flakes

of caterpillars. Eradication 1 was carried out on 12 October 2019 by fogging using Delta 25 Ec (Deltametrin) material at a dose per hectare of 0.25. After that nateling 1 was held on December 13, 2019 with the results of 4.4 worm split. Then eradication 2 was carried out on 17 December 2019 by fogging using Delta 25 Ec (Deltametrin) material at a dose per hectare of 0.25. After that the Nateling 2 activity was held on December 20, 2019 with the result of 0.4 mole caterpillar. Eradication was stopped because the number of caterpillars was far below its economic threshold.

- In addition, the company also presented an LM 86 document in which the report on pests and plant diseases resulted in a period up to December 2019 specifying the Ganoderma attack. In the document, it was explained that the number of oil palm trees felled due to ganoderma, for example block 94 A Afdeling I Balimbingan Estate with an area of 14 Ha with an initial number of 1890 oil palm trees, oil palm trees felled due to ganoderma as many as 86 dead trees and others as many as 160 trees , so that the oil palm trees that live until the end of the year as many as 1644 trees

Based on the results of field visits and interviews with global telling workers in Block 94 H Afdeling 1, Balimbingan Estate is known that there are no fire caterpillars that exceed the economic threshold. Likewise with observations made by the auditor, it is known that there are no signs of a fire caterpillar attack.

**7.1.2**

Based on document review and field observation, the company implement some biological control practices to suppress pest and diseases infestation such as white buttercup flower (*Turnera subulata*) and *Antigonon leptopus*. Verification result on website of cabi.org known that those species stated as not invasive in Indonesia.

**7.1.3**

Based on document review, field observation, as well as interview with the workers and external stakeholders, known that the company did not use fire for pest control.

**Status: Comply**

**7.2**

**Pesticides are used in ways that do not endanger health of workers, families, communities or the environment.**

**7.2.1, 7.2.3 and 7.2.5**

SOP on Handling Hazardous Chemicals with document number DOS-PRO 4.3.12 revision 3 dated August 1, 2016. The SOP explains the identification of hazardous materials, installing warning signs, providing MSDS, and how to handle them. The company has a Material Safety Data Sheet that explains hazard identification, first aid methods, PPE used to chemical composition. The company can show MSDS from all its B3 materials, for example Pempur 480 480, Petrokum 0.005 RMB, Marshal 48%.

In addition, the company has a policy document on the use of herbicides with active ingredients, namely a circular from the Head of the Plant Section of PT. Perkebunan Nusantara IV No. 04.03, dated August 4, 2006 to Group Managers Business Units I, II, III, IV and V, concerning Supervision and Dissemination of Provisions on the Use of Parakuat Herbicides. The circular is a follow-up from the letter from the Director General of Plantations, Ministry of Agriculture No. 276 / LB.330 / EO.1 / 07/2006 dated July 21, 2006. The circular stated that:

- The use of paraquat herbicides is still limited because of the harmful residual effects on human health;
- In accordance with Minister of Agriculture Decree No.134.1 / Kpts / TP.270 / 7/2001 (Article 7), that all users of limited pesticides (such as paraquat herbicides) must receive training from producers and must be certified.

The policy regarding the use of active ingredients of prohibited pesticides contained in document No. 04.04 / SE / 18 / X / 2016 which contains instructions from the director to all PTPN 4 business units that the use of pesticides with active ingredients Brodifakum and other pesticides according to WHO classification is prohibited from being used . Rat pest control is also carried out biologically (eg owls / Tyto alba and or organic chemicals).

The company has also demonstrated the use of pesticides for the past three years. Based on these documents it is known that during 2018 and 2019, the company no longer used pesticides with the active ingredient paraquat

The company has shown the documents for the use of pesticides for each estate during 2019. Based on these documents it is known that the company has not used IA / IB class pesticides and the company has not used pesticides with paraquat active ingredients since 2018.

**7.2.2**

The company has shown documents for the use of pesticides during the 2019 period for Dolok Sinumbah and Balimbingan Estate. The document shows in detail the types of active ingredients, LD50, the number of active ingredients applied per ha as well as the number of applications. Examples of the use of these pesticides are as follows:

1. The use of Capture (sypermetrin) during 2019 in Balimbingan Estate with LD50 250-4150 mg / kg as much as 3.9 liters with an area of 78 ha.
2. Use of Manthene (Asefat 75%) during 2019 in Dolok Sinumbah estate with LD50 1008.44 mg / kg as much as 1097.80 Kg with application area of 406 Ha.

**7.2.4**

The company does not use pesticides prophylactically. The use of pesticides is always based on needs and field conditions. Based on the results of the field visit on the spray work, the worker explained that the spraying was done selectively.

**7.2.6**

The company shows documents;

- SOP Directions for the use of safe agricultural chemicals. Issued on January 15, 2006.
- Procedure for Handling Hazardous Chemicals (BKB) and Toxic Hazardous Materials (B3). Document number 4.3.12, which took effect on April 23, 2013. The procedure informs:
  - a. Material identification (identification of the type of material and then grouped according to the type and placement must be placed in one storage place if they do not react to each other in accordance with the MSDS of each material.
  - b. Installation of danger warning signs. Hazardous materials are stored in a standard place in accordance with the provisions in the MSDS and are given warning signs of danger.
  - c. Provision of MSDS
    - Every hazardous material that has been registered or will be used must have MSDS if it is not available then the warehouse must report it to Kadin TU.
    - If the MSDS is still in an unspecified format and in a language that is poorly understood, the K3 section can arrange it in an agreed format.
  - d. Packaging of hazardous materials
    - B3 packaging must have a B3 label, and in the event of leakage or spillage, actions must be taken to handle it according to the instructions in the MSDS.
  - e. Handling according to OHS
    - For every implementer when handling hazardous and toxic materials it is required to fulfill OHS requirements such as: using the appropriate PPE, providing Light Fire Extinguisher, and other fire extinguishing systems, providing a safety shower and providing sand or other suitable material in a container that is sufficient for handling in case of spillage.
  - f. Handling hazardous and toxic waste
    - Pesticide / herbicide spills are immediately sanded and thrown into the crop area that has been harvested.
    - Used containers are cleaned with water and stored in a special place, used washing water is reused for CWC (Circle Weeding Chemical) work.
    - Used jerry cans are stored in hazardous and toxic waste warehouse.
    - Made a hole to plant containers of used pesticides and herbicides.

The company has also shown certificates relating to the limited pesticide applicator issued by the North Sumatra Provincial Government's Fertilizer and Pesticide Control Commission, including:  
Balimbingan Estate

1. Ronal Sinaga Certificate No. 521.4 / 428.51 / UPTTPH / X / 2018 P2B Balimbingan Estate
2. Mujirah Certificate No. 521.4 / 428.51 / UPTTPH / X / 2018 Chemist and Pest Management Unit
3. Miyati Certificate No. 521.4 / 428.51 / UPTTPH / X / 2018 Chemist and Pest Management Unit
4. Sri Herawati Certificate No. 521.4 / 428.51 / UPTTPH / X / 2018 Chemist and Pest Management Unit

Dolok Sinumbah Unit:

1. Safari Certificate No. 521.4 / 428.51 / UPTTPH / X / 2018 P2B Dolok Sinumbah Estate
2. Sri Hayati Certificate No. 521.4 / 428.51 / UPTTPH / X / 2018 Dolok Sinumbah Estate Maintenance worker
3. Tumiran Certificate No. 521.4 / 428.51 / UPTTPH / X / 2018 Foreman Chemist and Pest Unit Dolok Sinumbah
4. Hairul Hamdan Certificate No. 521.4 / 428.51 / UPTTPH / X / 2018 Foreman Chemist and Pest Unit Dolok Sinumbah
5. Keliwon Certificate No. 521.4 / 428.51 / UPTTPH / X / 2018 Foreman Chemist and Pest Unit Dolok Sinumbah
6. Rasikun Certificate No. 521.4 / 428.51 / UPTTPH / X / 2018 Foreman Chemist and Pest Unit Dolok Sinumbah

#### **7.2.7**

The company has a pesticide waste treatment as described in SOP No. SPO 02 dated 2 January 2015 was approved by the Head of the Planning Section on Hazardous Waste Management, Agrochemical Chemical Containers and washing water equipment.

In SOP No. SPO 02 is also explained related to the procedure for handling spraying equipment is chemical or chemical substances are as follows:

- a. Equipment used for spraying in afdeling is not permitted to be washed in the field, but must be washed in the place provided.
- b. The washing floor is made of cement which has a higher edge so water does not run out.
- c. At the washing angle, a control tub is made to collect the remaining washing water and is given a cover for security.
- d. The residual water is not allowed to be used for other activities except for subsequent mixing.

Based on the results of the field visit to the rinse house in Dolok Sinumbah, it is known that the rinse house has followed the procedures of the company.

#### **7.2.8**

The company shows the Handling of Hazardous waste as described in SOP No. SPO 02 dated 2 January 2015 was approved by the Head of the Planning Section on Hazardous Waste Management, Agrochemical Chemical Containers and equipment washing water. In the procedure it is explained that the identification of hazardous waste is: ex lubricant, ex battery, used pesticide packaging, used rag, ex lamp. The hazardous waste must be collected in a Hazardous warehouse and sent to authorized collectors. Ensuring the management of ex pesticide packaging in accordance with applicable procedures ( OFI)

The company shows evidence of the submission of hazardous waste Balimbingan Estate on February 27<sup>th</sup>, 2020 to PT Jagar Prima Nusantara with manifest number WY 0003856 as Contaminated packaging waste. The company shows evidence of the submission of hazardous waste Dolok Sinumbah Mill on February 25<sup>th</sup>, 2020 to PT Jagar Prima Nusantara with manifest number WY 0003850. as Contaminated packaging waste

#### **7.2.9**

Based on the results of a document review and interview with management, it is known that the company does not apply the application of spraying by air.

#### **7.2.10**

The company regularly have a medical examination for pesticide operator. For example, Balimbingan Estate has a list of the latest pesticide operator as many as 25 workers. All spraying workers has examined health through inspection types of medical check up, cholinesterase and spirometri, to ascertain the condition of workers in good health. This semester, MCU was conducted in 26 November 2019 for all units. Examination results stating that not yet issued by laboratorium Hiperkes Medan. Auditor conduct interviews with spraying workers in Balimbingan and Dolok Sinumbah Estate and they admit that they have not been exposed to skin disease and itches because they always use PPE while working.

#### **7.2.11**

Balimbingan Estate.

A mechanism has been established to detect the spraying of pregnant and / or breastfeeding female employees in the Manager Letter document no. : BAL / SE / Intern / III / 2019 dated March 4, 2019 which states: each assistant who will appoint female employees as officers pesticide handlers must first coordinate with polyclinic officers and conduct monthly

monitoring.

Dolok Sinumbah Estate

There is an Internal SE from the Estate Manager no. : DOS / SE.Intern / 05 / I / 2018, issued on 3 Jan 2018 on the prohibition of hiring pregnant and breastfeeding women involved in activities related to chemicals and pesticides. Early monitoring and detection is carried out by the DOS unit every month, checks are carried out by assistants.

Based on the results of field observations on the spray work of wooden children at Balimbingan Estate, it is known that there are no spray workers under the age of 18, and there are no pregnant or breastfeeding women who carry out spraying work.

**Status: Comply**

**7.3**

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

**7.3.1**

The company shows the Handling of Hazardous waste as described in SOP No. SPO 02 dated 2 January 2015 was approved by the Head of the Planning Section on Hazardous Waste Management, Agrochemical Chemical Containers and equipment washing water. In the procedure it is explained that the identification of hazardous waste is: used lubricant, used battery, used pesticide packaging, used rag, used lamp. The hazardous waste must be collected in a hazardous warehouse and sent to authorized collectors.

The company has permit hazardous warehouse as no. 188.45 / 855 / kert-2016 concerning PTPN IV hazardous and toxic materials waste storage permit - Dolok Sinumbah Mill and No. 188.45 / 156 / Secretariat-2016 dated March 8, 2016 concerning Permit for Storage of Hazardous and Toxic Waste Material PTPN IV (Persero) – Balimbingan Estate. Based on the results of the visit to the Hazardous Waste Storage area it is known that it has been equipped with emergency response equipment such as first aid kits, fire extinguishers, eye wash, and hazardous waste symbols.

The company has the SOP document on Palm Oil Mill Waste Utilization RSPO and ISPO Documents No. SPO 17 Date 02 January 2015. The document explains the procedure for the reuse of EFB, Mill effluent, Fiber, and Shell waste. Based on the results of the field visit to the 99A block Afdeling I of the Dolok Sinumbah Unit there was an mill effluent application, from the results of the field visit it was found that there were no leaks in the reservoir pool.

**7.3.2**

The company has a hazardous waste management and storage documentation that is described in the hazardous waste management report every quarter and has been reported to the relevant department once every 3 months. The company shows an agreement letter between PTPN IV MEDAN and PT Jagar Prima Nusantara regarding the transportation and collection of hazardous waste with number SPK No. 04.03/S. Perj/32/XI/2019 dated November 18<sup>th</sup>, 2019. This agreement is valid until November 17<sup>th</sup>, 2020.

Documentation of hazardous waste transporting was in form of official report of handover and manifest. The latest handover of hazardous waste was on 25-27<sup>th</sup> February 2020. The documentation includes delivering letter, appointment letter, vehicle identification, hazardous waste manifest, official waste manifest from Environmental Agency. Based on the results of interviews with workers in the Hazardous Waste storage facility it is known that they understand the procedure for hazardous waste storage.

**7.3.3**

Based on review of waste management procedure, field observation, and stakeholder consultation, know that the Company did not use open burning for waste disposal. The company already has a SOP for Household Waste Management NO SPO 20 Revision 3, 2 January 2018. Based on the SOP it is known that domestic waste is collected and disposed of at the final disposal site.

Based on the results of visits to housing in the Dolok Sinumbah Estate and Balimbingan Estate, it is known that the company has made a final disposal site according to the SOP.

**Status : Comply**



**7.4**

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

**7.4.1**

SOP for Good Agricultural Practices (GAP) Management of Soil Fertility, namely Fertilization Management (No. Doc. A.10) made and approved by the President Director in June 2013. This procedure was made to maintain soil fertility by applying fertilizer to the soil as nutrients that have been taken by plants. In addition, the company has a SOP document on Palm Oil Mill Waste Utilization (POM) - RSPO and ISPO Documents No. SPO 17 Date 02 January 2015. The document explains the procedures for utilizing Palm Oil Mill waste, as follows:

1. Utilization of Empty Fruit Bunch Waste
  - Empty bunches produced from oil palm mills must be ensured that they are well managed to protect the surrounding environment;
  - Empty bunches produced from Palm Oil Mill are used for reuse into organic material in Afdeling and / or processed into compost in PTPN IV's compost plant;
  - Priority of application of empty bunches is immature plants and if there is excess, it will be applied to Mature Plants;
  - The dose of empty fruit bunches in the soil is 40 tons per Ha.
  - Application of empty bunches is done by arranging on the lip of one or two layers of palm oil;
  - Sowing of empty fruit bunches in the mature plants area is placed in the inter-main support in the line;
  - Laying empty bunches in the inter row must be avoided because the inter row is used as a place for the fronds;
  - Records of application of empty bunches to Afdeling must be kept and maintained.
2. Utilization of Palm Oil Mill Effluent (POME)
  - Utilization of Palm Oil Mill Effluent is carried out according to the permission obtained;
  - Liquid waste generated from processing palm oil mills is not permitted to be discharged into water bodies;
  - The resulting Mill Effluent must be used as an nutrient enhancer for oil palm plants;
  - The location of the POME distribution area is determined by the Afdeling Assistant in the form of a schedule and map of the Block / year of planting;
  - The Head of the Plant Service coordinates the Afdeling and cooperates with the Head of the Engineering / Processing Service in sending / transporting to the Block;
  - The distribution must be completed Block by Block, starting at the nearest block from the factory. If the unit (Afdeling) does not have a Land Application trench, it can be retailed to inter row starting from the side of the road to the area of + 150 meters;
  - Mill Effluent discharged into the application area must be recorded the volume of Mill Effluent every day.
3. Utilization of Palm Oil Shells
  - Shell waste generated from palm oil processing is used to increase fuel shortages in POM as well as fuel in Tea Mills;
  - If there is still excess shell fuel, after it is used in POM and Tea Mills, it can be used as industrial raw materials such as activated carbon and so on to provide added value to the company.
4. Utilization of Solid derived from POM Waste
  - Solid waste produced is used to increase the fertility of oil palm plants;
  - The location of solid sowing is determined by the Afdeling Assistant in the form of a Block map and schedule for planting years.
5. Utilization of Fiber Waste
  - Solid waste in the form of fiber is used as fuel for internal energy sources.
  - Fiber used is recorded in the log book.

**7.4.2**

The company has a Basic Work Guidance document, namely Fertilization Management (No. Doc. A.10 dated January 1, 2013) in which there is a Work Instruction (IK) Soil analysis and leaf analysis. Soil sampling for testing is done once every 1-5 years. Leaf analysis is carried out annually and together with visual observations by taking a leaf sample collection.

For the management of soil fertility, the company carries out fertilizer application according to fertilizer recommendations



based on the analysis of leaves and soil. Leaf and soil analysis results are used as material for monitoring changes in nutrient status.

The company has shown the following documents related to leaf and soil analysis:

**Soil Analysis**

- Results of soil analysis of Balimbingan Estate certificate number: 1567 / 0.1 / Sert / XII / 2017 dated November 16, 2017 with a total of 6 samples. The tests include soil fraction, soil pH, nutrient content of C, N, P, K, Ca, Na, Mg, and CEC
- Results of soil analysis of Dolok Sinumbah unit certificate number: 1568 / 0.1 / Sert / XII / 2017 dated November 16, 2017 with a total of 6 samples. The tests include soil fraction, soil pH, nutrient content of C, N, P, K, Ca, Na, Mg, and CEC

**Leaf Analysis**

- Analysis of Dolok Sinumbah Unit leaves  
Based on the fertilizer recommendation book of 2019, to determine the nutrient status of plants, leaf samples from the Dolok Sinumbah business unit were taken, obtained N, P, K, Ca, and Mg nutrient status varied between low, normal and high. In general, the results of the 2018 leaf analysis show that that N, P, K, Ca and Mg nutrients are dominated by low criteria, respectively 45%, 44%, 78%, and 63%, while K nutrients are dominated by high criteria by 79% from 102 units KCD. Hara B is dominated by low criteria (100%) of 30 KCD.
- Analysis results of Balimbingan Estate Unit leaves  
The results of the analysis of the leaves on the oil palm plantations produced in Balimbingan Estate in 2018 consisted of the 2010 planting year of 5 KCD. The nutrient content of N, P, and K ranges from high to low. N nutrients are dominated by normal-high by 40%, P nutrients are dominated by high criteria by 60%, H nutrients are dominated by low and high criteria respectively 40%. Ca and Mg Hara ranges from low to normal, respectively dominated by normal and low criteria, each by 60%.

The results of the leaf analysis become a basic reference for fertilizer recommendations for each estate.

**7.4.3**

The company has shown documents related to waste utilization, as follows:

- SPO for Palm Oil Mill Effluent (POME) - RSPO and ISPO Documents No. SPO 17 On January 2, 2015 it is known that the company implemented the nutrient recycling application through the application of the longitudinal application and the application of palm oil mill effluent through the Land application.
- SPO 02.0 dated 1 August 2007 which was approved by PTPN IV's board of directors is known that in the replanting activity of oil palm trees were uprooted, then chopped. Tree cuttings are collected at a place to facilitate organization of the stacking and subsequent work

Based on the results of a field visit to the replanting area in block 2019A afdeling III of the Balimbingan Estate and Block 2018A afdeling I of Dolok Sinumbah Unit, it is known that there is a strategy for recycling oil palm residues by chopping up oil palm trunks and palm fronds, and also the existence of an empty extension in the area.

The company is also implementing a POME recycling strategy. Based on the results of the field visit to block 99A afdeling I of the Dolok Sinumbah unit there is an POME application, from the results of the field visit it was found that there were no leaks in the reservoir pool.

**7.4.4**

The company has shown plans and realization of fertilization in 2019. The plans and realization are as follows:

	Type of fertilizer	Mature	
		Rekomendation (Kg)	Realization (Kg)
Balimbingan	Dolomit	22,414	12,825
	NPK	46,967	51,099
	MOP		
	<b>Total</b>	<b>69,381</b>	<b>63,924</b>

Dolok Sinumbah	Type of fertilizer	Mature	
		Rekomendation (Kg)	Realization (Kg)
	Dolomite	876,254	381,238.50
	NPK 14.7.25+1TE	2,170,829	1,065,022.75
	NPK 12.12.17.2Mg+1TE	757,256	672,028.21
	MOP	147,400	134,896.10
	<b>Total</b>	<b>3,951,739</b>	<b>2,253,185.56</b>
Dolok Sinumbah	Type of fertilizer	Immature-III	
		Rekomendation (Kg)	Realization (Kg)
	Dolomite	280,380	-
	NPK 12.12.17.2Mg+1TE	706,790.75	706,790.75
	MOP	114,675	114,675
	<b>Total</b>	<b>1.101.845,75</b>	<b>821.465,75</b>
Dolok Sinumbah	Jenis Pupuk	Immature-I	
		Rekomendation (Kg)	Realization (Kg)
	Dolomite	33,754	19,907.50
	NPK 18.10.15.2.6.2	94,510.70	94,510.70
	<b>Total</b>	<b>128,264.70</b>	<b>114,418.20</b>

The company has also shown documents on the use of fertilizer per ton of FFB for each estate. An example is the use of fertilizer per ton of FFB Balimbingan Estate ie 0.000000193 tons of dolomite per ton of FFB produced, and 0.0000000767 tons of NPK per ton of FFB produced.

**Status: Comply**

**7.5 Practices minimise and control erosion and degradation of soils.**

**7.5.1**  
Map of soil types contained in the document of the identification of High Conservation Value Areas of Dolok Sinumbah Estate PT. Perkebunan Nusantara IV in Simalungun District in 2011 has a scale of 1: 35,000.

The company has the Dolok Sinumbah Estate High Conservation Value Area Identification Result document PT. Perkebunan Nusantara IV in Simalungun Regency in 2011 which was carried out in collaboration with third parties namely *Citra Cendikia*. In the document, you can see a Map of Soil Type - Unit of the plantation of sinegah, namely Alluvial, Brown Podsolik, Podsolik Merah Putih (PMK), and Latosol. Soil types in Afdeling I and Afdeling II are a mixture of Alluvial, Podsolik Coklat and PMK soils; Adeling III is partly a mixture of Alluvial, Brown Podsolik, and PMK soils and a part of Brown, Alluvial and Podsolik soil; Afdeling IV is partly a mixture of soil types Podsolik Coklat, PMK and Alluvial and partly a mixture of PMK, Latosol and alluvial. In the map Afdeling V and the soil type are not yet described. Based on the explanation of the Document Control Officer, at the time of making the map, Afdeling IV was included Afdeling V. There were no marginal and fragile soils in the Dolok Sinumbah estate.

The company has also shown a map of the type of land Balimbingan Estate with a scale of 1: 50000. The type of land contained in estate guidance based on the map are: Troprothents, Hapludults, Dystropepts, Humitropepts, and Paleudults. Balimbingan Estate has shown a topographic map with a scale of 1: 50,000 in the map has explained the slope class 0-8% with a percentage of 94.36% (3,523.84 ha), slope 5.94%. Somewhat steep 0.14% and steep (0.01%).

**7.5.2**  
Based on the results of the field visit to the replanting area in block 18A Afdeling I Dolok Sinumbah Estate and block 19A Afdeling III Balimbingan Estate, it is known that the planted area is flat.

**7.5.3**  
Based on interviews with company management and on site visits, no new planting was found on steep sloped land.

**Status: Comply**

**7.6  
Soil surveys and topographic information are used for site planning in the establishment of new plantings, and the results are incorporated into plans and operations.**

**7.6.1, 7.6.2, and 7.6.3**  
Based on the results of interviews with the management of the company it is known and the document review of the area of the statement is known that there is no new planting carried out by the company.

**Status: Comply**

**7.7  
No new planting on peat, regardless of depth after 15 November 2018 and all peatlands are managed responsibly.**

**7.7.1, 7.7.2, 7.7.3, 7.7.4, 7.7.5, 7.7.6, and 7.7.7**  
Based on the results of the document review, interviews, and field visits in each estate, no peat areas were found.

**Status: Comply**

**7.8  
Practices maintain the quality and availability of surface and groundwater**

**7.8.1**  
Water source management and maintenance for 2019-2020 period with details:

- Test the quality of river water and springs regularly.
- Supervise and reforest in riparian and springs area.
- Making appeal signs to preserve the area and maintain water sources.

The company shows the estate water source and Mill monitoring and management program in 2019 with the following details: Monitoring along the waterway (riparian area) every 6 months; Monitoring of community activities entering the water source area every 6 months; and others.

**7.8.2**  
The company has conducted tests and has tested surface water quality every 6 months at Bah Tongguran and Sungai Bolon at Dolok Sinumbah Estate. For Balimbingan Estate the company has conducted surface water quality testing every 6 months in the river Bah Tongguran, Bah Birong and Bah Kasindiran. The test results show that there are no parameters that exceed the Quality Standards (Government Regulation No. 82 of 2001 Class 2 attachment).

The company has not been able to show evidence of water and riparian water management in accordance with procedures. Based on the field visit of the Aek Moyam River border Balimbingan Estate and the Bah Bolon River border in Dolok Sinumbah Afdeling I and II, it is known that the river border was opened and planted with oil palm during replanting activities.

This is not in accordance with the Riparian River Management Mechanism (No. SPO 05 Revision 3 dated August 27, 2018), which states that riparian that have been planted with oil palms, their vegetation should be maintained by seeking vegetation growth in riverbank areas by prohibiting the application of chemicals. NCR no. 2020.04

**7.8.3**  
The company has an extension of the license to use industrial wastewater Palm oil in PTPN IV. In accordance with the decree of the Regent of Simalungun No. 188.45 / 3436 / LINGHUP-2015 dated October 23<sup>rd</sup>, 2015 with a validity period of up to 5 years from the date of stipulation. that the permitted Land location is block 92 and block 99 Afdeling 1.

The company shows documents on testing the quality of mill effluent carried out by environment laboratory PT Mutuagung Lestari accredited by KAN (LP-1284-IDN), based on testing result there is no parameter (TSS, Ph & BOD) exceed the threshold according with Decision of Minister Number 29 year 2003. Field observations in the Block 99 A, it is known that there is no runoff, the waste water disposal location is in accordance with the permit for waste water utilization

**7.8.4**  
The average water usage for the 2019 period is 195,416 m3 with an average water use per ton of FFB of 1.4 m3 / ton FFB.

7.8.2	<b>Status: Nonconformity No. 2020.04 with Critical Category</b>					
<b>7.9</b>						
<b>Efficiency of fossil fuel use and the use of renewable energy is optimised.</b>						
7.9.1						
The company shows the data for processing FFB for the period of January - December 2019 totaling 134,966 tons of FFB in the processing. The company has shown the use of materials for boilers consisting of shells of 8,772 tons; fiber of 18,895 tons; the results of these uses generate electricity amounting to 5,051,582 Kilo Watt						
Thus the use of renewable energy per tonne of FFB though is						
- shells of = 0.06 tons shells / tons of FFB						
- fiber of = 0.13 tons fiber / ton of FFB						
<b>Status: Comply</b>						
<b>7.10</b>						
<b>Plans to reduce pollution and emissions, including greenhouse gases (GHG), are developed, implemented and monitored and new developments are designed to minimise GHG emissions.</b>						
7.10.1						
The company shows Palm GHG calculations using PalmGHG V4 RSPO (period of January to December 2019). Summary of GHG emission are listed as follows:						
<b>Production</b>		<b>t/yr</b>				
FFB Processed	134,965.99					
CPO Produced	31,622.97					
<b>Emissions per product</b>		<b>tCO2e/t Product</b>				
CPO	0.78					
PK	0.78					
<b>Description</b>	<b>Unit</b>	<b>Value</b>				
Oil palm planted on mineral Soil	Ha	15259.12				
Oil Palm planted area on peat	Ha	0				
Total Oil Palm planted area	Ha	15259.12				
Conservation (forested)	Ha	0				
Conservation (non-forested)	Ha	613.04				
FFB production	t/ha	8.84				
OER	%	23.43				
KER	%	4.07				
Summary of field emission and Sinks						
<b>Description</b>	<b>Own plantation</b>		<b>Group plantation</b>		<b>3<sup>rd</sup> party</b>	
<b>Emissions Sources</b>	<b>tCO2e</b>	<b>tCO2e/tFFB</b>	<b>tCO2e</b>	<b>tCO2e/tFFB</b>	<b>tCO2e</b>	<b>tCO2e/tFFB</b>
Land conversion	35309	9.87	0.45	106099	9.08	1.87
CO2 emission from fertilizer	6169.96	1.72	0.08	5471.89	0.47	0.1
NO2 emissions from Peat	0	0	0	0	0	0
NO2 emissions from fertilizer	4466.93	1.25	0.06	3704.34	0.32	0.07
Fuel consumption	765.3	0.21	0.01	812.47	0.07	0.01
Peat oxidation	0	0	0	0	0	0
Sinks						
Crop sequestration	-33468	-9.36	-0.43	-100568	-8.61	-1.77

Sequestration in Conservation area	0	0	0	0	0	0
Total	13243	3.7	0.17	15519.9	1.33	0.27

**Summary of Mill Emissions and Credits**

Emissions	tCO2e	tCO2e/tFFB
POME	396.05	0.00
Fuel Consumption	247.49	0.00
Grid Electricity Utilisation	0.00	0.00
Credits		0.00
Export of Grid Electricity to Housing & Grid	0.00	0.00
Sales of Mill	-336.97	0.00
Sales of EFB	0.00	0.00
Total	306.57	0.00

**POME Treatment**

Emissions	%
Divert to compost	0
Divert to anaerobic digestion	100

**POME Diverted to Anaerobic Digestion**

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

**7.10.2**

There was no new developments since 2014 in the operational area.

**7.10.3**

The Company show that management of air pollution and GHG includes:

Emission source	Emission	Impact control
Workshop	CO2	Schedule vehicle maintenance regularly and check.
Generator	CO, NO2, NH3 & SO2	Schedule generator maintenance periodically and check.
Incinerators	CO, NO2, NH3 & SO2	Conducting empty bunches applications as fertilizer for Palm Oil.
Fertilizer store	NO2	Fertilizer packaging checks and housekeeping programs.
FFB transport vehicle	Dust	Fertilizer packaging checks and housekeeping programs.
Land clearing	CO2	Land opening with zero burning
Fertilizer	CO2	Use of fertilizers according to procedures.
Chemical activities	NO2 & CH4	Use of chemicals in accordance with the procedure.

The implementation has been conducted through preventive maintenance of tools and machinery, POME Land Application, application of fertilizer in accordance with recommendations, calculating GHGs using Palm GHG-4 Calculator.

**Status: Comply**

**7.11**

**Fire is not used for preparing land and is prevented in the managed area.**

**7.11.1**

Procedure Standard (SPO) July 2007 Oil Palm Plant SPO 02 document. The replanting method is carried out, namely the land clearing method, the zero burning method and the under planting method. Based on field observations in the Replanting area, it is known that land clearing for replanting is done manually or zero burning.

**7.11.2**

The company has an emergency response organizational structure within the P2K3 organizational structure that oversees the fire squad, fire chief and core firefighting team, and security squad. Fire extinguisher simulation results during the surveillance -2 audit showed that the land fire fighting equipment was functioning properly and the officers understood the procedures for implementing the fire extinguisher.

**7.11.3**

The company has presented a report on land fires in the semester and has been reported to the Department of Agriculture on February 25, 2020. The report explained that for semester 2 of 2019 there were no incidents of land fires. Fire extinguisher monitoring is known that all fire extinguishers are in good condition.

**Status: Comply**

**7.12**

**Land clearing does not cause deforestation or damage any area required to protect or enhance High Conservation Values (HCVs) or High Carbon Stock (HCS) forest. HCVs and HCS forests in the managed area are identified and protected or enhanced.**

**7.12.1**

There was no new developments since 2005 in the operational area. there was no new planting until audit ASA 1.2. Base on result Audit St-2 has informed to ensure that there was not new plantings in primary forest or HCV area, the CB has communicated with RSPO compensation on November 2016 regarding to ensure Liability Disclosure and Land Use Change Analysis (LUCA). RSPO Compensation explained that the Dolok Sinumbah POM (supply base Dolok Sinumbah Estate and Balimbingan Estate) has been sent the disclosure and all the units are free from non-compliant land clearance.

**7.12.2**

**Dolok Sinumbah Estate.**

The company has identified HCV and RTE species on 2011. The identification was done by Citra Cendekia which is lead assessor is registered as RSPO approved assessor. The result was reviewed by *Lingkar Komunitas Sawit* (LINKS). Public consultation has been done October, 3 2011 attended by 80 people from government agency, workers and communities around the operational. The identified HCV area are HCV 1.1; HCV 4.1 and HCV 6. Total of the business unit-managed HCV area is 331.09 Ha consist of HCV 1&4 in the form of riparian of water springs and river with total area of 328 Ha and HCV 6 in the form of graveyard with total area is 3.09 Ha.

**Balimbingan Estate.**

The company has the HCV identification documents created in November 2016 by cooperation *PTPN IV Balimbingan Estate, PT Surveyor Indonesia*. Based on these documents, identified 3 species are protected under IUCN and there are no protected flora. The total area identified as HCV area covering 88.48 hectare.

Based on documents review and interviews with heads of village, known that the company had been established from the era of Dutch Governance . The company has been operating since 1920 and until now in plantation operations have been replanted (replanting) but there is no new land development and there was no new land clearing activities from 2005 to the present, so HCS is not applicable.

**7.12.3**

Based on the review of the HCV Identification document at Balimbingan and Dolok Sinumbah Estate, it is known that there are no customary rights areas in the area identified as HCV areas. The results of field observations in the HCV area were located in the Balimbingan Estate HCV Aek Moyam River Riparian Area, Block 19A Afdeling III and Dolok Sinumbah Estate at HCV Bah Bolon River Riparian Area, Block 18A Afdeling I and Block 18I Afdeling II. its known there were no areas that overlapped with the surrounding village community area.



Based on documents review and interviews with heads of village, known that the company had been established from the era of Dutch Governance. The company has been operating since 1920 and until now in plantation operations have been replanted (replanting) but there is no new land development and there was no new land clearing activities from 2005 to the present, so High Forest Cover Landscapes (HFCLs) and HFCCs applicable is not applicable.

#### **7.12.4**

The company shows the management and monitoring plan for the HCV area on year 2020 which informs HCV types, location, management actions, monitored indicators, monitoring objectives, benchmarks, methods, period and person in charge.

The Balimbingan Unit shows the HCV program for 2020 includes

- Conducting socialization related to the importance of forest areas to employees and the community
- Provide a buffer zone boundary for forest areas with plantation areas
- Investigate the types and number of trees that have been planted
- Conducting socialization related to the rare species that are found in the forest area
- Installation of signs is prohibited from hunting
- Clearing the HCV area boundary markings
- Coordinate with the village head / sub-district head concerned
- Community training.

HCV management plan for 2020 in the Dolok Sinumbah unit as follows

- Make warning boards prohibiting animal hunting and cutting down trees in biodiversity conservation areas in the forest
- Guard patrols
- Socializing HCV areas to surrounding communities to maintain forest areas
- Socialization of biodiversity conservation areas in the forest to the surrounding community not to damage the forest.
- Monitoring activities carried out are
- Monitor the presence of wild animal species by checking the tracks
- Monitor the disturbance of wildlife and plants by checking

Based on the results of interviews with management, it is known that the HCV plan management has consulted with *Pagulu Nagori* around the company which was carried out through a questionnaire conducted in January - February 2020.

The company has also conducted wildlife observations for semester 2 of 2019 with many species encountered, including birds *Centropus sinensis*, *Ictinaetus sp*, *Egretta garzetta*, *Alcedo coerulescens*, *Dicaeum trochileum*, *Pycnonotus goiavier*

The company has not been able to show the evidence of riparian HCV management is in accordance with HCV Management and Monitoring Plan. Based on the field visit on HCV area of Aek Moyam River riparian in Balimbingan Estate and the Bah Bolon River riparian in Dolok Sinumbah Estate - Afdeling I and II, it is known several HCV management has been conducted such as the boundary marking, and planting the woody plant. However, the riparian width still not in accordance with the SOP of Riparian Management Mechanism (No. SPO 05 Rev. 3 dated August 27, 2018), thus some riparian HCV was opened and planted with oil palm partially during replanting activities. This is become Non-conformity **No. 2020.05**.

#### **7.12.5**

Based on the review of the HCV Identification document at Balimbingan and Dolok Sinumbah Estate, it is known that there are no customary rights areas in the area identified as HCV areas. The results of field observations in the HCV area were located in the Balimbingan Estate HCV Aek Moyam River Riparian Area, Block 19A Afdeling III and Dolok Sinumbah Estate at HCV Bah Bolon River Riparian Area, Block 18A Afdeling I and Block 18I Afdeling II. its known there were no areas that overlapped with the surrounding village community area.

#### **7.12.6**

The Company has shown a Circular with DOS / SE.Int / 03 / I / 2018 number dated January 3<sup>rd</sup>, 2018 concerning protection of rare protected wildlife and plants which pursuant to Law No.5 of 1990 concerning Conservation of natural resources and biodiversity and Ecosystem, Law No. 23 year 1997, Law 41 of 1999 concerning forestry and others. Delivered that all Afdeling / parts.

1. It is not permissible to catch, maintain, sell and buy rare and protected wildlife.
2. It is not permissible to damage, cut down rare / protected plants / trees.
3. Criminal sanctions for people who intentionally violate provisions with a maximum of 5 years in criminal terms and a fine of IDR 100,000,000 in accordance with article 40 paragraph 2 of Law No. 5 of 1990.

In the HCV program 2020 has explain the company conducting socialization related to the importance of forest areas to employees and the community. Base on interview with sparying employee Block 94L Afdeling I Balimbingan Estate , they know about protected wildlife and prohibition spraying in the riparian area.

The company has put up signs for signs of conservation areas and protected species in the area of the company as a form of socialization into the community. The Dolok Sinumbah business unit shows evidence of the socialization of Protection of endangered animals and plants to employees on April 10, 2019, followed by 18 Afdeling employees. The *Balimbingan* Unit has demonstrated HCV socialization activities on Wednesday 20 February 2020 attended by 19 staff employees

**7.12.7**

The company shows the management and monitoring plan for the HCV area on year 2020 which informs HCV types, location, management actions, monitored indicators, monitoring objectives, benchmarks, methods, period and person in charge. The company has also conducted wildlife observations for semester 2 of 2019 with many species encountered, including birds *Centropus sinensis*, *Ictinaetus sp*, *Egretta garzetta*, *Alcedo coerulescens*, *Dicaeum trochileum*, *Pycnonotus goiavier*

The results of the HCV/RTE monitoring have been analysed and documented in semester 2 of 2019, however based on the field visit of the Aek Moyam River border at Balimbingan Estate and the Bah Bolon River border in Dolok Sinumbah Afdeling I and II, it is known that the river border was opened and planted with oil palm during replanting activities. this has become a Non Conformity in indicator 7.12.4

**7.12.8**

There was no new developments since 2005 in the operational area. there was no new planting until audit ASA 1.2

<b>7.12.4</b>	<b>Status: Nonconformity No. 2020.05 with Critical category</b>
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**3.0 Conformity Checklist of Certificate and Trademark Use**

<b>1.</b>	<b>Evidence of permission or approval certificate and trademark from Certification Body which submitted by Client</b>	<b>X or√</b>
	Certificate holder (Dolok Sinumbah POM – PT. Perkebunan Nusantara IV) have a license/approval from Mutuagung Lestari as Certification Body regarding use of certification with No. MUTU-RSPO/111. PT Perkebunan Nusantara IV do not use RSPO trademark and not yet have trademark license.	√
	<b>Status: Comply</b>	
<b>2.</b>	<b>Implementation of certificate and trademark used by Client comply with size and type (shape) against Guideline of trademark Use</b>	<b>X or√</b>
	Certificate holder (Dolok Sinumbah POM – PT. Perkebunan Nusantara IV) have a license/approval from Mutuagung Lestari as Certification Body regarding use of certification with No. MUTU-RSPO/111. PT Perkebunan Nusantara IV do not use RSPO trademark and not yet have trademark license.	√
	<b>Status: Comply</b>	
<b>3.</b>	<b>Implementation of Certificate and Trademark is not used on product</b>	<b>X or√</b>
	Certificate holder (Dolok Sinumbah POM – PT. Perkebunan Nusantara IV) have a license/approval from Mutuagung Lestari as Certification Body regarding use of certification with No. MUTU-RSPO/111. PT Perkebunan Nusantara IV do not use RSPO trademark and not yet have trademark license.	√
	<b>Status: Comply</b>	
<b>4.</b>	<b>Controlling of Certificate and Trademark, including withdrawing inappropriate trademark.</b>	<b>X or√</b>
	Certificate holder (Dolok Sinumbah POM – PT. Perkebunan Nusantara IV) have a license/approval from Mutuagung Lestari as Certification Body regarding use of certification with No. MUTU-RSPO/111. PT Perkebunan Nusantara IV do not use RSPO trademark and not yet have trademark license.	√
	<b>Status: Comply</b>	

**3.1 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 April 2019.

MUTU has verified partial certification for un-certified unit's subsidiary of PTPN IV based on their Time Bound Plan. There is three (3) uncertified mills and eleven (11) 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></p> <p>There are external audit that has been conducted for management units of Pasir Mandoge, Sosa, Timur, PT Agro Sinergi Nusantara and PT Sinergi Perkebunan Nusantara.</p> <p>Positive assurance is produced for these units.</p>
2.1.2	No replacement of primary forest or any area identified as containing High Conservation Values (HCVs) or required to maintain or enhance HCVs in accordance with RSPO criterion 7.3 (it has changed be Criterion 7.12 in P&C 2018)	<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 which is PT Sinergi Perkebunan Nusantara.</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</p>

		<p>non-compliant land clearance.</p> <p><b>Auditor verification</b> Auditor has verified the supporting evidence of above the company statement. The above statement in accordance with the supporting evidence provided.</p>
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	Land conflicts, if any, are being resolved through a mutually agreed process, such as the RSPO Complaints System or Dispute Settlement Facility, in accordance with RSPO criteria 2.2, 6.4, 7.5 and 7.6 (it has changed be Criterion 4.8, 4.7 and 4.5 in P&C 2018).	<p>There is no land conflicts.</p> <p><b>Auditor verification</b> The company has SPO of conflict area management No. 4 (revise 2) January 2, 2015 has explain that problem solving of conflict area is conducted by negotiation which involves leader of dispute area and determine the compensation done by negotiation until they reach agreement.</p> <p>There is evidence of documented land dispute resolution for the uncertified units.</p>
2.1.5	Labour disputes, if any, are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3 (it has changed be Criterion 4.2 in P&C 2018).	<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</p>

		<p>January 2, 2015) and there are SOP of Communication and Public Consultation (No. SPO 03, revision 02, the effective date of January 2, 2015).</p> <p>The Company has a policy to protect the identity of the Whistle Blowing that stated in the documents of Infringement Complaint Management System (Whistle Blowing System) PT Perkebunan Nusantara IV (Persero) on 2013 in Article 10: Protection for Reporter.</p>
<p>2.1.6</p>	<p>Legal non-compliance, if any, is being addressed through measures consistent with the requirements of RSPO P&amp;C criterion 2.1 (it has changed be Criterion 4.2 in P&amp;C 2018).</p>	<p>Yes, there is legal non-compliance is being processed i.e. HGU, consist of:</p> <ul style="list-style-type: none"> <li>• Bah Birung Ulu</li> <li>• Marjandi Estate: 30 Ha</li> <li>• Dolok Sinumbah Estate: 35.94 Ha</li> <li>• Bukit Lima Estate</li> <li>• Air Batu Estate: 459.02 Ha</li> <li>• Berangir Estate: 10 Ha</li> <li>• Sawit Langkat Estate: 301.50 Ha</li> <li>• Sei Kopas Estate: 763 Ha</li> <li>• Panai Jaya Estate</li> </ul> <p><b>Auditor verification</b></p> <p>The company has a complete list of regulations in 2nd semester of 2019 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 2nd semester of 2019 at the Head of General Affairs and Human Resources Department and has distributed to each division office in hardcopy and softcopy. The</p>



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

**3.4.1. Identification of Findings, Corrective Actions and Observations at ASA-1**

<i>NCR No.</i>	: 2019.01	<i>Issued by</i>	: Sandra Purba
<i>Date Issued</i>	: 2 April 2019	<i>Time Limit</i>	: ASA-2
<i>NC Grade</i>	: Minor	<i>Date of Closing</i>	: 19 June 2019
<i>Standard Ref. &amp; Requirement</i>	: 2.2.2 Evidence that legal boundaries are shown with a clear boundary and maintained.		
<b>Evidence observed</b> (filled by auditor):			
Based on document studies, the results of interviews and visits in the field, it was found that there was an area of + 2 ha which was released from Kebun Balimbingan Estate (Afdeling IV) during the extension of HGU on. The results of the field visit revealed that there were no boundaries between the Balimbingan Estate and the area that had been released from the HGU.			
<b>Non-Conformance Description</b> (filled by auditor):			
Balimbingan Estate has not been able to show clear and maintained legal boundaries			
<b>Root Cause Analysis</b> (filled by organization audited):			
The distance between one bounding pole and another is too far so that it does not represent the boundary area that has been set according to the existing HGU.			
<b>Correction</b> (filled by organization audited):			
Adding auxiliary boundary stakes so that the boundaries of the HGU area instead of HGU are clearer			
<b>Corrective Action</b> (filled by organization audited):			
Periodically monitor boundary markers conditions every 6 months so that you can know the boundaries of the plantation area.			
<b>Assessor Evaluation and Conclusion</b> (filled by auditor):			
<b>Verification 11 June 2019</b>			
The management unit has shown a letter from the Balimbingan Unit No. BAL / 04.13 / 08 / V / 2019 dated 22 May 2019 related to the addition of the HGU boundary marker to the Land Law Department of PTPN IV HQ. In addition, the management unit also sent documentation on the condition of the 96BX Afdeling IV Block which required the addition of HGU boundary marker. The management unit has also set up a special officer consisting of an Afdeling assistant and foreman to monitor HGU boundary markers with the details of the assignment:			
<ul style="list-style-type: none"> <li>• Creating a boundary markers monitoring program (HGU)</li> <li>• Perform boundary markers monitoring (HGU) in each work unit on schedule</li> <li>• Report the results of monitoring to HR and general assistants</li> <li>• Each boundary markers / HGU pillar is made a circle</li> <li>• The boundary markers / HGU pillar is cleaned every 2 months.</li> </ul>			
However, the management unit has not been able to demonstrate the implementation of the installation of HGU boundary markers in the field. Based on this, Non-conformity No. 2019.01 is not yet closed.			

**Verification 19 June 2019**

The management unit has shown a letter from the Legal / Land Division dated 17 June 2019 which informs that the addition of the HGU boundary markers is in process. Based on evidence of such improvement, the Non-conformity is closed and will be observed again during the next visit.

*Verified by* : **Sandra Purba**

<i>NCR No.</i>	: <b>2019.02</b>	<i>Issued by</i>	: <b>Brigitta Prita</b>
<i>Date Issued</i>	: <b>2 April 2019</b>	<i>Time Limit</i>	: <b>1 July 2019</b>
<i>NC Grade</i>	: <b>Major</b>	<i>Date of Closing</i>	: <b>19 June 2019</b>
<i>Standard Ref. &amp; Requirement</i>	: <b>4.4.2. Protection of water courses and wetlands, including securing and maintaining appropriate riparian and other buffer zones, at the time of or prior to replanting shall be demonstrated.</b>		

*Evidence observed (filled by auditor):*

Based on field observations in Block 97 A Afdeling IV riparian area of Bah Kasindir, it is known that riparian area has been planted with palm oil in 2016; there is no spray limit, there is no HCV area information board and there are former chemical spraying activities. In addition, the results of the identification study and HCV map for the period of 2011 revealed that the area entered into the HCV Area with HCV 4 attributes.

*Non-Conformance Description*

This is not in accordance with the mechanism procedure of riparian area management (05) January 2<sup>nd</sup>, 2015; such as marking riparian area and conservation area; make prohibition on the riparian area, on the riparian area which has been planted with palm oil, the vegetation should be maintained with a ban on spraying; planting / enrichment in empty riparian area or bushes and others



Sempadan Sungai Bah Kasindir Blok 97 A.

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

- Insufficient understanding of workers in conducting chemist activities in accordance with existing SOPs
- The officer who monitors the river border conditions including the HCV area is not yet been determined
- There has been no monitoring of river border conditions (HCV area) carried out by supervisory officers.

*Correction (filled by organization audited):*

- Make a spraying boundary sign, HCV signage on the river border area.
- Provide socialization procedures for river border management to chemist workers

- Make monitoring of river border conditions (HCV area) every 6 months
- Determine the PIC who is responsible for monitoring the river boundary conditions that enter the HCV area

*Corrective Action (filled by organization audited):*

- Establish a river border management mechanism including HCV area
- Make a commitment to implement the river border management mechanism including HCV area

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

**Verification 26 May 2019**

The company shows proof of improvement including:

- Provision of spraying border marker on riparian areas Located in Block 97 A Afdeling IV Bah Kasindir River.
- The company shows a decree on the determination of field officers for HCV management and monitoring of Dolok Sinumbah Estate / POM.
- Monitoring the prohibition area of chemical in Afdeling I-IV in April 2019.
- The mechanism of protection of water bodies and wetlands.
- The company's commitment to implement riparian management dated January 5, 2019.
- Dissemination of HCV management area on June 4, 2018 to employees.

But the proof of improvement given has not explained:

- Distance of the spraying marker in the riparian area
- Information of signboard for HCV area in riparian area

So this non-conformity is not yet closed.

**Verification 14 June 2019**

The company shows evidence of the installation of spraying boundary markers in the riparian area with a distance of 50 meters, the installation of HCV signboards, but not explained the type of HCV and HCV attribute. Information signboards are not combined with prohibition of spraying. So this non-conformity is not yet closed.

**Verification 19 June 2019**

The company has shown the documentation of the installation of the HCV information board located in Block 97 A of the Dolok Sinumbah Estate which has informed the HCV 1.1 attribute. In addition, the management unit also shows the results of monitoring all HCV signboard locations throughout the region. Based on monitoring data in May 2019 there were 7 HCV signboards found in 6 Afdeling. Based on the evidence being sent, non-conformity is closed.

**Verified by** : **Brigitta Prita**

<i>NCR No.</i>	: <b>2019.03</b>	<i>Issued by</i>	: <b>Yudhi Yuniarto Tallutondok</b>
<i>Date Issued</i>	: <b>2 April 2019</b>	<i>Time Limit</i>	: <b>ASA-2</b>
<i>NC Grade</i>	: <b>Minor</b>	<i>Date of Closing</i>	: <b>3 March 2020</b>
<i>Standard Ref. &amp; Requirement</i>	: <b>4.6.7 Application of pesticides shall be by proven methods that minimize risk and negative impacts.</b>		

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

The company has procedures related to the Management and Storage of Chemicals with Number 23 dated March 4, 2019. In point 6.7.6 it is explained that mixing chemicals is only done at home rinse the available ones. However, based on field observations for circle and path spray activities on Blok 95E Division I Balimbingan Estate, it is known

that mixing pesticides is carried out in the field (picture attached) where it is not in accordance with the procedures that the company has.



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

- Insufficient understanding of officers in implementing established procedures.
- Not yet socialized the implementation of procedures to workers on a scheduled basis by Chemist Foreman and Assistants in each afdeling.

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

- Conduct mixing the chemicals at home rinse according to existing SOPs
- Providing information on procedures for managing and storing chemicals to the officers concerned

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

Evaluate the understanding of officers after obtaining information on the implementation of procedures for managing chemicals so that in the future the implementation of chemical management is in accordance with existing procedures. The management unit has a mechanism for implementing an evaluation of officers' understanding after getting socialization / training.

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

**Verification 14 June 2019**

The company sends some proof of improvement as follows:

1. Minutes of socialization the mixing of chemicals on 8 April 2019 at the Afdeling I Office, which was attended by 61 spray workers and foremen. Material, attendance lists and documentation of the socialization are available.
2. Minutes of socialization the mixing of chemicals on April 8, 2019 at the Afdeling II Office which was attended by 69 employees and spray foremen. Material, attendance lists and documentation of the socialization are available.
3. Minutes of socialization the mixing of chemicals on 8 April 2019 at the Afdeling III Office, which was attended by employees and spray foremen with a total of 70 people. Material, attendance lists and documentation of the socialization are available.
4. Minutes of socialization the mixing of chemicals on 8 April 2019 at the Afdeling VI Office which was attended by

- 78 spray workers and foremen. Material, attendance lists and documentation of the socialization are available.
5. Minutes of socialization of procedures for the implementation of chemistry on April 8, 2019 at the Afdeling I Office, which was attended by employees and spray foremen with a total of 10 people. Material, attendance lists and documentation of the socialization are available.
  6. Recapitulation of evaluation of socialization of mixing chemicals with 6 employees of chemist Afdeling I. From the evaluation results, it was found that the average employee had a good understanding of the procedure for mixing chemicals.
  7. Recapitulation of evaluation of socialization of mixing chemicals with 6 employees of chemistry Afdeling II. From the evaluation results, it is known that the average employee has a good understanding regarding the procedure for mixing chemicals.

Based on this, the auditor concluded that nonconformities had not been fulfilled. The company must first answer the auditor's questions in the root problem analysis column and corrective action.

**Verification**

The management unit has provided explanations related to the root cause and corrective actions, but the explanation related to corrective actions has not answered in accordance with the root of the problem. In addition, there is no evidence of correction which informs that mixing chemicals has been done at home rinse according to the existing SOP. Based on the results of the verification, non-conformity is not yet closed.

**Verification 03 March 2020**

Based on the results of field visits, interviews with the foreman and spraying workers on the spray work of woody growth in block 94 L Afdeling I of the Balimbing estate. The auditor did not find any mixing of chemicals in the field. The chemicals carried already contain a mixture of water and chemicals. From interviews with spraying workers and foremen, it was discussed that mixing chemicals was carried out at the rinse house.

**Based on the results of the verification, this discrepancy was declared to have been complied.**

<i>Verified by</i>	: <b>Yohanes Hardian</b>
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<i>NCR No.</i>	: <b>2019.04</b>	<i>Issued by</i>	: <b>Sandra Purba</b>
<i>Date Issued</i>	: <b>2 April 2019</b>	<i>Time Limit</i>	: <b>1 July 2019</b>
<i>NC Grade</i>	: <b>Major</b>	<i>Date of Closing</i>	: <b>19 June 2019</b>
<i>Standard Ref. &amp; Requirement</i>	: <b>4.7.2</b> <b>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>		

*Evidence observed (filled by auditor):*

Dolok Sinumbah Estate and Balimbangan Estate have compiled the HIRAC document which explains that one of the controls for risk is to use the appropriate PPE when working. Both units have determined the types and specifications of PPE that are suitable for each activity.

However, based on field observations there are HIRAC that are not implemented, namely:

- 3 persons of agrochemical applicator in Balimbangan Estate are not use PPE (apron) but using the orange uniform which is absorbed and does not protect from chemical exposure to the body.
- The generator operator in Balimbangan Estate does not use safety shoes while working (using AP boot shoes)
- The chemical warehouse clerk in Dolok Sinumbah Estate uses leather and rubber gloves but the leather gloves have been damaged.



- Hoisting crane operators in mill do not use gloves.
- The sterilizer operator does not use PPE safety shoes (wearing PPE boots)
- Observed in Dolok Sinumbah Estate Block of 03U Afd III harvesting activities, the workers do not use glasses and gloves
- Interviews with Chemical operators and observed to the PPE storage in Dolok Sinumbah Afd III, known that the company provided PPE spray uniforms (uniform orange fabric), the uniform made from absorbing and not protecting from chemical exposure to the body

***Non-Conformance Description:***

Related to this, both business units have not been able to show evidence that the specified risk control plan has been implemented and monitored its effectiveness.

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

- There is no monitoring of the use and condition of PPE in accordance with the identification of the risks that have been made which are carried out on a monthly basis
- There is no PIC assigned to monitor the use and condition of PPE and the implementation of OSH in the operational area of the company

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

- Completing the aprons for spraying officers in the Balimbingan Estate
- Completing the PPE of workers in the Balimbingan Estate and Dolok Sinumbah Estate in accordance with the identification of risks.
- Providing information on risk management (HIRAC) to workers

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

- Monitoring the use of PPE in accordance with the identification of the risks set by the company on a monthly basis
- Establish a PIC that is responsible for monitoring the use and condition of workers' PPE
- The company has a policy if there is a damaged PPE can be replaced by using a stock (spare) PPE that is intended for guests before the new PPE is given to workers.

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

**Verification 28 May 2019**

The Balimbingan Unit shows evidence of improvement including:

1. Minutes of socialization the use of PPE on April 10, 2019 in Afd I to IV followed by chemist foremen and workers, socialized types of PPE are used: helmet, safety shoes, safety boot, gloves, masks, glasses, earplugs, face shields and aprons, the PPE replacement mechanism that explains that replacement of damaged PPE is done based on the results of monitoring and reported to the manager for new replacements where checks and monitoring are conducted once a month and socialization attendance with 19 participants.  
However, there is no evidence of socialization to all workers in all activities of the Balimbingan unit
2. The minutes of socialization the risk management (HIRAC) conducted on April 9 to workers and foremen in Afd I Balimbingan, the number of participants was 15 people.  
There is no evidence that the HIRAC socialization has been carried out to all employees in all operational activities of Balimbingan Unit.
3. Evidence of evaluation of training and socialization of HIRAC, PPE and PPE replacement mechanism and evidence of the determination of special officers in monitoring PPE.
4. The results of PPE monitoring in technical activities, nursery, afdeling I, Afdeling III, Afdeling IV and Afd II of Balimbingan Estate on April 24, 2019. However, it has not been able to show evidence of evaluation of monitoring results and proof of replacement for all identified PPE damaged.



Dolak Sinumbah unit shows proof of improvement, including:

1. Identify personal protective equipment and OHS risk identification for the 2019 period for the processing unit, inform the type of work, identify hazards and the risks and types of PPE provided
2. Monitoring PPE in the Dolak Sinumbah POM processing unit in April 2019 types of safety shoes, helmets, masks, leather gloves, dust goggles, ear plugs, ear muffs, leather gloves, chemical glasses and aprons
3. Monitoring PPE for administration section period April 2019 (hazardous waste officers, material clerk, accounting staff, fertilizer / chemical warehouse officers, lubricant warehouse officers), PPE types: safety shoes, helmets, masks, gloves, glasses and aprons.
4. Monitoring of PPE for technical section in April 2019 (general workshop, electrical workshop, building)
5. Monitoring of PPE in estate for April 2019 in Afd I to afdeling V for PPE types: shoes, helmets, masks, gloves, glasses, aprons
6. Proof of request for replacement of damaged PPE, proof of purchase of PPE, and report on the replacement of PPE carried out on 12 April 2019 for estate and POM, types of shoes, gloves, glasses, boots, chemical masks, helmets, rubber gloves, leather gloves, dust goggles, chemical goggles and chemical apron.
7. Evidence of socialization of job risk identification on 12 April 2019 is followed by 50 POM employees and Evidence of HIRAC training evaluation and use of PPE on POM employees, but there is no evidence that socialization has been carried out to all POM and Estate employees.
8. Documents for determining the officer responsible for monitoring PPE in the Estate and POM, but have not yet shown the PPE monitoring schedule.

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

**Verification 13 June 2019**

Both units can show proof of improvement in the form of:

1. Application document for the replacement of a damaged PPE from the chairman of P2K3 to the Balimbingan Manager on April 8, 2019 no. : letter BAL / P2K3 / 01 / IV / 2019; proof of purchase of PPE on May 13, 2019 types of boots, helmets, t-shirts, glasses, chemical aprons and safety shoes.
2. Evidence of monitoring the PPE of the Balimbingan employee conducted on April 24, 2019 in the engineering section, nursery, afdling IV, afdeling III, afdeling II and afdeling I, informing the type of PPE examined and the condition of the PPE.
  1. Attached proof of replacement of the identified PPE damaged and not present during monitoring, replacements made on May 15, 2019 in the engineering section, bibliography, department IV, counseling III, counseling II and counseling I, for example in the replacement technique 1 pair of safety shoes; on the bib replacement 2 pairs of boot shoes, 2 helmets and 1 glove; in replacement IV replacement 12 pairs of boot shoes, 13 helmet, 10 hand gloves; in afd III the replacement of 12 pair of boot shoes, 8 helmets, 10 gloves, and 5 glasses.
2. Proof of socialization of PPE documents to Balimbingan employees on April 10, 2019, evidence has been completed with training materials, photo documentation and attendance list: AFD I as many as 61 people, Afd II as many as 69 people, Afd III 72 people and IV IV 78 people.
3. Proof of socialization of risk identification documents to employees of POM and Estate on April 20, 2019 with a total of 97 participants. The evaluation of the training has been carried out with the results of the participants' level of understanding sufficiently good
4. SK special officer to monitor employee PPE no. DOS / M / Kpts / 03 / V / 2019 dated May 31, 2019, explained in the Decree that checks and monitoring are conducted once a month.

However, it has not been shown that the two units have stipulated provisions regarding the stock of PPE (spare) and proof of their physical stock being stocked as a backup if there is a replacement of the employee PPE that is damaged at any time.

<b>Verified by</b>	<b>:</b>	<b>Sandra Purba</b>
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<b>NCR No.</b>	<b>:</b>	<b>2019.05</b>	<b>Issued by</b>	<b>:</b>	<b>Sandra Purba</b>
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<i>Date Issued</i>	: <b>2 April 2019</b>	<i>Time Limit</i>	: <b>1 July 2019</b>
<i>NC Grade</i>	: <b>Major</b>	<i>Date of Closing</i>	: <b>13 June 2019</b>
<i>Standard Ref. &amp; Requirement</i>	<b>4.7.3</b> <b>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.</b>		
<p><i>Evidence observed (filled by auditor):</i></p> <p>In the collective labour agreement the company stated that the schedule for providing PPE to employees is once a year. The mechanism that regulates the replacement of PPE can be shown if damaged before the scheduled replacement period is listed in Manager Circular Letter (No: BAL / SE / Intern / 11/1/209 for Balimbingan and no. : DOS / SE / internal / 01 / I / 2019 for Dolok Sinumbah) which states that identification of damaged PPE is done through monitoring the completeness of PPE carried out every month by technical assistants, reported to HR assistants for PPE replacement, and PPE distribution to employees.</p> <p>During document review, field observations and interviews with employees, auditor observed the following:</p> <ul style="list-style-type: none"> <li>• The evidence of employee PPE monitoring has not been shown and interviews with the secretary of Balimbingan' OSH committee told that monitoring of damaged PPE is only done once a year during PPE replacement according schedule.</li> <li>• Dolok Sinumbah estate shows evidence of PPE distribution on January 13, 2018, but it has not been shown the evidence of PPE distribution for 2019 to employees</li> <li>• Dolok Sinumbah estate has not yet shown evidence of monthly PPE monitoring in all operational activities.</li> <li>• Based on interviews with employees in Balimbingan Estate (harvesters and sprayers) said that the replacement of PPE is done once a year and there is no replacement of damaged PPE, told that the current safety shoes used procured by themselves)</li> <li>• During field observations to mill, for example to scheduled waste storage and chemical warehouses, known that PPE of safety shoes was damaged (shoe soles have run out / thin) and interviews with mill employees such as lorry pullers say that they do not understand the mechanism of damaged PPE replacement (the hand gloves used when working is self-procuring)</li> </ul> <p><i>Non-Conformance Description:</i></p> <p>Regarding this, the company has not been able to show evidence that the company's mechanisms and policies have been implemented and monitored their effectiveness.</p>			
<p><i>Root Cause Analysis (filled by organization audited):</i></p> <ul style="list-style-type: none"> <li>• Insufficient understanding of workers about the mechanism for providing PPE by the company</li> <li>• There is no monitoring of the use and condition of PPE in accordance with the identification of the risks that have been made which are carried out on a monthly basis</li> <li>• There is no PIC assigned to monitor the use and condition of PPE and the implementation of OSH in the operational area of the company</li> </ul>			
<p><i>Correction (filled by organization audited):</i></p> <ul style="list-style-type: none"> <li>• Demonstrate the mechanism of PPE delivery / replacement</li> <li>• Make monitoring of the condition of PPE used by workers in afdeling</li> <li>• Provide information on the mechanism of PPE delivery / replacement</li> </ul>			
<p><i>Corrective Action (filled by organization audited):</i></p>			

- Monitoring the use of PPE in accordance with the identification of the risks set by the company on a monthly basis.
- Establish a PIC that is responsible for monitoring the use and condition of workers' PPE
- Make socialization of the functions and uses of PPE to workers
- The company has a policy if there is a damaged PPE can be replaced by using a stock (spare) PPE that is intended for guests before the new PPE is given to workers

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

**Verification 28 May 2019**

Balimbangan Estate shows evidence of improvement including:

1. Minutes of socialization the use of PPE on April 10, 2019 in Afd I to IV followed by chemist foremen and employees, socialized types of PPE are: helmet, safety shoes, safety boot, gloves, masks, glasses, earplugs, face shields and aprons, the PPE replacement mechanism that explains that replacement of damaged PPE is done based on the results of monitoring and reported to the manager for new replacements, where checks and monitoring are conducted once a month and socialization attendance with 19 participants.
2. Evidence of evaluating the effectiveness of training and socialization of HIRAC, PPE and the mechanism of PPE replacement and proof of the socialization of special officers in monitoring PPE in the Balimbangan Estate with a total of 10 officers (equipped with duties and responsibilities).
3. The results of PPE monitoring in the technical activities, nursery, afdeling I, afdeling III, afdeling IV and Afd II of Balimbangan Estate on April 24, 2019.

However, there is no evidence of socialization to all workers in Balimbangan Estate.

There is no evidence that the HIRAC socialization has been carried out to all workers in Balimbangan Estate.

Not yet able to show proof of evaluation of monitoring results and proof of replacement for all identified PPE damaged.

Dolok Sinumbah Estate shows proof of improvement, namely:

1. Identification of personal protective equipment and OHS risk identification for period 2019 for the processing unit, informing the type of work, identification of hazards and the risks and types of PPE given
2. Monitoring PPE in the Dolok Sinumbah Estate processing unit in April 2019 types of safety shoes, helmets, ash masks, leather gloves, dust goggles, ear plugs, ear muffs, leather gloves, chemical glasses and aprons
3. Monitoring PPE for the administration section for April 2019 (hazardous waste warehouse officers, materials clerk, bookkeeping officer, fertilizer / chemical warehouse officers, lubricant warehouse officers), PPE types: safety shoes, helmets, masks, gloves, glasses and aprons.
4. PPE Monitoring on technical section in April 2019 (general workshop, electrical workshop, building).
5. Monitoring of PPE for field officer in April 2019 in Afd I to afdeling V for PPE types: shoes, helmets, masks, gloves, glasses, aprons.
6. Evidence of Dolok Sinumbah Estate establishment of investigation officers in Dolok Sinumbah Estate consist of 3 people in accordance with Manager Decree No. : DOS / P2K3 / Kpts / 02 / IV / 2019.
7. Evidence of socialization the functions of PPE use and the mechanism for replacing PPE on 13 April 2019 were followed by 14 POM workers, but there was no evidence that socialization had been carried out to all workers in mill and estate.
8. Appointment documents for officers who are responsible for monitoring PPE in the mill and estate of Dolok Sinumbah, but have not shown the PPE monitoring schedule.

There is evidence that is still less so, Non-conformities have not been fulfilled.

**Verification 13 June 2019**

Both units can show proof of improvement in the form of:

1. Documents for the application of a damaged PPE from the head of P2K3 to the Balimbangan Manager on April 8, 2019; proof of PPE purchase on May 13, 2019 types of boots, helmets, t-shirts, glasses, chemical aprons and safety shoes.

2. Evidence of PPE monitoring for Balimbingan Estate conducted on April 24, 2019 in the engineering section, nursery, Afdeling IV, Afdeling III, Afdeling II and Afdeling I, informing the type of PPE examined and the condition of the PPE.  
Attached proof of replacement of the identified PPE damaged and not present during monitoring, replacements made on May 15, 2019 in the engineering section, nursery, Afdeling IV, Afdeling III, Afdeling II and Afdeling I, for example replacement in the technique section 1 pair of safety shoes; replacement 2 pairs of boot shoes, 2 helmets and 1 glove in nursery, replacement of 12 pairs of boot shoes, 13 helmet, 10 hand gloves in Afdeling IV; replacement of 12 pair of boot shoes, 8 helmets, 10 gloves, and 5 glasses in Afdeling III.
3. Proof of PPE socialization to Balimbingan workers on April 10, 2019, evidence has been completed with training materials, photo documentation and attendance list: Afd I as many as 61 people, Afd II as many as 69 people, Afd III as many as 72 people and Afdeling IV as many as 78 people.
4. Proof of socialization of risk identification to workers of POM and Estate on April 20, 2019 with a total 97 participants. The evaluation of the training has been carried out with the results of the participants understanding level is sufficient to great.
5. In the decree of the special officer to monitor employee PPE, explained that the officer must checks and monitor once a month.

All proof of improvement has been received so that nonconformity is closed

*Verified by* : **Sandra Purba**

<i>NCR No.</i>	: <b>2019.06</b>	<i>Issued by</i>	: <b>Sandra Purba</b>
<i>Date Issued</i>	: <b>2 April 2019</b>	<i>Time Limit</i>	: <b>1 July 2019</b>
<i>NC Grade</i>	: <b>Major</b>	<i>Date of Closing</i>	: <b>19 June 2019</b>
<i>Standard Ref. &amp; Requirement</i>	<b>6.1.3</b> <b>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 unscheduled including the responsibilities of implementation.</b>		
<i>Evidence observed (filled by auditor):</i>			
<p>Balimbingan Unit shows social impact management programs for the 2018 and 2019 period which are prepared in consultation with various parties. Based on interviews with community representatives (sub-district head), there was an issue of the activities of the people who trade along the road around the company area (social jealousy between disciplined and unregulated trader).</p> <p><i>Non-Conformance Description</i>          In this regard, the company has not been able to show that all social issues and impacts have been identified, monitored and managed.</p>			
<i>Root Cause Analysis (filled by organization audited):</i>			
<p>The lack of understanding of officers in identifying problems and social issues that develop in the community around the plantation which is the basis for making the social impact analysis program in Balimbingan Estate.</p>			
<i>Correction (filled by organization audited):</i>			
<ul style="list-style-type: none"> <li>• Include the issue of activities of the community that trades on the side of the road around the company's area (social jealousy between disciplined and unregulated trader) into the social impact management program of</li> </ul>			

<p>Balimbingan Estate.</p> <ul style="list-style-type: none"> <li>Socialization to officer about the procedures for identifying and making a social impact management program that is in accordance with the social impact analysis.</li> </ul>	
<p><i>Corrective Action (filled by organization audited):</i></p> <p>Evaluate the understanding of officers after obtaining socialization on procedures for identifying and making a social impact management program that are in accordance with the social impact analysis.</p>	
<p><i>Assessor Evaluation and Conclusion (filled by auditor):</i></p> <p><b>Verification 13 June 2019</b>          Balimbingan Estate can show proof of improvement in the form of:</p> <ol style="list-style-type: none"> <li>Report on training on how to prepare / program and evaluate social impact management programs as well as other document requirements for RSPO certification on May 16, 2019, followed by document controller of Dolok Sinumbah and Balimbingan, in the annex accompanied by a list the number of participants is 6 people.</li> <li>Record of evaluation for document controller who attend training as many as 4 people in both units with the results of a good level of understanding</li> <li>Program and realization of the management of social impacts 2019. However, Balimbingan Estate has not been able to show proof of identification of all issues of social impact caused and include them in management programs (including issues that the auditor has identified related to social jealousy between disciplined traders and unregulated trader). Non-conformity is not yet closed.</li> </ol> <p><b>Verification 19 June 2019</b>          Balimbingan Estate has shown the minutes and preparation of the SIA management plan that was conducted on April 9, 2019. The activity was attended by the Head of Tanah Jawa Sub-district, Head of Village Nagori Bah Kisat, communities and NGOs. Based on the document it is known that the social impacts managed include conflict with grazier and social jealousy between disciplined traders and unregulated trader. Based on the evidence of the improvement, the non-conformity is closed.</p>	
<i>Verified by</i>	: <b>Sandra Purba</b>

<i>NCR No.</i>	: <b>2019.07</b>	<i>Issued by</i>	: <b>Rizliani Aprianita Hsb</b>
<i>Date Issued</i>	: <b>2 April 2019</b>	<i>Time Limit</i>	: <b>1 July 2019</b>
<i>NC Grade</i>	: <b>Major</b>	<i>Date of Closing</i>	: <b>19 June 2019</b>
<i>Standard Ref. &amp; Requirement</i>	: <b>6.5.2 Collective Labor Agreement/Company Regulation, in accordance with the manpower regulations, shall be available in understandable language; and explained by the management or Labor Union to the workers.</b>		
<p><i>Non-Conformance Description &amp; Evidence observed (filled by auditor):</i></p> <p>The result of a field visit at afdeling 3 block 96BF Balimbingan estate, found 2 harvesters' wives assisting harvesting activities in the field without any work ties/agreement. In addition, the results of interview with 3 harvesters were conveyed that harvesters brought their wives to pick up loose fruit. Based on the explanation, it was concluded that there was not enough evidence that all workers had work agreement in accordance with Law 13 of 2003.</p>			
<p><i>Root Cause Analysis (filled by organization audited):</i></p> <p>- Insufficient understanding of harvesters for regulations that apply in the company.</p>			

- There is no monitoring mechanism to ensure that workers are not assisted by other people who do not have a working relationship with the company

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

- Prohibiting harvesters from doing work with the help of a family that has no relationship with the company.
- Socialize to workers about the prohibition on using job assistants who have no relationship with the company.

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

- Making circular letter / Policies that prohibit harvesters from assisting family members in harvesting activities.
- Conduct monitoring to ensure workers are not assisted by others who do not have a working relationship with the company.

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

**Verification on May 24, 2019.**

The company shows evidence of improvement in the form of:

- Minutes of socialization on April 13, 2019 related to Family Gang bans and use of underage workers attended by 17 participants. In the minutes it was explained that the prohibition on harvesting with a family gang system was not allowed to use family members who did not have work ties to assist in harvesting.

However, the company has not been able to show evidence of improvement in accordance with the corrective actions submitted in the form of:

- Absence of socialization to harvesters.
- Policy / prohibition to assist other people who do not have a working relationship with the company.
- Monitoring to ensure that workers are not assisted by others who do not have a working relationship with the company

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

**Verification on June 12, 2019.**

The company shows evidence of improvement in the form of:

- Minutes of socialization related to the Family gang ban on April 10, 2019 in afdeling I and the attendance list of 61 workers including harvesters.
- Minutes of socialization related to the Family gang ban on April 10, 2019 in afdeling II and the list attendance of 68 workers including harvesters.
- Minutes of socialization related to the Family gang ban on April 10, 2019 in afdeling III and the list attendance of 71 workers including harvesters.
- Minutes of socialization related to the Family gang ban on April 10, 2019 in afdeling IV and the list attendance of 78 workers including harvesters.
- Records of monitoring harvesters for the period January - May 2019 for afdeling I - IV. Based on the monitoring, there were no harvesters assisted by family or other people who did not have a working relationship.
- Circular Letter No. BAL / SE / 19 / V / 2019 April 8, 2019.

All evidences have been received but field verification (major verification) is needed to ensure implementation has been carried out by business units.

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

<b>NCR No.</b>	<b>: 2019.08</b>	<b>Issued by</b>	<b>: Rizliani Aprianita Hsb</b>
<b>Date Issued</b>	<b>: 2 April 2019</b>	<b>Time Limit</b>	<b>: 1 July 2019</b>



<i>NC Grade</i>	: Major	<i>Date of Closing</i>	: 12 June 2019
<i>Standard Ref. &amp; Requirement</i>	<b>6.9.1</b> <b>A policy to prevent sexual and all other forms of harassment and violence, shall be documented, implemented and communicated to all levels of the workforce.</b>		
<p><i>Non-Conformance Description &amp; Evidence observed (filled by auditor):</i></p> <p>The results of interviews with management, gender committee / women's empowerment and verification of the document known that the company has a forum to handle with women's issues. The company also showed socialization related to handle women's issues, among others :</p> <ul style="list-style-type: none"> <li>- Bahjambi : Minutes of socialization on handling women's issues in the Balimbingan estate on March 8, 2019 attended by 47 participants. The attendance list that is attached is February 18, 2019 with the agenda / topic of the social gathering IKBI.</li> <li>- Dolok Sinumbah: Minutes of socialization on handling women's issues in Dolok Sinumbah estate on March 8, 2019 attended by 47 participants.</li> </ul> <p>In the socialization minutes, the contents of the socialization points included the definition of sexual harassment, as well as prevention of sexual harassment, carried out by avoiding traveling at night and the code of conduct dressed neatly and behaving politely.</p> <p>The results of interview with 1 female worker in Balimbingan warehouse and 5 female workers (road maintenance) at afdeling III Dolok Sinumbah estate, it was found that female workers did not know the reporting mechanism regarding women's issues such as sexual harassment or sexual violence.</p> <p>Based on the explanation above, it was concluded that there was not enough evidence that the company had socialized the reporting mechanism regarding women's issues through gender committees / women's empowerment.</p>			
<p><b>Root Cause Analysis (filled by organization audited):</b></p> <p>Socialization activities have not been carried out for all existing female workers in the Balimbingan Estate and Dolok Sinumbah Estate.</p>			
<p><b>Correction (filled by organization audited):</b></p> <p>Re-socialize to workers who have not gained an understanding of the reporting mechanism regarding women's issues through gender committees / women's empowerment.</p>			
<p><i>Corrective Action (filled by organization audited):</i></p> <ul style="list-style-type: none"> <li>- Make monitoring of socialization needs related to RSPO principles and criteria.</li> <li>- Conduct an evaluation regarding the understanding of workers after obtaining socialization about the reporting mechanism regarding women's issues through gender committees / women's empowerment.</li> </ul>			
<p><i>Assessor Evaluation and Conclusion (filled by auditor):</i></p> <p><b>Verification on May 24, 2019</b>  The company shows evidence of improvement in the form of:</p> <p><b>Dolok Sinumbah</b></p> <ul style="list-style-type: none"> <li>- Minutes of socialization of sexual harassment at afdeling I-V Dolok Sinumbah Estate on April 20, 2019. In the minutes it was explained that if there were workers or female workers experiencing or witnessing sexual harassment to be reported to the Chair of the Gender Committee. The socialization was attended by 27 participants from afdeling I-V.</li> <li>- Work Program of the gender committee / section on women's empowerment in January 9, 2019, one of which</li> </ul>			

includes socialization of prevention of sexual harassment.

- Results of evaluating the socialization of women's issues to 26 workers along with training participant evaluation documents. Evaluation is carried out on 29 April 2019.
- Monitoring of socialization related to RSPO and ISPO in 2019.

**Blimbingan**

- Minutes of socialization on the handling of women's issues on 9 April 2019 attended by 20 participants consisting of female workers and housewives. In the minutes it is explained if there are reports related to sexual abuse, reported through the Labor Union (SPBUN) women's empowerment section of the Blimbingan base.
- Evaluation of trainees (2 workers) conducted on May 8, 2019.
- The training evaluation recapitulation form for 12 female workers consisted of HR Staff, Afdeling Staff, etc.
- Monitoring of socialization related to RSPO and ISPO in 2019.

**Verification on June 12, 2019**

Based on the clarification of the root cause analysis, correction, and corrective actions have been accepted by the auditor.

All evidences have been received but field verification (major verification) is needed to ensure implementation has been carried out by business units.

*Verified by* : Rizliani Aprianita Hsb

<i>NCR No.</i>	: 2019.09	<i>Issued by</i>	: Sandra Purba
<i>Date Issued</i>	: 2 April 2019	<i>Time Limit</i>	: 1 July 2019
<i>NC Grade</i>	: Major	<i>Date of Closing</i>	: 21 May 2019
<i>Standard Ref. &amp; Requirement</i>	: <b>SCCS General Chain of Custody 5.3.1</b> <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</b>		
<b>Evidence observed</b> <i>(filled by auditor):</i>			
Based on document review, interview results and field visits, it is known that there is no CSPO / CSPK stamp in FFB weighbridge ticket.			
<b>Non-Conformance Description</b> <i>(filled by auditor):</i>			
This is not in accordance with the Basic Guidance and Work Instruction of Certified Palm Oil Product Handling (document number 04.03/KS/SUS/P/001 approved since 1 August 2018) which explain every FFB weighbridge ticket must complete with CSPO / CSPK stamp.			
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i>			
<ul style="list-style-type: none"> <li>• There is no evaluation of the application of SOP in the field</li> <li>• Insufficient understanding of officers in implementing procedures that have been made</li> </ul>			
<b>Correction</b> <i>(filled by organization audited):</i>			
<ul style="list-style-type: none"> <li>• Implement SOP in the field</li> <li>• Conducting SOP socialization to officers related to the implementation of SCCS</li> </ul>			

*Corrective Action (filled by organization audited):*

- Conduct SOP evaluations according to implementation in the field
- Evaluating officers' understanding of the socialization that has been given

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

**Verification 21 May 2019**

Dolok Sinumbah POM has socialized SCCS to the weighbridge operator, production clerk and delivery clerk on 11 April 2019. The material presented included the provision of stamps on the consignment note and weighbridge ticket of both FFB, CPO and PK. In addition, the management unit has also shown examples of the application of stamps on the weighbridge ticket and evaluation related to the socialization that has been carried out. This is in accordance with the SOP that is owned, so that non-conformity is closed.

**Verified by : Sandra Purba**

<i>NCR No.</i>	<b>: 2019.10</b>	<i>Issued by</i>	<b>: Sandra Purba</b>
<i>Date Issued</i>	<b>: 2 April 2019</b>	<i>Time Limit</i>	<b>: 1 July 2019</b>
<i>NC Grade</i>	<b>: Major</b>	<i>Date of Closing</i>	<b>: 11 June 2019</b>
<i>Standard Ref. &amp; Requirement</i>	<b>: SCCS General Chain of Custody 5.9.1 The organization shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these RSPO Supply Chain Certification Standard requirements</b>		

*Evidence observed (filled by auditor):*

Dolok Sinumbah POM has record production and delivery of RSPO certified products for the period April 2018 to March 2019. Based on these records it is known:

- Production of Dolok Sinumbah Certified FFB for April 2018 is calculated from 1 April 2018, while Dolok Sinumbah Estate get RSPO certificates on 3 April 2018.
- Production of Balimbangan certified FFB is calculated from 1 April 2018, while the Balimbangan Estate receives RSPO certificates on 5 June 2018.
- Production of FFB from Dolok Sinumbah Estate (Block 09B) has not been calculated as RSPO non-certified products.
- In July 2018 and January 2019 there were receipts of FFB from estate that had not yet received RSPO certificates, but in the recordings there was no production of certified products (CPO and PK).

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

The recordings shown are not accurate and complete.

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

The lack of understanding of officers in making reports / records of SCCS monitoring in accordance with the provisions contained in the certificate (both the date of entry and the area included in the scope of the certification)

*Correction (filled by organization audited):*

- **Revise records of SCCS monitoring of certified products in accordance with the date the certificate is issued and the area included in the scope of the certification**

- To socialize the procedures for making monitoring / recording of certified / SCCS products

*Corrective Action (filled by organization audited):*

- Evaluate the understanding of officers after obtaining socialization / training on recording procedures / SCCS monitoring
- Evaluate the SCCS recording / monitoring that has been made by the officer

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

**Verification 21 May 2019**

Dolok Sinumbah POM has socialized SCCS to weighbridge operator, production clerk and delivery clerk on 11 April 2019. The material presented included the method of making certified product data monitoring inputs. In addition, the management unit has also shown evaluations related to the socialization that has been carried out.

Dolok Sinumbah POM has shown SCCS monitoring records, but in the monitoring data it is known that certified products for Dolok Sinumbah Estate are calculated since 1 April 2018, while Dolok Sinumbah Estate received RSPO certificates since 2 April 2018. For Balimbingan Estate, based on monitoring data it is known that certified products are calculated from 3 June 2018, while Balimbingan Estate obtains RSPO certificates since 5 June 2018. The management unit has not been able to show evidence related to accurate and complete records, so that nonconformity is not yet closed.

**Verification 11 June 2019**

Dolok Sinumbah POM has shown record of SCCS monitoring which informs about FFB received, FFB processed, CPO production and PK production. Based on monitoring data, it is known that certified products for Dolok Sinumbah Estate are calculated since 2 April 2018 and for Balimbingan Estate are calculated since 5 June 2018. Based on evidence, non-conformity is closed.

*Verified by* : **Sandra Purba**

**1.1. Identification of Findings, Corrective Actions and Observations at ASA-2**

<b>NCR No.</b>	: 2020.01.	<b>Issued by</b>	: Dwi Haryati
<b>Date Issued</b>	: 07 <sup>th</sup> March, 2020	<b>Time Limit</b>	: Next Surveillance
<b>NC Grade</b>	: Non Critical	<b>Date of Closing</b>	:
<b>Standard Ref. &amp; Requirement</b>	<b>2.2.2</b> <b>All contracts, including those for FFB supply, contain specific clauses on meeting applicable legal requirements, and this can be demonstrated by the third party.</b>		
<b>Evidence observed &amp; Non-Conformance Description (filled by auditor):</b>  <p>Not all legal obligations have been stipulated in work agreements with third parties, and not all of them have been implemented in the field. This is known based on the following evidence:</p> <ol style="list-style-type: none"> <li>Review of the Contract document between PTPN IV - Kebun Dolok Sinumbah and the contractor, for example the FFB Transport contract (No.GMD-I / TAN / S.Perj-PY / 121 / ANGKUT-TBS / I / 2020, valid from 9 January until 9 April 2020), the contract has not yet been stated in a separate clause regarding the fulfillment of applicable legal obligations, for example relating to the minimum age of workers, minimum wages, work accident insurance, and the provision of PPE to contractor employees.</li> <li>Field observations and interviews with FFB loading workers (contractors) in Block AG 96 Division II Balimbing Estate, it is known that workers do not use PPE boots and gloves, in accordance with the risk analysis and regulations set by the company (workers only use PPE helmets when working ).</li> <li>Interviews with contractor workers in Division I Balimbangan Estate explain the working conditions such as the availability of PPE provided by the workers themselves, as well as the absence of work safety guarantees.</li> </ol> <p>Also based on the Memo from the Head of Strategic Planning Section (No. 04.03 / Kol / M-09.A / XI / 2019, dated November 6, 2019) regarding vendor evaluation. This memo explains that the unit is bound by work agreements with third parties to make vendor evaluations including: PPE monitoring, BPJS membership, proof of payment of BPJS, salary slips, track record assessments, and other evaluations if needed. However, the company has not shown an overall assessment in documentation every month in accordance with the Memo.</p> <p>The list of contractors managed by the Dolok Sinumbah unit consists of 6 partners (immature plant maintenance, FFB transport, palm kernel transportation, wheel loader rental, and CPO transportation) and Balimbangan unit there are 5 partners (loading and unloading FFB).</p>			
<b>Root Cause Analysis (filled by organization audited):</b>			
<b>Correction (filled by organization audited):</b>			
<b>Corrective Action (filled by organization audited):</b>			
<b>Assessor Evaluation and Conclusion (filled by auditor):</b>			
<b>Verified by</b>	:		

<b>NCR No.</b>	: 2020.02.	<b>Issued by</b>	: Dwi Haryati
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<b>Date Issued</b>	: 07 <sup>th</sup> March, 2020	<b>Time Limit</b>	: Next Surveillance
<b>NC Grade</b>	: Non Critical	<b>Date of Closing</b>	:
<b>Standard Ref. &amp; Requirement</b>	<b>6.2.6</b> A DLW is paid to all workers, including those an piece rate/quotas, for whom the calculation is based on achievable quotas during regular work hours.		
<b>Evidence observed &amp; Non-Conformance Description (filled by auditor):</b>  The company has not been able to show the results of the calculation of applicable wages and benefits in the form of goods given to workers in accordance with RSPO guidelines in the implementation of Living Wages (UHL), such as housing, water, electricity, health facilities, children's education, food, etc. etc., even though minimum wages have been paid to workers in accordance with regulations.  This is not in accordance with the instructions of the RSPO Secretariat in the document "Statement From The RSPO Standards Committee Regarding Indicator 6.2.6 on Decent Living Wage" Endorsed by the RSPO BoG 7 November 2019, it states that: For countries where no living wage standard is set , until such time as the benchmark adopted by the RSPO for that country exists, the national minimum wage must be paid to all workers. In addition to the payment of the minimum wage, the certification unit must carry out an assessment of the RSPO guidelines to apply for a Living Wage (UHL).			
<b>Root Cause Analysis (filled by organization audited):</b>			
<b>Correction (filled by organization audited):</b>			
<b>Corrective Action (filled by organization audited):</b>			
<b>Assessor Evaluation and Conclusion (filled by auditor):</b>			
<b>Verified by</b>	:		

<b>NCR No.</b>	: 2020.03.	<b>Issued by</b>	: Dwi Haryati
<b>Date Issued</b>	: 07 <sup>th</sup> March, 2020	<b>Time Limit</b>	: 08 <sup>th</sup> June , 2020
<b>NC Grade</b>	: Critical	<b>Date of Closing</b>	: 07 <sup>th</sup> June , 2020
<b>Standard Ref. &amp; Requirement</b>	<b>6.7.3</b> Workers use appropriate personal protective equipment (PPE), which is provided free of charge to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, land preparation and harvesting. Sanitation facilities for those applying pesticides are available, so that workers can change out of PPE, wash and put on their personal clothing.		
<b>Evidence observed &amp; Non-Conformance Description (filled by auditor):</b>  The company has provided PPE for workers in the workplace, but has not shown sufficient evidence of monitoring			



the use of PPE to all workers in the workplace.

This is known from field observations, such as :

- a. Field observations and interviews with 2 employees harvesting the Dolok Sinumbah block in 2007 B and 1 census officer division stated that PPE replacement is done once a year and if the PPE provided by the company has been damaged, then workers take the initiative to provide PPE themselves. During interviews with auditors, workers use PPE that is provided by themselves.
- b. Field observations and interviews with loading FFB workers (contractor) in Block AG 96 Division II of Balimbangan Estate, workers do not use PPE boots and gloves (workers only use PPE helmets when working). This is not in accordance with the results of the company's risk identification, which stipulates that loading FFB workers using PPE boots, gloves and helmets.

This is not in accordance with applicable regulations, for example, Article 50 of the Collective Labor Agreement which states that the Company provides work equipment in accordance with SNI standards as a company inventory for companies working in work units. This also includes third party workers who have been listed in the employment contract clause.

Also in the mechanism governing PPE replacement if damaged before the scheduled replacement period is listed in the SE Manager (No. BAL / SE / Intern / 11/1/2019 for the Guidance unit and No. DOS / SE / intern / 01 / 1 / 2019 for Dolok Sinumbah) which states that the identification of defective PPE is carried out through monitoring the completeness of PPE that is carried out monthly by a technical assistant, reported to the HR assistant for PPE replacement, and distribution of PPE to employees.

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

1. Lack of understanding of the mechanism of PPE replacement, work risks and the importance of using PPE.
2. Lack of understanding of work risks and the importance of using PPE.

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

Conducting socialization of PPE replacement, introducing work risks, using PPE and evaluating a maximum of 1 month after the implementation of the socialization and continues to be conveyed periodically every morning briefing.

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

1. Monitor the usage and condition of PPE that is used regularly.
2. Sanctions for violations of the use of PPE. Monitoring is carried out by each Assistant (PIC). Sanctions for PPE violations are given by the Manager based on reports from the PPE monitoring PIC.

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

**Auditor Verification May 7, 2020**

The company shows evidence of improvements in the form of :

- Evaluation of participants in the Risk Identification training conducted on April 9, 2020.
- Evaluation of participants in the PPE Replacement Mechanism training that was carried out on March 16, 2020.
- Memo from the Estate / Mill Manager dated March 9, 2020 with document number DOS / M / 09A / III / 2020. The socialization explained the obligation for all Assistant Heads after compulsory monitoring. In addition to the memo explaining that: While waiting for the realization of PPE procurement from the Head Office, all sections must continue to provide PPE for employees,
- Monitoring the use of PPE for afdeling workers and vendors.
- Decree for the person in charge of monitoring the APD Balimbangan Unit.

Based on the evidence of improvement above, it has not yet been shown that the worker has used the appropriate Personal Protective Equipment (PPE) of the individual, which is provided free of charge to all workers in the workplace.

**Auditor Verification May 26, 2020**

The company shows evidence of improvements in the form of:

- Handover of PPE Dolok Sinumbah Estate engineering station, that is uniform clothes for employees (no date information).
- Acceptance letter of PPE processing station Dolok Sinumbah Mill in 2019 in the form of shoes (safety) and uniforms.
- Acceptance letter of PPE Afdeling I-V Dolok Sinumbah in 2019 in the form of shoes (boots) and uniforms.
- Decree of Dolok Sinumbah Estate / Mill Manager Number DOS / P2K3 / Kpts / III / 2020, dated 9 March 2020 concerning Appointment of Officer in Charge of PPE Usage and Condition Monitoring. The company appoints five (5) employees in each of the I - V afdeling units and two (2) Mill employees. The duties and responsibilities of the PPE supervisory officer are: Monitoring / evaluating the use and condition of PPE in the Dolok Sinumbah Estate/Mill, reporting the results of monitoring to the relevant department (Afdeling and Mill) for evaluation and reporting to the Estate / Mill Manager for policy preparation Furthermore.

Based on the evidence of improvement shown above, the non conformity in this indicator has not been fulfilled (Open).

This is because it still does not explain several things related to the fulfillment of nonconformities in the field and the demand for indicators, namely:

- Explanation on how to answer the findings in the field regarding the employees of the block harvest 2007 Dolok Sinumbah and 1 census officer Afdeling I stated that the replacement of PPE is done once a year and if the PPE provided by the company has been damaged, then workers take the initiative to provide PPE themselves. During interviews with auditors, workers use PPE that is provided by themselves.
- Explanation on how to answer the findings in the field related to loading and unloading FFB workers (contractors) in Block AG 96 Afdeling II of the Balimbingan Estate, workers do not use PPE boots and gloves (workers only use PPE helmets when working). This is not in accordance with the results of the company's risk identification, which stipulates that workers loading FFB using PPE boots, gloves and helmets.

**Auditor Verification June 4, 2020**

The company shows evidence of improvements in the form of:

- Monitoring and Evaluation Forms of PPE Usage Functions in Business Units / Part No. Form REV / SMK3 / DOS / 28/0520. This form explains that workers have participated in socialization regarding PPE functions and PPE replacement mechanisms on May 28, 2020.
- Acceptance letter of damaged PPE replacements to harvest workers and census officer Afdeling I on May 28, 2020. Attached types of PPE to be replaced are shoes, gloves, glasses and helmets.

Based on the explanation of the root cause analysis, corrective, corrective actions that have been shown, the non conformity is declared Fulfilled by Observation.

<b>Verified by</b>	<b>: Dwi Haryati</b>
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<b>NCR No.</b>	<b>: 2020.04.</b>	<b>Issued by</b>	<b>: Yohanes Hardian</b>
<b>Date Issued</b>	<b>: 07<sup>th</sup> March, 2020</b>	<b>Time Limit</b>	<b>: 08<sup>th</sup> June , 2020</b>
<b>NC Grade</b>	<b>: Critical</b>	<b>Date of Closing</b>	<b>: May 26, 2020</b>
<b>Standard Ref. &amp; Requirement</b>	<b>: 7.8.2 Water courses and wetlands are protected, including maintaining and restoring appropriate riparian and other buffer zones in line with 'RSPO Manual on BMPs for the management and rehabilitation of riparian reserves' (April 2017).</b>		
<b>Evidence observed &amp; Non-Conformance Description (filled by auditor):</b>			

The company has not been able to show evidence of water and riparian water management in accordance with procedures. Based on the field visit of the Aek Moyam River border Balimbingan Estate and the Bah Bolon River border in Dolok Sinumbah Afdeling I and II, it is known that the river border was opened and planted with oil palm during replanting activities.

This is not in accordance with the Riparian River Management Mechanism (No. SPO 05 Revision 3 dated August 27, 2018), which states that riparian that have been planted with oil palms, their vegetation should be maintained by seeking vegetation growth in riverbank areas by prohibiting the application of chemicals. NCR no. 2020.04

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

1. Identification and data collection in all areas of water bodies has not been carried out thoroughly
2. There is still a lack of understanding of the treatment and monitoring of river banks or water bodies

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

1. Identifying and collecting all areas of water bodies that flow into rivers
2. Inserting the area around the body of water and the river border into the maintenance barchart manually mechanically.
3. Do not apply chemicals in the area of the water body, the management is done manually / mechanically
4. The marking of area boundaries which may not be applied by chemicals
5. Revoke oil palm plants in areas that enter the river border area and are replaced with woody plants.
6. Re-socializing the treatment and monitoring of riverbanks or water bodies

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

1. Establish the officer responsible for monitoring the condition of the water body area
2. Make monitoring the condition of the area around the body of water
3. Monitoring the application of chemicals to avoid the use of chemicals in the body of water.

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

**Verification May 26, 2020**

**Balimbingan Unit**

The company shows evidence of improvement, namely:

- Letter dated April 24, 2020 no BAL / 04.03 / 47 / IV / 2020 concerning Application for Revocation of Oil Palm Plantations in the Sempadan River Area.
- Memo from the Head of the Plant Division to District 1 GM and the Balimbing Plantation Manager on May 19, 2020 no 04.03 / KOL / M-758 / V / 2020 about not following up the RSPO and ISPO Audit. In the Memo it was explained that the Balimbingan Estate had to move oil palm plants in the river border area and be replaced with woody plants
- Minutes of Demolition of Palm Oil in 2019 on 20 May 2020. In the BA it has been explained that the demolition target is 150 oil palm principal. There are 35 oil palm principal that have been dismantled and moved and the rest are still in the process of demolition in Afdeling III.
- Data on dismantling of the principal of oil palm that has been embedded in the flow of the Aek Moyam river water body business unit for planting year 2019A with a principal amount of 34 oil palm principal
- Data on woody tree planting at a water body in Afdeling II Block 19 A with a type of sengon 10 trees and bamboo 10 trees on May 20, 2020
- Monitoring and evaluation of the planting of woody trees at the location of the former oil palm plantations which were demolished on May 20, 2020 by Afdeling's assistant 3
- Balal Business Unit Manager Decree No BAL / kpts / 95 / IV / 2020 concerning the Establishment of the RSPO

/ ISPO Development Team in the Balinese Business Unit on April 13, 2020. The letter has set a monitoring officer for the water body area in the Balimbingan Estate.

- Identification and data collection of water bodies in 2020
  - Afdeling I blok : , 95G,95D,99A,94M
  - Afdeling II blok : 96K,96X,96N, 94AC
  - Afdeling III blok: 19A, 19E,96BD, 96AG
  - Afdeling IV blok: 95BB,96CN,95BA,95BS
- HCV 4 identification documents with a total area of 86.49 Ha
  - Afdeling I : Bah Kasindir river , Bah Manigom river = 36,77 ha
  - Afdeling II : Bah Kisat river , Bah Tongguran river , Gila river = 17,78 ha
  - Afdeling III: Aek Moyam river , Bah Tongguran river , Bah Boluk river = 15,23 ha
  - Afdeling IV: Bah birong river , bah birong river = 16,71 ha
- Documentation of marking of area boundaries that should not be used in chemical applications in Afdeling III of

#### Balimbingan Unit

- Barchart Maintenance in areas around water bodies and river borders in 2020 includes activities
  - o Making a red circle marking the boundary of the trunk of an oil palm tree so that the boundary of the managed area is known
  - o Monitoring bans on the use of pesticides along river banks
  - o Record the percentage of rehabilitation plant growth
  - o Conducting socialization to the community and other stakeholders about the conservation area so that it can reduce damage to the vegetation of the conservation area
  - o Monitoring the conditions of warning warnings that there are border rivers and conservation areas
- Barchart planted woody plants
- Monitoring the condition of the area around the water body of the Balimbingan Estate in April 2020
- Monitoring the implementation of Chemical Applications to prevent the use of chemicals in the area of water bodies in Afdeling III in May 2020
- Minutes of the socialization of the management of water bodies, flora and fauna was held in Afdeling III on March 17, 2020, attended by 30 employees
- Photo documentation on the installation of information on the socialization of treatment and monitoring of riverbanks in Afdeling II Balimbingan Unit
- Documentation of the removal of oil palm in the border area of the Aek Moyam river in Afd II Balimbingan Unit

#### Dolok Sinumbah unit

- HCV Identification Report that explains HCV excretion of 14 ha and potential HCV of 326.5 ha
- Minutes of the Reforestation / Planting of Mahogany Trees Program on March 16, 2020 in Afdeling I, II and III covering an area of 143 ha with the need for 853 Mahogany seeds to be held in March - April 2020
- Letter dated 20 April 2020 no DOS / 04.DIR.OPS / 07 / IV / 2020 concerning the agreement to transfer the principal of Imature Plantation oil palm to the age of 1 year planting 2018 planted in the Bah Bolon river area.
- Barchart planting mahogany trees in Afdeling I, II and III
- Photograph of Planting activities at the Bolon River Bah at Blok 18 J and 18 L Afdeling II
- Photograph of Boundary Signs for chemical use on river banks in Blok 18 N Afdeling II
- Photograph of Boundary Signs for chemical use on Bah Bolon river banks in Blok 10C Afdeling I
- Minutes of dismantling of palm oil plantations in 2018 in the Dolok Sinumbah plantation / factory on April 20 2020. In this document, it was explained that the palm oil plantations had been planted that were embedded at afdeling I the Bah Bolon River water body in planted year 2018 at blocks A, B, E, G, I and Afdeling II in the Bah Bolon River water body in planted year 2018 at blocks J, L, N, P as many as 587 palm oil tree.
- Photo documentation of demolition of oil palm plantations on the edge of the Bolon river block 18 N at Afdeling

<p>II</p> <ul style="list-style-type: none"> <li>- The minutes of the Socialization of Water, Flora and Fauna Management for Afdeling I and II on March 12, 2020 were attended by 23 employees</li> <li>- Decision of Plantation Manager / Dolok Sinumbah Factory no DOS / MU / Kpts / 08 / III / 2020 regarding field officers in the management and monitoring of HCV areas related to RSPO at Dolok Sinubah Unit</li> <li>- Area Monitoring Form that may not be used for chemical applications in April 2020 Afdeling I, II and III</li> <li>- Photo documentation of Sengon seedling</li> </ul> <p>Based on the explanation of the root of the problem, corrective, corrective actions that have been shown, the non-conformity is declared fulfilled by OBSERVATION.</p>	
<b>Verified by</b>	<b>: Yohanes Hardian</b>

<b>NCR No.</b>	<b>: 2020.05.</b>	<b>Issued by</b>	<b>: Yohanes Hardian</b>
<b>Date Issued</b>	<b>: 07<sup>th</sup> March, 2020</b>	<b>Time Limit</b>	<b>: 08<sup>th</sup> June , 2020</b>
<b>NC Grade</b>	<b>: Critical</b>	<b>Date of Closing</b>	<b>: May 26, 2020</b>
<b>Standard Ref. &amp; Requirement</b>	<p><b>7.12.4</b>  <b>Where HCVs, HCS forests after 15 November 2018, peatland and other conservation areas have been identified, they are protected and/or enhanced. An integrated management plan to protect and/or enhance HCVs, HCS forests, peatland and other conservation areas is developed, implemented and adapted where necessary, and contains monitoring requirements. The integrated management plan is reviewed at least once every five years. The integrated management plan is developed in consultation with relevant stakeholders and includes the directly managed area and any relevant wider landscape level considerations (where these are identified).</b></p>		
<p><b>Evidence observed &amp; Non-Conformance Description (filled by auditor):</b></p> <p>The company has not been able to show the evidence of riparian HCV management is in accordance with HCV Management and Monitoring Plan. Based on the field visit on HCV area of Aek Moyam River riparian in Balimbingan Estate and the Bah Bolon River riparian in Dolok Sinumbah Estate - Afdeling I and II, it is known several HCV management has been conducted such as the boundary marking, and planting the woody plant. However, the riparian width still not in accordance with the SOP of Riparian Management Mechanism (No. SPO 05 Rev. 3 dated August 27, 2018), thus some riparian HCV was opened and planted with oil palm partially during replanting activities</p>			
<p><b>Root Cause Analysis (filled by organization audited):</b></p> <ol style="list-style-type: none"> <li>1. Identification and data collection in all areas of water bodies has not been carried out thoroughly</li> <li>2. There is still a lack of understanding of the treatment and monitoring of river banks or water bodies</li> </ol>			
<p><b>Correction (filled by organization audited):</b></p> <ol style="list-style-type: none"> <li>1. Identifying and collecting all areas of water bodies that flow into rivers</li> <li>2. Inserting the area around the body of water and the river border into the maintenance barchart manually mechanically.</li> <li>3. Do not apply chemicals in the area of the water body, the management is done manually / mechanically</li> <li>4. The marking of area boundaries which may not be applied by chemicals</li> </ol>			

5. Revoke oil palm plants in areas that enter the river border area and are replaced with woody plants.
6. Re-socializing the treatment and monitoring of riverbanks or water bodies

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

1. Establish the officer responsible for monitoring the condition of the water body area
2. Make monitoring the condition of the area around the body of water
3. Monitoring the application of chemicals to avoid the use of chemicals in the body of water.

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

**Verification May 26, 2020**

**Balimbingan Unit**

The company shows evidence of improvement, namely:

- Letter dated April 24, 2020 no BAL / 04.03 / 47 / IV / 2020 concerning Application for Revocation of Oil Palm Plantations in the Riparian Area.
- Memo from the Head of the Plant Division to District 1 GM and the Balimbing Plantation Manager on May 19, 2020 no 04.03 / KOL / M-758 / V / 2020 about not following up the RSPO and ISPO Audit. In the Memo it was explained that the Balimbingan Estate had to move oil palm plants in the river border area and be replaced with woody plants
- Minutes of Demolition of Palm Oil in 2019 on 20 May 2020. In the BA it has been explained that the demolition target is 150 oil palm principal. There are 35 oil palm principal that have been dismantled and moved and the rest are still in the process of demolition in Afdeling III.
- Data on dismantling of the principal of oil palm that has been embedded in the flow of the Aek Moyam river water body Balimbingan Unit for planting year 2019A with a principal amount of 34 oil palm principal
- Data on woody tree planting at a water body in Afdeling II Block 19 A with a type of sengon 10 trees and bamboo 10 trees on May 20, 2020
- Monitoring and evaluation of the planting of woody trees at the location of the former oil palm plantations which were demolished on May 20, 2020 by Afdeling's assistant 3
- Balimbingan Business Unit Manager Decree No BAL / kpts / 95 / IV / 2020 concerning the Establishment of the RSPO / ISPO Development Team in the Balinese Business Unit on April 13, 2020. The letter has set a monitoring officer for the water body area in the Balimbingan Estate.
- Identification and data collection of water bodies in 2020  
 Afdeling I blok : , 95G,95D,99A,94M  
 Afdeling II blok : 96K,96X,96N, 94AC  
 Afdeling III blok: 19A, 19E,96BD, 96AG  
 Afdeling IV blok: 95BB,96CN,95BA,95BS
- HCV 4 identification documents with a total area of 86.49 Ha  
 Afdeling I : Bah Kasindir river , Bah Manigom river = 36,77 ha  
 Afdeling II : Bah Kisat river , Bah Tongguran river , Gila river = 17,78 ha  
 Afdeling III: Aek Moyam river , Bah Tongguran river , Bah Boluk river = 15,23 ha  
 Afdeling IV: Bah birong river , bah birong river = 16,71 ha
- Documentation of marking of area boundaries that should not be used in chemical applications in Afdeling III of Balimbingan Unit
- Barchart Maintenance in areas around water bodies and river borders in 2020 includes activities
  - o Making a red circle marking the boundary of the trunk of an oil palm tree so that the boundary of the managed area is known
  - o Monitoring bans on the use of pesticides along river banks
  - o Record the percentage of rehabilitation plant growth
  - o Conducting socialization to the community and other stakeholders about the conservation area so that it



- can reduce damage to the vegetation of the conservation area
- Monitoring the conditions of warning warnings that there are border rivers and conservation areas
- Barchart planted woody plants
- Monitoring the condition of the area around the water body of the Balimbingan Estate in April 2020
- Monitoring the implementation of Chemical Applications to prevent the use of chemicals in the area of water bodies in Afdeling III in May 2020
- Minutes of the socialization of the management of water bodies, flora and fauna was held in Afdeling III on March 17, 2020, attended by 30 employees
- Photo documentation on the installation of information on the socialization of treatment and monitoring of riverbanks in Afdeling II Balimbingan Unit
- Documentation of the removal of oil palm in the border area of the Aek Moyam river in Afd II Balimbingan Unit

**Dolok Sinumbah unit**

- HCV Identification Report that explains HCV excretion of 14 ha and potential HCV of 326.5 ha
- Minutes of the Reforestation / Planting of Mahogany Trees Program on March 16, 2020 in Afdeling I, II and III covering an area of 143 ha with the need for 853 Mahogany seeds to be held in March - April 2020
- Letter dated 20 April 2020 no DOS / 04.DIR.OPS / 07 / IV / 2020 concerning the agreement to transfer the principal of Imature Plantation oil palm to the age of 1 year planting 2018 planted in the Bah Bolon river area.
- Barchart planting mahogany trees in Afdeling I, II and III
- Photograph of Planting activities at the Bolon River Bah at Blok 18 J and 18 L Afdeling II
- Photograph of Boundary Signs for chemical use on river banks in Block 18 N Afdeling II
- Photograph of Boundary Signs for chemical use on Bah Bolon river banks in Blok 10C Afdeling I
- Minutes of dismantling of palm oil plantations in 2018 in the Dolok Sinumbah plantation / factory on April 20 2020. In this document, it was explained that the palm oil plantations had been planted that were embedded at afdeling I the Bah Bolon River water body in planted year 2018 at blocks A, B, E, G, I and Afdeling II in the Bah Bolon River water body in planted year 2018 at blocks J, L, N, P as many as 587 palm oil tree.
- Photo documentation of demolition of oil palm plantations on the edge of the Bolon river block 18 N at Afdeling II
- The minutes of the Socialization of Water, Flora and Fauna Management for Afdeling I and II on March 12, 2020 were attended by 23 employees
- Decision of Plantation Manager / Dolok Sinumbah Factory no DOS / MU / Kpts / 08 / III / 2020 regarding field officers in the management and monitoring of HCV areas related to RSPO at Dolok Sinubah Unit
- Area Monitoring Form that may not be used for chemical applications in April 2020 Afdeling I, II and III
- Photo documentation of Sengon seedling

Based on the explanation of the root of the problem, corrective, corrective actions that have been shown, the non-conformity is declared fulfilled by OBSERVATION.

<b>Verified by</b>	<b>:</b>	<b>Yohanes Hardian</b>
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**3.4.2. Opportunity for Improvement**

No	Ref.	Description
1	<b>3.6.1 C</b>	Ensuring the type of work that has not been included in the identification of risk analysis.
2	<b>3.8.12 C</b>	Maintain the positive stock in accordance with company's monthly/ realtime mass balance period.
3	<b>6.7.2</b>	Overall monitoring of first aid equipment at work to always be in sufficient condition of its availability.
4	<b>7.2.8</b>	Ensuring the management of pesticide packaging in accordance with applicable procedures.







**3.4.3. Noteworthy Positive Components**

No	Description
1	Commitment to the adoption of standard principles and criteria for sustainable plantations.
2	The company has obtained ISPO ( <i>Indonesian Sustainable Palm Oil</i> ) certificates for both Dolok Sinumbah and Balimbingan.

**3.3 Summary of Arising Issues from Public and Auditor Verification**

Public Issues	Auditor Verification
<p><b>Gender Committee of Balimbingan and Dolok Sinumbah Unit</b></p> <p>The company has had a policy to protect female workers from sexual harassment in the workplace as well as a grievance mechanism. Have implemented regulations related to reproductive rights such as menstruation leave and childbirth.</p> <p>There are no reports regarding violations of decency.</p>	<p>There are no negative issues that need further verification. Related no gender discrimination has been verified in related indicator.</p>
<p><b>Worker Union of SP-BUN PTPN IV – Unit of Balimbingan, Dolok Sinumbah</b></p> <p>Labor Union have been registered in the labor Agency Simalungun District and there has been no change in management until this audit. The last meeting between company and the labor union discussed the agenda of Collective Labor Agreement. Salary implementation will be adjusted in accordance with the provincial minimum wage in 2020. In addition, payment of salaries has been in accordance with the specified time and through the transfer. There are no labor issues.</p>	<p>There are no negative issues that need further verification. Described in related criteria.</p>
<p><b>Worker Cooperative</b></p> <p>Employee cooperatives are engaged in providing basic commodities. There is a mandatory contribution and a regular contribution. The Company has made The Annual Member Meeting (RAT) and revenue sharing in 2018. The plan for a 2019 member meeting is to be held in May 2020.</p> <p>Worker cooperative is one of the welfare facilities for employees facilitated by the company.</p>	<p>There are no negative issues that need further verification. The company has employee cooperatives in accordance with the regulations.</p>
<p><b>Jorlang Hantaran Sub – District Head</b></p> <p>Based on the explanation from the Head of Sub district, it is known that there is no land dispute issue to date. The company gives a lot of assistance to for example the construction of a mosque, the construction of a ditch. sub-district units easily communicate with the company</p>	<p>There are no negative issues that need further verification, the company already has a CSR program and communicates through letters and proposals.</p>
<p><b>Kasindir Village Head</b></p> <p>The existence of plantations has come from the Dutch colonial era and there is no community land in the company area. There is no land dispute issue to date. The company gives a lot of assistance to for example the</p>	<p>There are no negative issues that need further verification, the company already has a CSR program and communicates through letters and proposals.</p>

Public Issues	Auditor Verification
<p>construction of a mosque, the construction of a ditch. sub-district units easily communicate with the company.</p>	
<p><b>Local Contractor ( CV Rio Mandiri )</b></p> <p>Based on the results of the interviews, it was found out that CV Rio Mandiri started cooperation in 2016 and collaborated in the field of FFB Transportation. the scope of work includes FFB Transport - FFB Unloading in Mill. It has 18 units of trucks spread in Afdeling 1, Afdeling 3 and Afdeling 4, has a workforce of 24 people and has been equipped with PPE according to company regulations. Employees also have a BPJS Health card. The cooperation contract is renewed every three months and there are no problems with payment</p>	<p>There was no negative issue that need further verification. he company has demonstrated its commitment to develop local communities. In addition documentation has been shown that the payment of the contractor's results has been paid according to the agreement and on time.</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="406 777 1380 1050"><tr><td data-bbox="406 777 893 861">PT Perkebunan Nusantara IV Ka Bagian Perencanaan dan Sustainability</td><td data-bbox="1088 777 1380 861">Mutuagung Lestari Lead Auditor</td></tr><tr><td data-bbox="519 882 747 966"></td><td data-bbox="1006 882 1364 966"></td></tr><tr><td data-bbox="535 976 698 1050"><b><u>Mili Mahardika</u></b> 7 June 2020</td><td data-bbox="1055 976 1315 1050"><b><u>Arif Faisal Simatupang</u></b> 7 June 2020</td></tr></table>	PT Perkebunan Nusantara IV Ka Bagian Perencanaan dan Sustainability	Mutuagung Lestari Lead Auditor			<b><u>Mili Mahardika</u></b> 7 June 2020	<b><u>Arif Faisal Simatupang</u></b> 7 June 2020
PT Perkebunan Nusantara IV Ka Bagian Perencanaan dan Sustainability	Mutuagung Lestari Lead Auditor						
							
<b><u>Mili Mahardika</u></b> 7 June 2020	<b><u>Arif Faisal Simatupang</u></b> 7 June 2020						

Appendix 1. List of Stakeholder Contacted in the RSP0 Certification Process

No	Institution/NGO/Community	Address	Phone/ Email	Form of Communication	Date of Contact	Response	
						Yes	No
1	Local Contractor	Simalungun Regency, Sumatera Utara Province	-	Direct Interview	3 <sup>rd</sup> March 2020	✓	
2	Kasinder Village Head	Simalungun Regency, Sumatera Utara Province	-	Direct Interview	3 <sup>rd</sup> March 2020	✓	
3	Jorlang Hantaran Sub-District Head	Simalungun Regency, Sumatera Utara Province	-	Direct Interview	3 <sup>rd</sup> March 2020	✓	
4	Worker Cooperative of Balimbingan Estate	District of Simalungun	-	Direct Interview	3 <sup>rd</sup> March 2020	✓	
5	Head of Serikat Pekerja Perkebunan (SP-BUN) / worker union - Balimbingan Unit.	District of Simalungun	-	Direct Interview	3 <sup>rd</sup> March 2020	✓	
6	Gender Committee of Balimbingan.	District of Simalungun	-	Direct Interview	3 <sup>rd</sup> March 2020	✓	
7	Gender Committee of Dolok Sinumbah.	District of Simalungun		Direct Interview	5 <sup>th</sup> March 2020	✓	
8	Sawit Watch	Jakarta	<a href="mailto:info@sawitwatch.or.id">info@sawit watch.or.id</a>	Email	27 <sup>th</sup> February 2020		✓
9	WWF	Jakarta	supporter- service@w wf.or.id	Email	27 <sup>th</sup> February 2020		✓
10	Walhi	Jakarta	informasi@ walhi.or.id	Email	27 <sup>th</sup> February 2020		✓
11	<b>Dolok Sinumbah Mill</b> - 2 security - 1 weghbridge operator - 2 sorter and 1 foreman - 1 wheel loader operator - 1 warehouse officer - 1 hazardous waste - 1 workshop supervisor - 1 WTP operator - 1 Sterilizer Station operator - 1 Boiler Station operator - 1 Engine room operator -	PTPN IV – Dolok Sinumbah Mill	-	Field observation and direct interview	4 <sup>th</sup> March 2020	✓	
12	<b>Dolok Sinumbah Estate</b> - 1 worker of HGU monitoring - 4 workers of EFB application - 2 harvester - 1 foreman of harvesting - 1 global telling worker	PTPN IV – Dolok Sinumbah Estate	-	Field observation and direct interview	5 <sup>th</sup> March 2020	✓	
13	<b>Balimbingan Estate</b> - 1 worker of HGU monitoring	PTPN IV – Dolok Balimbingan Estate	-	Field observation and direct interview	3 <sup>th</sup> March 2020	✓	



<ul style="list-style-type: none"> <li>- 3 workers of EFB application</li> <li>- 3 harvester</li> <li>- 1 foreman of harvesting</li> <li>- 2 spraying workers</li> <li>- 1 foreman of spraying</li> <li>- 1 global telling worker</li> <li>- 2 FFB loading workers</li> <li>- 1 foreman of FFB loading</li> <li>- 1 warehouse officer</li> <li>- 1 foreman of spraying</li> <li>- 1 staff officer afdeling</li> <li>- 1 hazardous waste warehouse officer</li> <li>- 1 resident of housing</li> <li>- 2 fire emergency response team</li> </ul>					
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**Appendix 2. Assessment Program**

Date	02 – 07 March 2020	
Program	Clauses To Be Audited	Auditor / PIC
<b>Monday, 02 March 2020</b>		
06.00 – 08.30	<b>Flight from Jakarta to Medan</b>	<b>All Auditor</b>
08.30 – 12.00	<b>Traveling from Medan to Balimbingan Estate</b>	<b>All Auditor</b>
12.00 – 14.00	<b>Break</b>	<b>All Auditor</b>
14.00 – 17.00	<b>Opening Meeting in Balimbingan Estate, for RSPO ASA 2 Dolok Sinumbah POM</b> <ul style="list-style-type: none"> <li>• Auditee speech (introduction of PIC, profile of Management Unit)</li> <li>• Auditor Team speech (introduction, audit objective, audit scope, audit plan discussion, determine of audit sample, transparency and confidentiality clarification)</li> </ul> <b>Document review</b>	<b>Management Unit</b>  <b>All Auditor</b>  <b>All Auditor</b>
<b>Tuesday, 03 March 2020</b>		
08.00 – 12.00	<b>Stakeholder consultation to affected communities surrounding the Plantation (Villager, Smallholders, and previous land owner) and Sub-District Office</b>  <b>Field Observation of Balimbingan Estate</b>  <b>Field observation and consultation with internal stakeholder in their respective work locations (Gender Committee, Worker Union, Worker Cooperative, etc)</b>  <ul style="list-style-type: none"> <li>• Observation of HGU poles, and land demarcation.</li> <li>• Observation of agronomy aspect (harvesting &amp; transportation, manuring, pesticides application, road maintenance, IPM, EFB application, etc)</li> <li>• Observation of chemical storage, fertilizer storage, hazardous waste storage, fire control facilities, waste management, etc)</li> <li>• Observation of workers facilities (housing, school, worship place, domestic waste management, etc).</li> <li>• Observation of HCV area</li> </ul>	<b>Yohanes, Johan</b>          <b>Faisal</b>  <b>Faisal</b>  <b>Dwi</b>  <b>Faisal</b>
12.00 – 14.00	<b>Break</b>	<b>All Auditor</b>
14.00 – 17.00	<b>Document review</b>	<b>All Auditor</b>
<b>Wednesday, 04 March 2020</b>		
08.00 – 12.00	<b>Document review</b>  <b>Continue internal stakeholder consultation if any outstanding (Gender Committee, Worker's Union, Worker's Cooperative, etc)</b>	<b>All Auditor</b>
12.00 – 14.00	<b>Break</b>	<b>All Auditor</b>
14.00 – 17.00	<b>Document review</b>	<b>All Auditor</b>
17.00 - ....	<b>Traveling from Balimbingan Estate to Dolok Sinumbah Estate</b>	<b>All Auditor</b>

<b>Thursday, 05 March 2020</b>		
08.00 – 12.00	<b>Field Observation of Dolok Sinumbah POM</b> <ul style="list-style-type: none"> <li>• Observation of supply chain (FFB receiving, weighbridge)</li> <li>• Observation of FFB grading, processing activity, product despatch</li> <li>• Observation of chemical storage, hazardous waste storage, fire control simulation, etc</li> <li>• Observation of WWTP, WTP, EBA</li> </ul>	<b>Yohanes</b> <b>Yohanes</b> <b>Yohanes</b>  <b>Yohanes</b>
08.00 – 12.00	<b>Field Observation of Dolok Sinumbah Estate</b>  <b>Field observation and consultation with internal stakeholder in their respective work locations (Gender Committee, Worker Union, Worker Cooperative, etc)</b> <ul style="list-style-type: none"> <li>• Observation of HGU poles, and land demarcation.</li> <li>• Observation of agronomy aspect (harvesting &amp; transportation, manuring, pesticides application, road maintenance, IPM, EFB application, etc)</li> <li>• Observation of chemical storage, fertilizer storage, hazardous waste storage, fire control facilities, waste management, etc)</li> <li>• Observation of workers facilities (housing, school, worship place, domestic waste management, etc).</li> <li>• Observation of HCV area, POME Land Application.</li> </ul>	<b>Dwi, Johan</b> <b>Dwi, Johan</b>  <b>Faisal</b>  <b>Faisal</b>  <b>Faisal</b>
12.00 – 14.00	<b>Break</b>	<b>All Auditor</b>
14.00 – 17.00	<b>Document review</b>	<b>All Auditor</b>
	<b>Stakeholder consultation of Local Contractors, FFB suppliers, etc</b>	<b>All Auditor</b>
<b>Friday, 06 March 2020</b>		
08.00 – 12.00	<b>Stakeholder consultation to affected communities surrounding the Plantation (Villager, Smallholders, and previous land owner)</b> <b>Document review</b>	<b>Faisal/Yohanes</b>  <b>All Auditor</b>
12.00 – 14.00	<b>Break</b>	<b>All Auditor</b>
14.00 – 17.00	<b>Continue internal stakeholder consultation if any outstanding (Gender Committee, Worker's Union, Worker's Cooperative, etc)</b>  <b>Document review</b>	<b>All Auditor</b>
<b>Saturday, 07 March 2020</b>		
08.30	<b>Deadline of audit evidences/documents submission</b>	<b>Management Unit</b>
08.00 – 11.00	<b>Auditor's internal discussion of closing meeting preparation</b>	<b>All Auditor</b>
11.00 – 12.30	<b>Closing Meeting of RSPO ASA 2 Dolok Sinumbah POM</b> <ul style="list-style-type: none"> <li>• Presentation of audit findings (noteworthy positive component, non conformities, OFI, timeline of CAR's, conclusion) Comments, responses and questions</li> </ul>	<b>All Auditor</b>
04.00 – 17.00	<b>Traveling from Dolok Sinumbah to Medan</b>	<b>All Auditor</b>
18.00 – 20.00	<b>Traveling from Medan to Jakarta</b>	<b>All Auditor</b>