

*Roundtable on Sustainable Palm Oil Certification*  
**R S P O**

**【✓】 Initial Certification**

Name of Management : Pasir Mandoge Palm Oil Mill subsidiary of PT Perkebunan Nusantara IV  
 Organisation  
 Plantation Name : PT Perkebunan Nusantara IV – Pasir Mandoge Estate, Tonduhan Estate & Sei Kopas Estate  
 Location : Bandar Pasir Mandoge Village, Bandar Pasir Mandoge Sub District, Asahan District, Sumatera Utara Province, Indonesia  
 Certificate Code : **MUTU-RSPO/147**  
 Date of Certificate Issue : 14 October 2020      Date of License Issue : 14 October 2020  
 Date of Certificate Expiry : 13 October 2025      Date of License Expiry : 13 October 2021

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
<b>IC</b>	21 to 26 October 2019	Trismadi Nurbayuto (Lead Auditor), Brigitta Prita, Haikal Ramadhan Kharismansyah, Briyogi Shadiwa & Rindu Galih Rezza Rachmansyah	Ganapathy Ramasamy	Octo HPN Nainggolan

Assessment	Approved by MUTUAGUNG LESTARI on:
<b>IC</b>	<b>14 October 2020</b>

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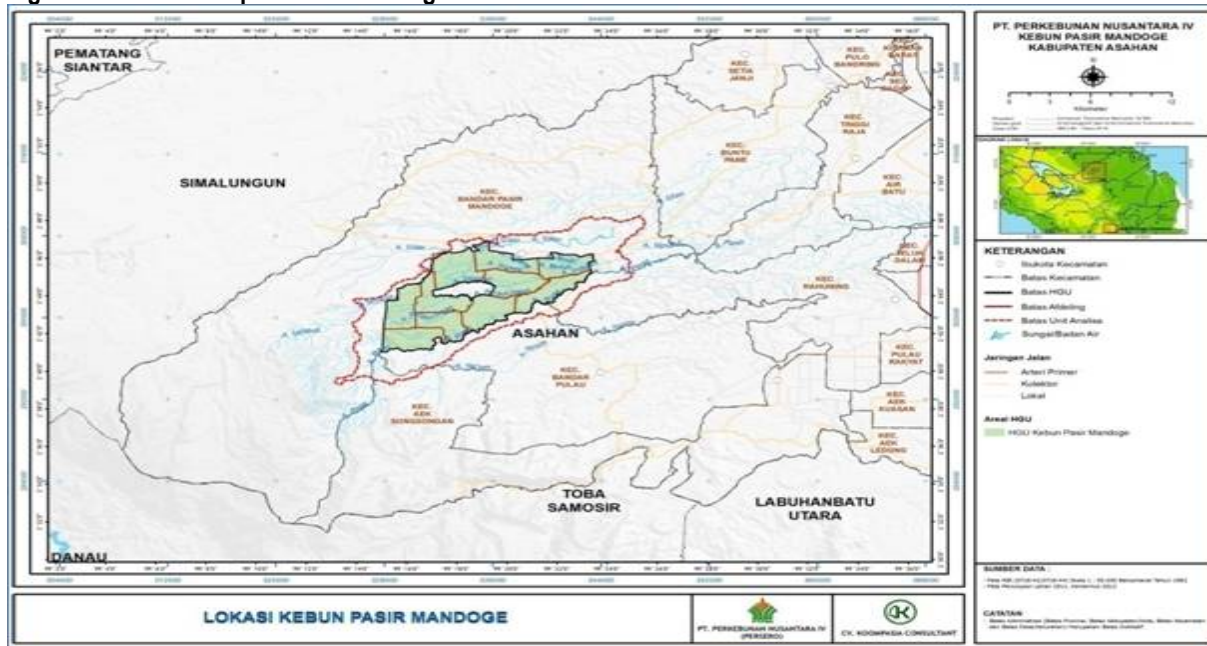
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Figure 1. Location Map of Pasir Mandoge Estate



**Figure 2. Location Map of Tonduhan Estate**

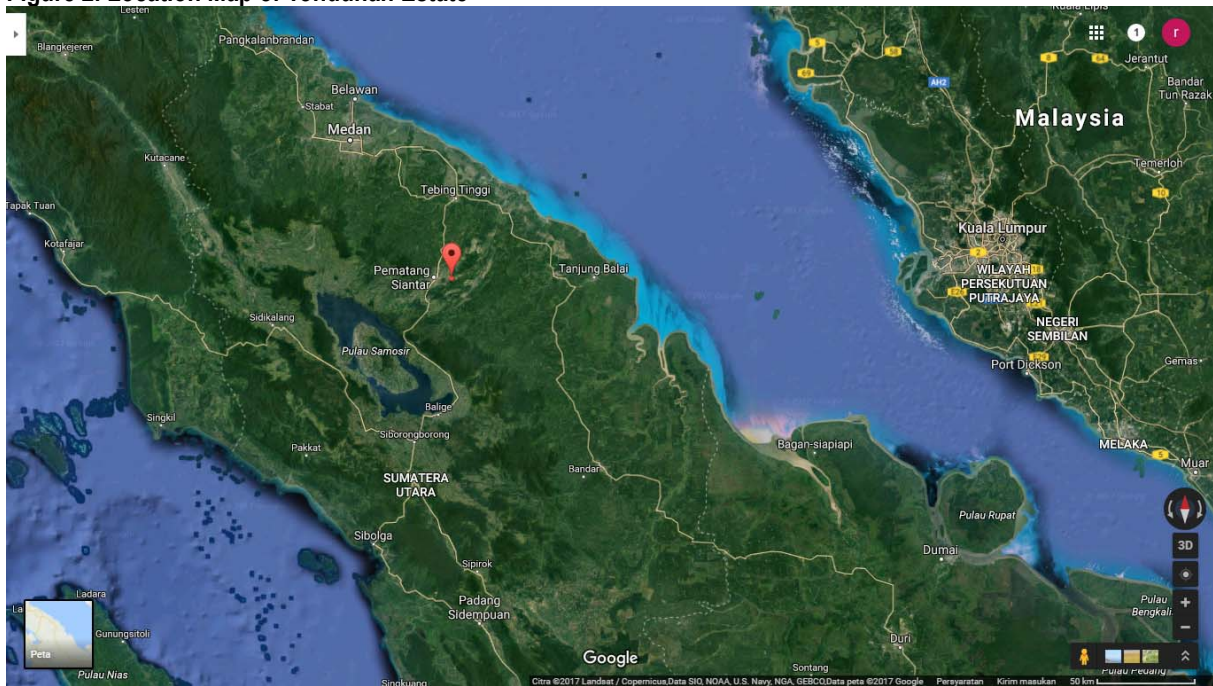
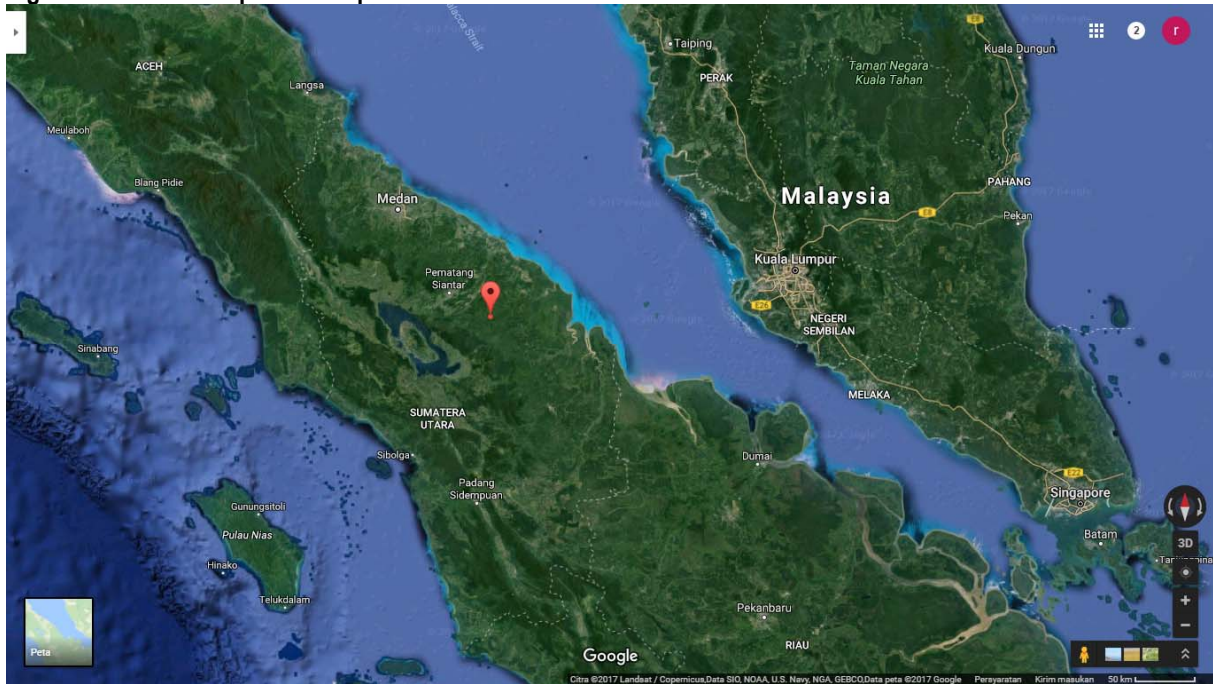


Figure 3. Location Map of Sei Kopas Estate





**Figure 4. Operational Map of Pasir Mandoge Estate**

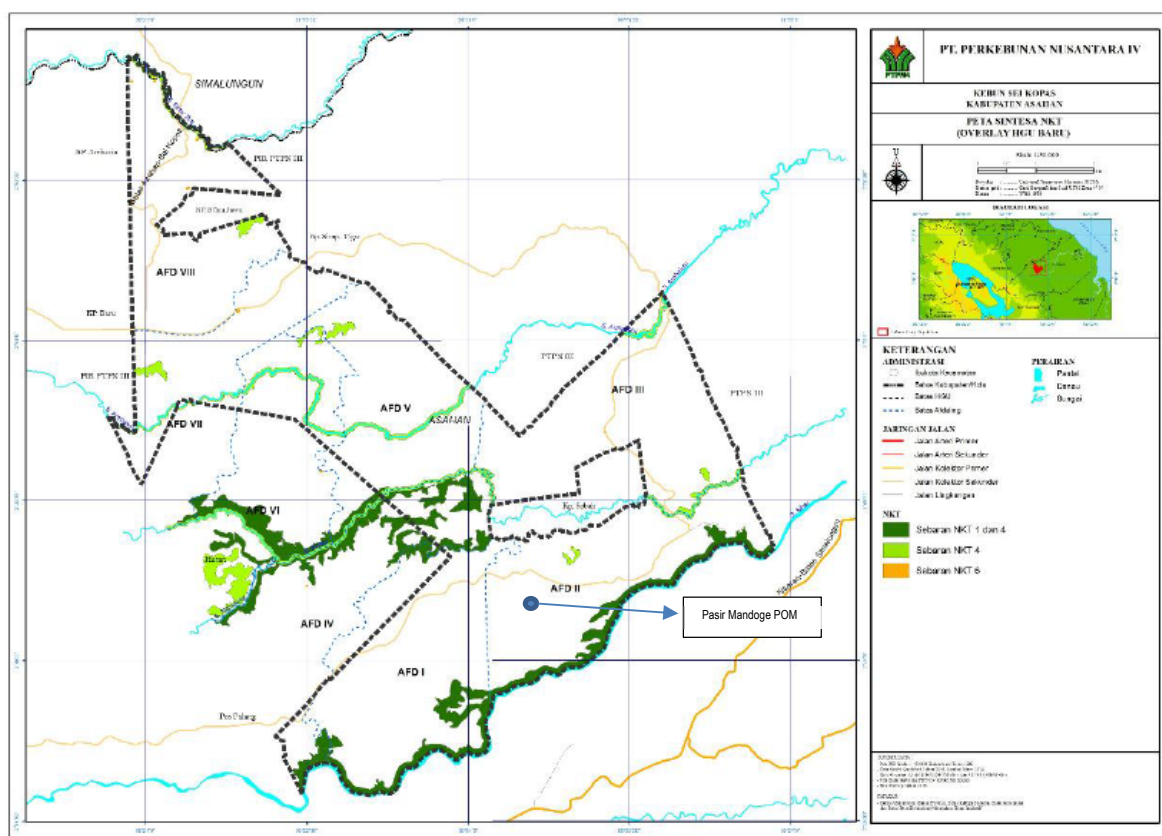
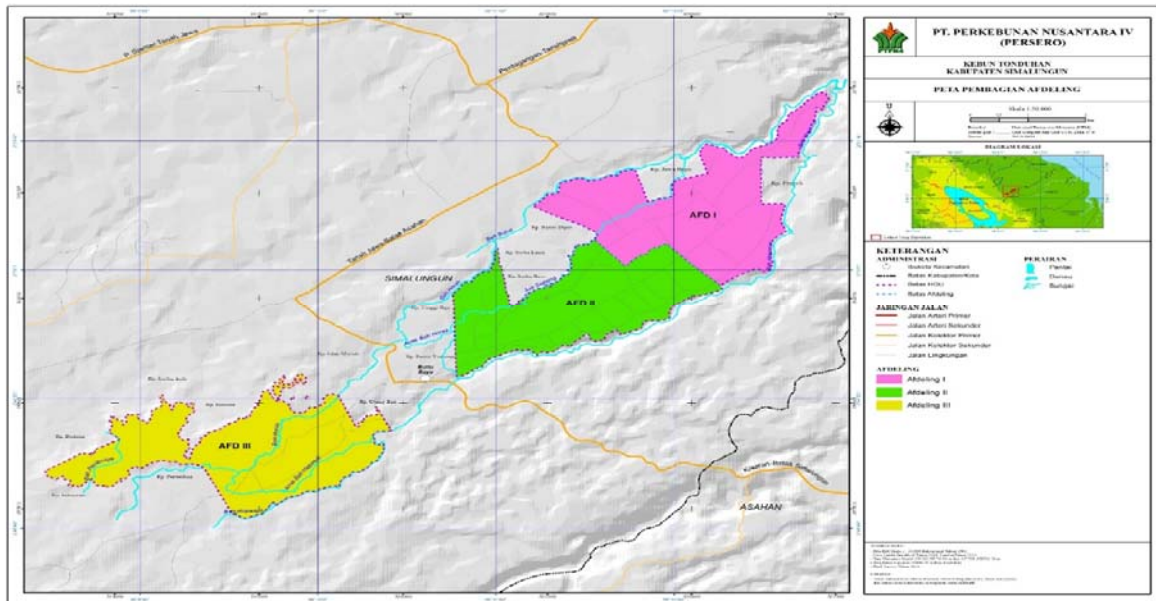
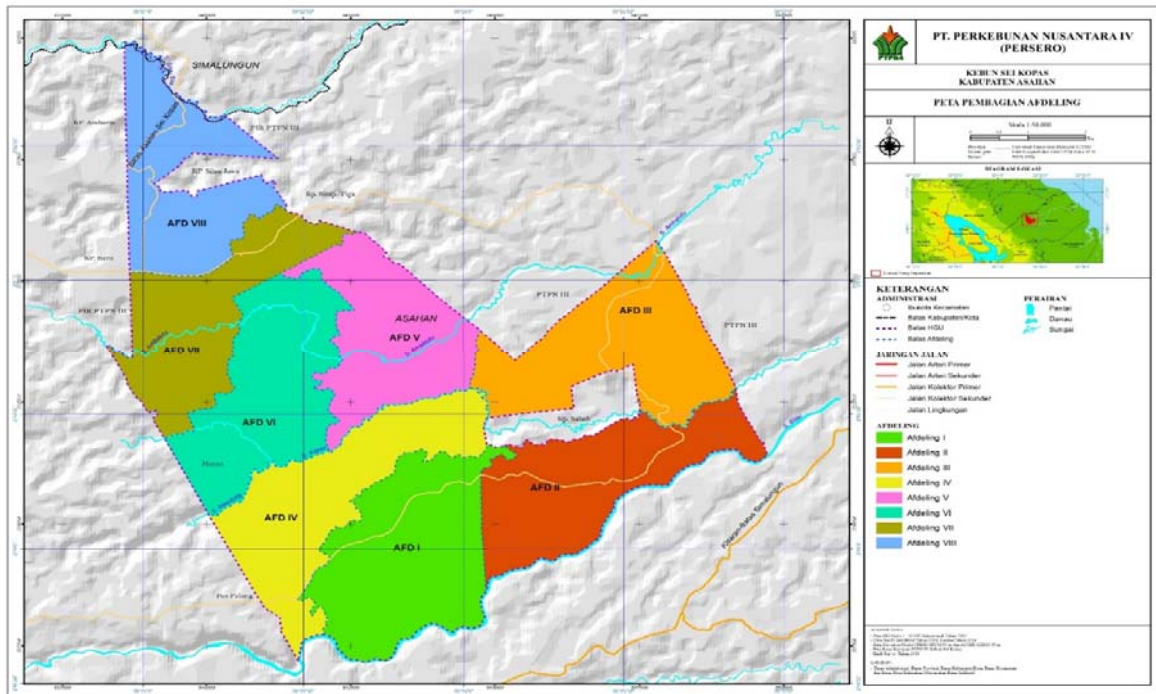


Figure 5. Operational Map of Tonduhan Estate



**Figure 6. Operational Map of Sei Kopas Estate**





**Abbreviations Used**

AMDAL	:	<i>Analisis Mengenai Dampak Lingkungan</i> (Social Environment Impact Assessment)
APL	:	<i>Area Penggunaan Lain</i> (Other Use Area)
BPJS	:	<i>Badan Penyelenggara Jaminan Sosial</i> (Social Security Administrator)
BPJS Kesehatan	:	Health Insurance Provider
BPJS Ketenagakerjaan	:	Social Security Adminsitrator of Labour
BUMN	:	<i>Badan Usaha Milik Negara</i> (state-owned enterprises)
CHE	:	Cholinesterase
CLA	:	Collective Labor Agreement
COC	:	Chain of Custody
CPO	:	Crude Palm Oil
CSR	:	Corporate Social Responsibility
CV	:	Commanditaire Vennootschap
DELH	:	<i>Dokumen Evaluasi Lingkungan Hidup</i> (Environmental Evaluation Document)
EFB	:	Empty Fruit Bunch
FFB	:	Fresh Fruit Bunch
GHG	:	Green House Gas
HCV	:	High Conservation Value
HGU	:	<i>Hak Guna Usaha</i> (Land Use Title)
HIPERKES	:	<i>Higiene Perusahaan dan Kesehatan Kerja</i> (Corporate Hygiene & Occupational Health)
HIRAC	:	Hazard identification risk assessment control
HR/GA	:	Human Resources/General Affair
HPK	:	<i>Hutan Produksi dapat diKonversi</i> (Convertible Production Forest)
ILO	:	International Labor Organization
IPLC	:	<i>Izin Pembuangan Limbah Cair</i> (Wastewater discharge permit)
IPM	:	Integrated Pest Management
ISPO	:	Indonesian Sustainable Palm Oil
IUP	:	<i>Izin Usaha Perkebunan</i> (Plantation Business Permit)
KAN	:	<i>Komite Akreditasi Nasional</i> (National Accreditation Committee)
KCP	:	Kernel Crushing Plant
LD	:	Lethal Dosage
LUCA	:	Land Use Change Analysis
MCU	:	Medical Checkup
MSDS	:	Material Safety Data Sheet
OFI	:	Opportunity For Improvement
OHS	:	Occupational Health Safety
P2K3	:	<i>Panitia Pembina Kesehatan dan Keselamatan Kerja</i> (OHS Committee)
PIC	:	Person Incharge
PK	:	Palm Kernel
POM	:	Palm Oil Mill
POME	:	Palm Oil Mill Effluent
PPE	:	Personal Protective Equipment
PTPN	:	<i>Perseroan Terbatas Perkebunan Nusantara</i>
P&C	:	Principle & Criteria
RKL/RPL	:	<i>Rencana Kelola Lingkungan/Rencana Pemantauan Lingkungan</i> (Envirommental Management and Minitoring Plan)
RTE	:	Rare, Threatened, Endangered
RSPO	:	Roundtable on Sustainable Palm Oil
SCCS	:	Supply Chain Certification System
SIA	:	Social Impact Assessment
SP-Bun	:	<i>Serikat Pekerja Kebun</i> (Workers Union)
SPI	:	<i>Satuan Pengawas Internal</i> (Internal Oversighted Unit)
SOP	:	Standard Operational Procedure

TBP	:	Time Bound Plan
WHO	:	World Health Organization
WI	:	Work Instruction
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>Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INA-NITF (Indonesian National Interpretation Task Force) July 2016, endorsed by the RSPO Board of Governor 30<sup>th</sup> September 2016.</li> <li>RSPO Certification Systems for Principles &amp; Criteria June 2017. Endorsed by the RSPO Board of Governors on 14<sup>th</sup> of June 2017.</li> <li>The RSPO Supply Chain Certification Standard for Organization seeking or holding certification adopted by the RSPO Board of Governors on 21 November 2014 (Revised on 14 June 2017).</li> </ul>	
<b>1.2</b>	<b>Organisation Information</b>		
1.2.1	Organisation name listed in the certificate	PT Perkebunan Nusantara IV	
1.2.2	Contact person	Dhanny Hermawan	
1.2.3	Organisation address and site address	<b>Head Office:</b> Jalan Letjen Suprpto No.2, 20151, Medan, Sumatera Utara, Indonesia	
1.2.4	Telephone	(62-61) 415 4666	
1.2.5	Fax	(62-61) 457 3117	
1.2.6	E-mail	<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	Dhanny Hermawan	
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	One (1) unit of Palm Oil Mill supply by three (3) Estates: Tonduhan Estate, Pasir Mandoge Estate, & Sei Kopas Estate	
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>
	Pasir Mandoge	Bandar Pasir Mandoge Estate, Bandar Pasir Mandoge Sub-District, Asahan District, Sumatera Utara Province, Indonesia	N 02° 46' 11"      E 99° 19' 06"
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>
	Tonduhan Estate	Nagori Tonduhan Village, Hatonduhan Sub-District, Simalungun District,	N 02° 49' 46"      E 99° 12' 50"

		Sumatera Utara Province, Indonesia.			
	Pasir Mandoge Estate	Bandar Pasir Mandoge Village, Bandar Pasir Mandoge Sub-District, Asahan District, Sumatera Utara Province, Indonesia.	N 02° 46' 15"	E 99° 19'10"	
	Sei Kopas Estate	Sei Kopas Village, Bandar Pasir Mandoge Sub-District, Asahan District, Sumatera Utara Province, Indonesia.	N 02° 47' 31"	E 99° 22'32"	
1.5	Description of Area Statement				
1.5.1	Tenure				
	State				
	• HGU		14,878.06 Ha		
	Community		- Ha		
1.5.2	Area Statement				
	Descriptions	Tonduhan Estate	Pasir Mandoge Eate	Sei Kopas Estate	Total
	Total area	2,457.86	7,848.06	4,572.14	14,878.06
	Mature area	2,178.00	7,130.00	4,169.00	13,477.00
	Immature area	69.00	-	70.00	139.00
	Unplanted Area (Areal HYATEN)	-	-	99.00	99.00
	Housing	67.75	113.61	74.50	255.86
	Mill&ETP	-	11.00	-	11.00
	Government Electricity	-	30.00	-	30.00
	Infrastructure (roads and bridges)	92.74	484.34	102.66	679.74
	HCV Area	36.37	79.11	56.98	172.46
	Public Bath/Swimming Pool	14.00	-	-	14.00
1.6	Planting Year and Cycles				
1.6.1	Age profile of planting year				
	Planting Year	Hectarage (Ha)			
		Tonduhan Estate	Pasir Mandoge Estate	Sei Kopas Estate	Total
	1990	42.00	-	-	42.00
	1991	-	5.00		5.00
	1993	81.00	-	-	81.00
	1994	248.00	-	-	248.00
	1995	103.00	-	-	103.00
	1996	97.00	-	-	97.00
	1997	60.00	-	-	60.00
	1998	90.00		5.00	95.00
	1999	437.00	-	199.00	636.00
	2000	137.00	524.00	-	661.00
	2001	-	393.00	-	393.00
	2003	194.00	834.00	-	1,028.00

	2004	197.00	1,202.00	66.00	1,465.00		
	2005	-	1,811.00	519.00	2,330.00		
	2006	-	-	147.00	147.00		
	2007	186.00	115.00	198.00	499.00		
	2008	-	508.00	550.00	1,058.00		
	2009	-	1,594.00	918.00	2,512.00		
	2010	20.00	92.00	998.00	1,110.00		
	2011	180.00	26.00	487.00	693.00		
	2012	-	26.00	-	26.00		
	2013	-	-	46.00	46.00		
	2015	106.00	-	36.00	142.00		
	Sub Total Mature	2,178.00	7,130.00	4,169.00	13,477.00		
	2016	-	-	70.00	70.00		
	2017	69.00			69.00		
	Sub Total Immature	69.00	-	70.00	139.00		
	TOTAL	2,247.00	7,130.00	4,239.00	13,616.00		
1.6.2	New Planting area after January 2010		- Ha				
1.6.3	Planting Cycle		2 <sup>nd</sup> Cycle				
1.7	Description of Mill and Supply Base						
1.7.1	Description of Mill						
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel	
				Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)
	Pasir Mandoge	60	268,700	65,513	24.39	10,905	4.06
	*Production data source from October 2018 to September 2019						
1.7.2	Description of Certification Scope of Supply Base						
	Name of Estate	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/ year)	Supplied to Mill	
						FFB (tonnes/year)	%
	Tonduhan Estate	2,457.86	2,247.00	49,964.00	22.24	11,885.00	23.79
	Pasir Mandoge Estate	7,848.06	7,130.00	183,194.00	25.69	183,194.00	100.00
	Sei Kopas Estate	4,572.14	4,239.00	104,008.00	24.54	73,518.00	70.68
	TOTAL	14,878.06	13,616.00	337,116.00	24.76	268,597.00	79.67
	*Production data source from October 2018 to September 2019						
	The FFB's from Tonduhan Estate & Sei Kopas Estate also were send to other mill: Bah Jambi, Pabatu, and Dolok Sinumbah						
1.7.3	FFB description from other source						
	Name of sources/Organisation (RSPO certified / non-certified)	Type of Organisation	number of smallholders	Production Area (Ha)	Supplied to Mill		
					FFB (tonnes/year)		
	Sei Kopas (Conversion forest production area/HPK) Non- Certified	PTPN IV	-	763.00	103.00		



TOTAL				103.00				
<i>*Production data source from October 2018 to September 2019</i>								
1.7.4	Product categories			FFB, CPO, PK				
1.8	Tonnage of Product							
1.8.1	Past Annual Claim Certified Product	Previous Certificate Claim (tonnes/year)		Actual certified product (tonnes/year)				
	FFB Processed	-		-				
	CPO Production	-		-				
	Palm Kernel (PK) Production	-		-				
<i>It will be verified on the Annual Surveillance Assessment</i>								
1.8.2	Product selling							
	Type of selling product	Period of actual selling product						
	CSPO sold as RSPO certified product	-						
	CSPK sold as RSPO certified product	-						
	CSPO sold under other scheme	-						
	CSPK sold under other scheme	-						
	CSPO sold as conventional	-						
	CSPK sold as conventional	-						
<i>It will be verified on the Annual Surveillance Assessment</i>								
1.8.3	Estimate of Certified FFB Claim							
	Name of Estate	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)			
	Tonduhan Estate	2,457.86	2,247.00	52,463	24.12			
	Pasir Mandoge Estate	7,848.06	7,130.00	192,353	26.98			
	Sei Kopas Estate	4,572.14	4,239.00	109,362	22.98			
	TOTAL	14,878.06	13,616.00	354,178	25.18			
<i>*Projected FFB production for 12 months of certificate (14 October 2020 – 14 October 2021)</i>								
<i>The FFB's from Tonduhan Estate &amp; Sei Kopas Estate also were send to other mill: Bah Jambi, Pabatu, and Dolok Sinumbah</i>								
1.8.4	Estimate of Certified Palm Product Claim							
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO Out put (tonnes)	CPO Extraction (%)	Palm Kernel Out put (tonnes)	Palm Kernel Extraction (%)	Supply Chain Module
	Pasir Mandoge	60	354,178	82,523	23.30	17,709	5.00	MB
<i>*Projected CSPO and CSPK production for 12 months of certificate (14 October 2020 – 14 October 2021)</i>								
1.9	Other Certifications							
	ISO 9001:2008		-					
	ISO 14001: 2004		-					
	OHSAS 18001:2007		-					
	ISCC		-					
	Others		ISPO: Certificate number: MUTU-ISPO/165 validity period 22 March 2019 till 21 March 2024					
1.10	Time Bound Plan							
1.10.1	Time Bound Plan for Other Management Units							

Management Unit		Estate (Supply Base)	Time Bound	Location	Status
POM	Time Bound				
Pabatu	2015	Pabatu	2015	Serdang Bedagai, Sumatera Utara	Certified on September 2015
Dolok Ilir	2015	Dolok Ilir	2015	Simalungun, Sumatera Utara	Certified on September 2015
		Laras	2018	Simalungun, Sumatera Utara	Certified on December 2018
Pulu Raja	2015	Pulu Raja	2015	Asahan, Sumatera Utara	Certified on August 2015
Adolina	2018	Adolina	2018	Serdang Bedagai dan Deli Serdang, Sumatera Utara	Certified on April 2018
Bah Jambi	2018	Bah Jambi	2018	Simalungun, Sumatera Utara	Certified February 2018
		Marihat	2018	Simalungun, Sumatera Utara	Certified February 2018
		Bah Birung Ulu	2021	Simalungun, Sumatera Utara	Stage-1 Audit
		Marjandi	2019	Simalungun, Sumatera Utara	Certified on 20 may 2019 (1,802.0 Ha)
			2021	Simalungun, Sumatera Utara	Out of scope Certification 2 <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)
		Balimbingan	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	Out of scope

				Utara	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
<i>Time Bound Plan update June 2020</i>					
1.10.2	<b>Progress of Associated Smallholders and Outgrowers for Certifiable Standard</b>				
	PTPN IV- Pasir Mandoge POM does not have scheme smallholders.				

<b>2.0</b>	<b>ASSESSMENT PROCESS</b>
<b>2.1</b>	<b>Assessment Team</b>
<b>IC</b>	<p>1. <b>Trismadi Nurbayuto (Lead Auditor)</b>. Indonesian Citizen. Diploma of Forest Management from Forestry Faculty; Associate Degree of Economic from Economic and Management. He has experienced as field assistant on oil palm plantation year of 2008. Therefore, he has experienced as HCV and SEIA Assessor on 2010-2013. He has been followed HCV identification and management training; ISO training (9001;14001; 22000); ISPO Lead Auditor's training; Safety Expert; RSPO Lead Auditor's; OHS Auditors by Government Regulation No 50 year of 2012; and RSPO Next. He has been conducted audit on ISPO and RSPO scheme since year of 2013 as an Auditor on several aspect as environment, OHS, Legality, Best Management Practices, Social, Worker Welfare, Conflict Resolutions, Long term Business Plan and Supply Chain on Palm Oil Mill. During this audit, he assigned to verify legality, worker welfare and social aspect.</p> <p>2. <b>Brigitta Prita (Auditor)</b>. Citizen of Indonesia. Bachelor of Forestry, Department of Forest Resources Conservation and Ecotourism. She had attended Training ISPO by Commission ISPO on June 2013, Training ISO 9001:2008 Quality Management System on January 2014, In House Training 17021 and 17065 management system and Product Quality, Training High Conservation Value by IPB on September 2015, In House Training HCV on August 2016, In House Training Roundtable Sustainable Palm Oil on January 2014; In House Training ISO 14000:2004 Environmental Management System. She has been auditing experience ISPO &amp; RSPO since April 2013 in the environmental, conservation, waste management and worker welfare aspects. During this audit, she verifies SCCS, GHG, HCV and Environment aspect.</p> <p>3. <b>Haikal Ramadhan Kharismansyah (Auditor)</b>. Indonesian citizen, Bachelor of Agriculture department of plant and pest disease (Agrotechnology). He has 3 years experience as an Agronomy Staff in private oil palm plantation in Indonesia. Training which had attended including Basic Management Development Program Agronomy, Integrated Urban Pest Management, Integrated Pest Management, ISO 9001 : 2015, ISO 14000, SA8000, Lead Auditor ISPO, Lead Auditor RSPO, ISO 22000 awareness. Did some audit scheme with aspects Best management practice, OHS, Worker welfare and Transparencies. During this audit, he assigned to verify OHS aspect and transparency.</p> <p>4. <b>Briyogi Shadiwa (Auditor)</b>. Indonesian citizens. Diploma 3 of Oil Palm Plantation. He has working experience since 2009 as Agronomy Assistant and Agronomy Quality Control in several private oil palm plantation companies in Indonesia. The training has been followed include: ISPO Auditor Training by LPP, RSPO Lead Auditor Course by Checkmark Training, Lead auditor ISO 9001: 2015, Awareness SMK3, Lead Auditor ISO 14001: 2015, Awareness OHSAS 18001: 2007 and OHS Expert. During this audit, he assigned to verify best management practice and long-term plan management.</p> <p>5. <b>Rindu Galih Rezza Rachmansyah (Trainee Auditor)</b>. Indonesian citizen, Bachelor of Agriculture department of plant and pest disease (Agrotechnology). He has 1 year experience as Field Expert in Pesticide Company and 3 years experience in Industrial Forest Management, Forest Rehabilitation and Reclamation on BUMN Indonesia as Assistant. Training which had attended including Training Lead Auditor ISO 9001, ISO 14001, ISO 17021, ISO 19011, Training Lead Auditor ISPO, Training Lead Auditor RSPO, RaCP and NPP awareness for RSPO, OHSAS 18001 : 2007. He has been involved in several audit activities related to sustainable palm oil certification since 2017 covering Best Management Practices aspect, OHS aspect social aspect and worker welfare aspect. During this audit, he support to verify worker welfare and social aspect.</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>IC</b>	<p>Number of auditors: 4 auditors &amp; 1 Auditor Trainee.</p> <p>Number of days for <b>IC</b> at site: 6 days.</p> <p>Number of working days for <b>IC</b> at site: 24 Working days.</p>
<b>2.2.2</b>	<b>Assessment Process</b>
<b>IC</b>	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT PN IV – Pasir Mandoge Unit Business to the requirements of Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INA-NITF, July 2016 (Endorsed by the RSPO Board of Governors meeting on 30th September</p>

2016), RSPO P&C Certification System 2017 and RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 revised on 14 June 2017 (Module E for CPO Mill).

The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) interview, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site.

Some opportunities for improvement of the results **IC** delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (**ASA-1**).

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

The assessment program please find Appendix 2.

<b>2.2.3</b>	<b>Locations of Assessment</b>
<b>IC</b>	<p>Number of units in this certification activity is 3 (three) estates, which supply the raw material (FFB) to Pasir Mandoge POM. In conducting the assessment, the team of auditors use the clause 4.7.1 on RSPO Certification System For Principle and Criteria (Endorsed June 2017) “<i>The CB’s procedures shall include the sampling methodology (see 4.7.2) for initial certification, surveillance and re-certification audits, where there are more than four estates or associated smallholders, otherwise all estates must be visited as part of the assessment</i>”. The team of auditors determined that the sampling locations regarding to the standard are 1 (one) Palm Oil Mill (Pasir Mandoge POM) and 3 (Three) estates (Pasir Mandoge, Tonduhan and Sei Kopas Estates).</p> <p><b><u>Tonduhan Estate</u></b></p> <ul style="list-style-type: none"> <li>• <b>Block 93E, Harvesting.</b> Observation and interview with workers on their understanding towards technical, safety, environment, conservation and manpower aspects.</li> <li>• <b>Block 95B, Road Maintenance.</b> Observation and interview with workers on their understanding towards technical, safety, environment, conservation and manpower aspects.</li> <li>• <b>Block 95F, Weeding Control.</b> Observation and interview with workers on their understanding towards technical, safety, environment, conservation and manpower aspects.</li> <li>• <b>Block 90F, Replanting.</b> Observation related to replanting activities.</li> <li>• <b>Fertilizer Warehouse.</b> Observation and interview regarding fertilizer handling and storage</li> <li>• <b>Pesticide Warehouse.</b> Observation and interview regarding pesticide handling and storage</li> <li>• <b>Temporary Hazardous Waste Shelter.</b> Observation and interview regarding hazardous waste handling and storage</li> <li>• <b>Workshop.</b> Observations and interviews about heavy equipment, OHS training, waste management</li> <li>• <b>Fire Control Simulation.</b> Observation of the preparedness of the emergency response team</li> <li>• <b>Afdeling I Housing.</b> Observations regarding domestic waste management and employee welfare facilities</li> <li>• <b>Worship Facilities and Infrastructure</b></li> <li>• <b>PPE warehouse / Pesticide Mixing Site.</b> Observation and interview regarding PPE storage and how to mix pesticides</li> <li>• <b>Block 98B/98C, Division III, HCV1&amp;HCV4 (Riparian of Bah Horas River).</b> Observation and interview with officer related to HCV monitoring and management. There are signboard of prohibition of chemical application and spraying limit with red paint on the oil palm trees.</li> <li>• <b>Block 11F, Division III, HCV1&amp;HCV4 (Riparian of Bah Hapusuk River).</b> Observation and interview with officer related to HCV monitoring and management. There is signboard, however there are no spraying limit with red paint on the oil palm trees.</li> <li>• <b>Block 11F, Division III, HCV1&amp;HCV4 (Riparian of Bah Hapusuk River).</b> Observation and interview with officer related to HCV monitoring and management. There is no spraying limit with red paint on the oil palm trees.</li> <li>• <b>Boundary stone number 33, Block 15D, Division III.</b> Observation the boundary stones condition and border of estate.</li> <li>• <b>Boundary stone number 11, Block 94N, Division II.</b> Observation the boundary stones condition and border of</li> </ul>



estate.

- **Block 94N, Division II, HCV1&HCV4 (Riparian of Bah Hapusuk River).** Observation and interview with officer related to HCV monitoring and management. There are signboard of prohibition of chemical application and spraying limit with red paint on the oil palm trees. There is also water fall outside of HGU area.

#### Pasir Mandoge Estate

- **Block 05BU, Path and Circle Spraying.** Observation and interview with workers on their understanding towards technical, safety, environment, conservation and manpower aspects.
- **Block 05CK, Pest Census.** Observation and interview with workers on their understanding towards technical, safety, environment, conservation and manpower aspects.
- **Block 10A, Manuring.** Observation and interview with workers on their understanding towards technical, safety, environment, conservation and manpower aspects.
- **Boundary pole No. 28. Afdeling 6.** Observations regarding maintenance and marking of legal boundaries
- **Boundary pole No. 27. Afdeling 1.** Observations regarding maintenance and marking of legal boundaries
- **Boundary pole No. 25. Afdeling 1.** Observations regarding maintenance and marking of legal boundaries
- **Spring. Afdeling 6. 09AB.** Observations regarding the management of HCV
- **Aek Sipupul River Riparian. Block 09AJ.** Observations regarding the management of HCV
- **Division 6 Pesticide Storage Warehouse.** Observation and interview regarding pesticide handling and storage
- **Division 6 Rinse House.** Observation and interview regarding PPE storage and how to mix pesticides
- **Landfill. 09AH.** Observation regarding management of domestic waste

#### Pasir Mandoge POM

- **Station FFB Sortation/Grading.** Observation and interview with workers on their understanding towards technical, safety, environment and manpower aspects.
- **Station Transfer Carriage.** Observation on safe working practices on the station.
- **Station Sterilizer.** Observation and interview with workers on their understanding towards technical, safety, environment and manpower aspects.
- **Station Thresher.** Observation on safe working practices on the station.
- **Station Press.** Observation and interview with workers on their understanding towards technical, safety, environment and manpower aspects.
- **Workshop.** Observations and interviews about heavy equipment, OHS training, waste management and operator license
- **WTP.** observations and interviews about work procedures
- **ETP.** Observations related to waste water management.
- **EBA.** observations and interviews about palm oil waste management
- **Temporary Hazardous Waste Shelter.** Observation and interview regarding hazardous waste handling and storage
- **Chemical Storage.** Observation and interview regarding chemical handling and storage
- **FFB's Weighbridge Station.** Interview with operator regarding job description, salary, work insurance, and SCCS aspect.
- **Storage Tank.** There are two unit storage tank with capacity @ 1,750 MT.
- **Palm Kernel Bulk.** There are three units PK bulk with capacity @ 60 MT.
- **Palm Kernel store.** There is PK store with capacity 1,427 MT.
- **Security Post.** Observation and Interview with operator related personnel understanding over the applicable SOP, infrastructure in mill, the implementation of occupational health and safety, medical examination, trainings from company and worker welfare.
- **Weighbridge for CPO & Palm Kernel.** Observation and Interview with operator related personnel understanding over the applicable SOP, infrastructure in mill, the implementation of occupational health and safety, medical examination, trainings from company and worker welfare.
- **Engine Room Station.** Observation and Interview with operator related personnel understanding over the applicable SOP, infrastructure in mill, the implementation of occupational health and safety, medical examination, trainings from company and worker welfare.

- **Boiler Station.** Observation and Interview with operator related personnel understanding over the applicable SOP, infrastructure in mill, the implementation of occupational health and safety, medical examination, trainings from company and worker welfare.

#### **Sei Kopas Estate**

- **Temporary Storage of hazardous waste.** Observation and interview with officer related hazardous waste, symbol-symbol, emergency responses and others.
- **Chemical storage.** Observation and interview related condition of chemical storage.
- **Workshop.** Observation and interview related OHS, activities, First aid, and others.
- **Block 05H, HCV.** Field observation related to conservation area (Ambalatu River).
- **HGU Poles No. 226.** Observation on boundaries poles, coordinates, maintenance, and demarcation.
- **HGU Poles No. 227.** Observation on boundaries poles, coordinates, maintenance, and demarcation.
- **HGU Poles No. 228.** Observation on boundaries poles, coordinates, maintenance, and demarcation.
- **Block 10 AB. Afdeling III.** Circle and Path Spraying. observations and interviews about PPE, safe work methods, and work procedures
- **Block 16I. Afdeling IV.** Woody Growth Control. observations and interviews about PPE, safe work methods, and work procedures
- **Rinse House Afdeling III.** Observation and interview regarding PPE storage and how to mix pesticides
- **Division IV Rinse House.** Observation and interview regarding PPE storage and how to mix pesticides
- **Panen Activity at Afdeling 8 Block 06B, Afdeling 7 Block 08A & Afdeling 6 Block 10AK.** Observation and Interview with operator related personnel understanding over the applicable SOP, infrastructure in mill, the implementation of occupational health and safety, medical examination, trainings from company and worker welfare.

#### **Public Consultation**

- Tonduhan Village, Sub-District Hatonduhan, Simalungun Regency
- Buntu Turunan Village, Sub-District Hatonduhan, Simalungun Regency
- Plantation Agency of Asahan Regency
- Environment Agency of Asahan Regency
- National Land Agency of Asahan Regency
- Manpower Agency of Asahan Regency
- Bandar Pasir Mandoge Village
- Suka Makmur Village
- Sei Kopas Village
- Silau Jawa Village

<b>2.3</b>	<b>Stakeholder Consultation and Stakeholders Contacted</b>
<b>2.3.1</b>	<b>Summary of stakeholder consultation process.</b>
<b>IC</b>	<p>The public consultation with stakeholders to PT Perkebunan Nusantara IV done through:</p> <ul style="list-style-type: none"> <li>• Conduct a public announcement on the RSPO website (<a href="http://www.rspo.org">www.rspo.org</a>) and MUTU website 30 days before audit assessment.</li> <li>• Conducting visits and direct interviews with stakeholders (National land Agency; Plantation Agency; Environment Agency; Manpower &amp; Transmigration Agency of Simalungun Regency, Province of Sumatera Utara) on 22 October 2019.</li> <li>• Conducting visits and direct interviews with stakeholders (National land Agency; Plantation Agency; Environment Agency; Manpower &amp; Transmigration Agency of Asahan Regency, Province of Sumatera Utara) on 23 October 2019.</li> <li>• Conduct consultations via email questionnaire to NGOs (USAID Lestari Indonesia, AURIGA (Yayasan Auriga Nusantara and Greenpeace) on 14 October 2019.</li> <li>• Conducting visits and direct interviews with Local Communities at Tonduhan Estate (Tonduhan &amp; Buntu Turunan Village) on 22 October 2019.</li> </ul>

	<ul style="list-style-type: none"> <li>• Conducting visits and direct interviews with Local Communities at Pasir Mandoge Estate (Suka Makmur &amp; Bandar Pasir Mandoge Village) on 23 October 2019.</li> <li>• Conducting visits and direct interviews with Local Communities at Sei Kopas Estate (Sei Kopas &amp; Silau Jawa Village) on 25 October 2019.</li> <li>• Conducting Interviews with the local contractor, Gender Committee and Labor Union at Tonduhan Estate on 22 October 2019.</li> <li>• Conducting Interviews with the local contractor, Gender Committee and Labor Union at Pasir Mandoge Estate on 23 October 2019.</li> <li>• Conducting Interviews with the local contractor, Gender Committee and Labor Union at Sei Kopas Estate on 25 October 2019.</li> </ul>
<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 ( <i>ASA-7</i> ) will be determined eight (8) month to twelve (12) month after date of annual license

### 3.0 ASSESSMENT FINDINGS

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

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

During the assessment, there were eleven (11) Nonconformities were assigned against Major Compliance Indicators; eleven (11) nonconformities were assigned against Minor Compliance Indicators; and one (1) nonconformity against supply chain requirement for CPO mill and three (3) opportunities for improvement were identified.

Further explanation of the non-conformities raised and corrective actions taken by the company are provided in section 3.5. The company has already prepared and implemented the corrective action(s) that had been reviewed and accepted by Auditor(s) in form of documentation evidence(s) e.g. (document record/photographic/etc.). Those corrective action(s) taken that consist of twelve (12) Major non-conformities and nine (9) Minor non-conformities had been closed out shall be verified during next assessment.

MUTUAGUNG LESTARI found that **Pasir Mandoge POM – Subsidiary of PT Perkebunan Nusantara IV** complied with the requirements of *Indonesia Nasional Interpretasi Prinsip dan Kriteria RSPO 2013 Untuk Indonesia Juli 2016*, approved RSPO Governors 30 September 2016; RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 revised on 14 June 2017 (Module E for CPO Mill); and RSPO Certification System for Principles and Criteria, 14 June 2017.

Therefore, MUTUAGUNG LESTARI Recommends RSPO Certification of compliance is *issued*.

Ref Std.	VERIFICATION RESULT of MUTU-Certification	
<b>PRINCIPLE #1 COMMITMENT TO TRANSPARENCY</b>		
<b>1.1</b>	<b>Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.</b>	
<b>1.1.1</b>	<p>The company has Circular Letter No. 04.01 / SE / 02 / II / 2018 dated February 27, 2018 concerning Management of Company Data / Document / Information Provision which explains that the request for data / documents / information can be done by visiting the website of PT Perkebunan Nusantara IV (<a href="http://www.ptpn4.co.id/kip/">www.ptpn4.co.id/kip/</a>) or by request letter to the Head of the Corporate Secretary Section (if the request is to the unit, the district / unit manager must coordinate with the Head of the Corporate Secretary).</p> <p>The company has a Decree of the Board of Directors of PT Perkebunan Nusantara IV No. 04.03 / Kpts / 02 / II / 2018 dated February 5, 2018 which was approved by the President Director. The decision states that there are 22 information (company profile, land permit, audited financial statements, licensing/permitting documents, etc.) that can be published and accessed in general. Other than that, 27 information (company articles of association, bonus formula / production services, formula selling price of commodities, etc.) which cannot be published publicly.</p> <p>Some general information about PT Perkebunan Nusantara IV can be accessed publicly through the website listed above, if related to information in each business unit, the information can be accessed by providing a request letter of information to the business unit. Based on the results of interviews with relevant stakeholders (government agencies in Simalungun Regency, Asahan Regency and surrounding villages) it is known that the stakeholders already know the procedure for requesting information such as by submitting a request for information and can be easily accessed.</p>	

**1.1.2**

Based on the review of company documents, it has an information service procedure for stakeholders that is explained in SPO 03 (Communication consultation with the community) which was effective on January 2, 2015 which explains that communication and consultation for the community in the immediate plantation unit is recorded by HR assistants and the general representing managers to communicate with the *Muspika*, traditional religious leaders and the community around the operational area, if there is a direct request for information known to the directors then it will be conveyed to the manager of the GUU (Business Unit Group) then it will be relayed back to the Directors and will be followed up on.

SOP of Information Request and SOP of Communication & Consultation have covered all the elements in indicator 1.1.1 above. The time period for responding to requests for information is 30 working days after the letter is received by management. For all records of requests will be stored in each business unit in accordance with the purpose of the request for information.

**Non-Conformity No. 2019.01 with Major Category**
**Evidence Observed:**

1. PTPN IV Tonduhan Unit and Pasir Mandoge Unit have sent several mandatory reports to agencies related to Simalungun Regency and Asahan Regency such as, RKL-RPL Implementation Report, Obligatory Report on Labour and Plantation Business Development Report. However, there are still a number of reports which have not been able to show evidence of reporting, including the land permit Utilization Report, P2K3 Report for the Tonduhan Unit and the land permit Utilization Report, the Fire Prevention Report for the Pasir Mandoge Unit. While for PTPN IV Sei Kopas Unit has not been able to show evidence of having reported these reports.
2. PTPN IV Tonduhan Unit has 37 stakeholders and Sei Kopas Unit has 19 stakeholders listed in the 2019 stakeholder list, but there are still a number of stakeholders not yet included in the list including: Internal Stakeholders (trade unions, gender committees, employee cooperatives and others ), Related agencies in the Regency (Asahan and Simalungun Districts) and other stakeholders. Whereas the list of stakeholders in 2019 cannot yet be shown by the Pasir Mandoge POM Unit and the Pasir Mandoge Unit.

**Non-Conformance Description:**

1. The company has not been able to prove that mandatory reports have been reported routinely to the relevant agencies.
2. The company has not been able to ensure that the entire stakeholder list related to plantation and mill operational activities has been well documented.

1.1.2	<b>Status:</b> <b>Non-Conformity No. 2019.01 with Major Category</b>	
<b>1.2</b> <b>Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.</b>		
<b>1.2.1</b> <p>The company has Circular Letter No. 04.01 / SE / 02 / II / 2018 dated February 27, 2018 concerning Management of Company Data / Document / Information Provision which explains that the request for data / documents / information can be done by visiting the website of PT Perkebunan Nusantara IV (<a href="http://www.ptpn4.co.id/kip/">www.ptpn4.co.id/kip/</a>) or by request letter to the Head of the Corporate Secretary Section (if the request is to the unit, the district / unit manager must coordinate with the Head of the Corporate Secretary).</p> <p>The company has a Decree of the Board of Directors of PT Perkebunan Nusantara IV No. 04.03 / Kpts / 02 / II / 2018 dated February 5, 2018 which was approved by the President Director. The decision states that there are 22 information (company profile, land permit, audited financial statements, licensing/permitting documents, waste management, disposal plan, etc.) that can be published and accessed in general. Other than that, 27 information (company articles of association, bonus formula / production services, formula selling price of commodities, etc.) which cannot be published publicly.</p> <p>These documents are stored in each business unit and PTPN IV headquarters depending on the type of information. However, all these documents can be given to stakeholders if they submit a request for information to the company.</p>		
	<b>Status: Comply</b>	



**1.3**
**Growers and millers commit to ethical conduct in all business operations and transactions.**
**1.3.1**

PTPN IV has a written policy that contains a commitment to the code of integrity and ethical behaviour contained in the Code of Conduct prepared in 2019, Chapter V Prohibition for Businesses. This chapter contains a code of conduct relating to conflicts of interest, bribery, political activities, drugs and gambling, and disgraceful acts which are prohibited by the company's business people. Every business person is prohibited from conducting Corruption, Collusion, Nepotism and Bribery.

PTPN IV is committed to Living Prosperously without Corruption is a commitment of the Clean BUMN (state-owned enterprises) Program, PTPN IV's people are committed not to accept gratuities in carrying out their duties and authority and are free from conflicts of interest. We invite stakeholder participation in delivering information if PTPN IV Bersih's commitment is not carried out by company people, online through: [www.ptpn4.co.id](http://www.ptpn4.co.id) or by email [complaint@ptpn4.co.id](mailto:complaint@ptpn4.co.id)

The company has socialized the Code of Conduct (available in Indonesian) every year to all employees, in addition to that the company has provided a code of business conduct for all workers when they first enter as PTPN IV employees. So that all workers have understood the work behaviour (Code of Conduct) of PTPN IV. The company can also show evidence of its socialization record including:

- The socialization of PTPN IV Code of Conduct on April 13, 2019 which was attended by 35 participants.
- Integrity Pact document to carry out PTPN IV Code of Conduct on August 14, 2019, which has been signed by each employee.

Based on the results of interviews with workers (harvest, fertilizer and spray) and business partners (local contractors) in all business units it is known that the workers and contractors have a good understanding of the points of business conduct that have been conveyed to them. For local contractors, business conduct is conveyed by each company and the contractor will extend the agreement and addendum to the agreement.

<b>Status: Comply</b>
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**PRINCIPLE #2 COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS**
**2.1**
**There is compliance with all applicable local, national and ratified international laws and regulations.**
**2.1.1**
**Worker Welfare**

- The company has set minimum wages in accordance with the stipulation of the government minimum wage, namely the Simalungun and Asahan Regulations Minimum Wages in 2019
- The company has also registered its employees in the BPJS Health and Employment program in accordance with applicable regulations.
- The company has implemented policies related to freedom of association, human rights, discrimination, child labor and gender so that until now there are no negative issues related to this.

**Environment.**
**Pasir Mandoge Mill & Estate.**

Temporary storage permit for schedule waste to Pasir Mandoge Estate in accordance with decision letter No. 503 / LB3 / DPMPPTSP / 0005 / V / 2019 dated May 23, 2019, valid for 5 years from the date of appointment. Design building 24 m with coordinate points N 02 00'88.25 and E 099 02'11.05 ".

**Sei Kopas Estate.**

Temporary storage permit for schedule waste to Sei Kopas Estate in accordance with decision letter of Regent Asahan number 291-Link-2016 since 25 August 2016 is valid for 5 years. Temporary storage area of 5 m x 3 m is located at coordinates N: 02°47 '25.5 "and E 099°22 '31.3".

**Tonduhan Estate.**

Temporary storage permit for schedule waste to Tonduhan Estate in accordance with decision letter of Environmental Agency of Simalungun No.188.45 / 154 / Sekrt-2016, dated March 8, 2016, Valid for 5 years. Temporary storage area of

6 m x 6 m x 4 m.

**Waste water discharge permit for land application.**

Permit for utilization of palm oil industry wastewater on land (*land application*) is located at PTPN IV - Bandar Pasir Mandoge Asahan Regency in accordance with the decree of Asahan Regent number 660.1 / 0853 / LH / 2015, Capacity 60 tons / hour with an area of 411.9 ha. Based on the map of the WWTP layout of the land application location in Block 4AC, 04 AD, 04 AE, 04 AH & 04 AI in Pasir Mandoge Estate.

**Waste water discharge permit for water body.**

The liquid waste disposal permit in accordance with the Regent decree in accordance with 503 / PLC / BPPPM / 1577 / XII / 2016 dated December 19, 2016 is located in Bandar Pasir Village with a volume of 58 m<sup>3</sup> / hour. Valid for 5 years from the date of stipulation.

The testing of boiler emission was conducted every 6 months a year accordance with Environment regulations No.7 year 2007.

**The management unit has plantations business permit, as follows:**

- Simalungun Regency Decree Letter number 188.45/4018/K-PPT/2012 dated 9 November 2012 about Plantation Business Permit of PTPN IV Tonduhan Estate with area 2,357.89 Ha, with productivity 25.27 MT/Ha/years.
- Unified Licensing Service Agency Head of Sumatera Utara Province Decree Letter number 522.279/BPPTSU/2/1.3/XII/2012 dated 18 December 2012 about Plantations Business Permit of PTPN IV Unit Pasir Mandoge with area 8,406.35 Ha and mill capacity 60 MT/hours.
- Asahan Regency Decree Letter number 503/IUP/BPP/1610/14/2012 dated 22 November 2012 about Plantations Business Permit of PTPN IV Sei Kopas Estate with area 6,614.72 Ha.

**License and Inspection of Factory Machinery**

- Permit No. 02 / H.0001A for sterilizers (Steam Vessels) No.4 was established on December 5, 2008 by the Head of the Manpower and Transmigration Office of North Sumatra Province. The results of the inspection on September 24, 2019 by the work safety supervisor NIP 197403142006041003 are good
- Steam boiler inspection and testing report Number: 02 / KU / PRU-KHS / 2019 dated September 5, 2019 by the occupational safety and health experts of PT Putra Roburan Utama and known by the inspector from related agencies with NIP.198305192011011009

**Evidence observed:**

- Schedule waste storage license in accordance with the decision of Regent Asahan number 291-Link-Year 2016 since August 25, 2016 is valid for 5 years. Point (2.b) records the flow of schedule waste in and out of storage according to the type and volume in the schedule waste balance sheet form and reports to related parties once every 3 months.
- Government Regulation No.101 of 2014 which states that article 44 point (1.d) prepares and submits the schedule Waste Collection report and point (3) collection report is submitted to the Minister, Governor, or regent / mayor in accordance with the schedule waste management permit. 1 time in 3 months since the permit was issued.
- Permit No. 02 / H.0001A for sterilizers (Steam Vessels) No.4 was established on December 5, 2008 by the Head of the Manpower and Transmigration Office of North Sumatra Province. The results of the inspection on September 24, 2019 by the work safety supervisor NIP 197403142006041003 are good
- Steam boiler inspection and testing report Number: 02 / KU / PRU-KHS / 2019 dated September 5, 2019 by the occupational safety and health experts of PT Putra Roburan Utama and known by the inspector from related agencies with NIP.198305192011011009

However, based on evidence observed as:

- Based on the operator license list of Pasir Mandoge POM known some operator licenses have expired, for example:

No	Name	Operator License	Validity Period	
			Published	Expired
1	M.Ikhwan Harahap	Power Plant	04 July 2014	04 July 2019
2	Syaiful Azhari	Power Plant	04 July 2014	04 July 2019
3	Syaiful	Electric Technician	20 June 2016	20 June 2019

4	Dian Hariandi N	Welder	05 August 2016	05 August 2019
5	Budi Siregar	Lift and Transport Operators	11 April 2008	11 April 2013

- Has been shown Letter No. PKS - PAM / 04.11 / 48 / X / 2019 dated October 22, 2019 about extension of operator license from the Manager of Pasir Mandoge POM to PTPN 4 headquarters. However, information cannot yet be shown regarding the progress of the extension. Safety Training Provider who will carry out training the implementation timeframe and the cooperation contract

Thus, it can be concluded that the Company has not been able to show consistency with regard to compliance with regulations, for example in terms of operator license extensions

### **This become Nonconformity No.2019.02**

#### **2.1.2; 2.1.3; 2.1.4**

Officers who are responsible for evaluating the regulations are Assistant HR and GA. The company has a list of applicable laws and regulations that has been updated consistently every year, for example in 2019 (type of regulation consists of 55 laws, 44 government regulations, 1 presidential instruction, 7 presidential decrees, 3 presidential regulations, 58 ministerial regulations, 10 Ministerial Decrees, 6 Decree of the Director General and 11 Regional Regulations. In the list of regulations 2019 some of the latest regulations are updated between Ministry of Agriculture Regulation 5 of 2018 concerning the Opening and / or processing of plantation land without burning and the Decree of the Governor of North Sumatra Number 188.44 / 1438 / KPTS 2018 dated 21 November 2018 concerning Determination of Asahan Regency Wages in 2019.

Regulatory documents, operational policies and procedures (SOP) are available at each business unit. Internal compliance audit of law is carried out by PTPN4 strategic planning department which evaluates compliance at all business units under PTPN IV and is carried out once a year.

<b>2.1.1</b>	<b>Status:</b> <b>Non-Conformity No. 2019.02 with Major Category</b>	
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#### **2.2**

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

##### **2.2.1.**

Each of management unit was obtained land title as follows:

1. Tonduhan Estate with HGU Certificate No 4/Simalungun valid to 11 July 2031 with area 1,617.23 Ha.
2. Tonduhan Estate with HGU Certificate No 5/Simalungun valid to 18 September 2042 with area 840.63 Ha. **Total HGU of Tonduhan Estate is 2,457.86 Ha.**
3. Pasir Mandoge Estate with HGU Certificate No 111/Asahan valid to 21 March 2054 with area 1,477.68 Ha.
4. Pasir Mandoge Estate with HGU Certificate No 112/Asahan valid to 21 March 2054 with area 2,532.40 Ha.
5. Pasir Mandoge Estate with HGU Certificate No 113/Asahan valid to 21 March 2054 with area 3,837.98 Ha. **Total HGU of Pasir Mandoge Estate is 7,848.06 Ha.**
6. Sei Kopas Estate with HGU Certificate No 2/Asahan valid to 18 September 2042 with area 320 Ha.
7. Sei Kopas Estate with HGU Certificate No 114/Asahan valid to 5 September 2054 with area 613.61 Ha.
8. Sei Kopas Estate with HGU Certificate No 115/Asahan valid to 5 September 2054 with area 664.83 Ha.
9. Sei Kopas Estate with HGU Certificate No 116/Asahan valid to 5 September 2054 with area 53.50 Ha.
10. Sei Kopas Estate with HGU Certificate No 117/Asahan valid to 5 September 2054 with area 16.02 Ha.
11. Sei Kopas Estate with HGU Certificate No 118/Asahan valid to 5 September 2054 with area 1,097.33 Ha.
12. Sei Kopas Estate with HGU Certificate No 119/Asahan valid to 5 September 2054 with area 1,806.85 Ha. **Total HGU of Sei Kopas Estate is 4,572.14 Ha.**

**The total scope of certification is 14,878.06 Ha.**

#### **Sei Kopas Estate**

1. Based on area statement of Sei Kopas Estate dated 4 October 2019 as follows:

Descriptions	Area (Ha)
Mature Area	4,759.00
Immature Area	5,002.00

Marginal Area	89.00
Emplacement	74.50
Conservation Area	973.36
Public Facilities	148.69
Occupations	333.40
Infrastructure (road & trenches)	159.77
Hiyaten	199.00
Total	6,979.72

2. Based on National Land Agency Decree Letter number 22-HGU-BPN-RI-2007 dated 29 May 2007 for Sei Kopas Estate with area 320 Hectare. And also, renewal of land title in accordance to Agrarian Minister Decree Letter number 72/HGU/KEM-ATR/BPN/VII/2019 dated 9 August 2019 with area 4,252.14 Ha. Based on both of land title, the HGU of Sei Kopas Estate is **4,572.14 Ha**.
3. Based on Head of Forestry Agency of Sumatera Utara Province number 522/1085 dated 29 March 2019 to the PTPN IV Director, about:
  - Based on overlay Sei Kopas Estate Map with Forestry Minister Decree Letter number SK.579/Menhut-II/2014 dated 24 June 2014 about Forest Area of Sumatera Utara Province, there are  $\pm$  4,751.85 Hectare on the other use land (APL) and  $\pm$  1,650.34 Hectare include to Convertible Production Forest (HPK). Based on above data sighted that there are 2,408 Hectare area of Sei Kopas Estate doesn't have HGU. The management unit has not been able to showing that all area has land title. **It was raised as nonconformity No 2019.03.**

## 2.2.2.

The CH has procedure to monitoring & maintain boundary stones with number SPO 12 dated 2 January 2015, the boundary stones maintenance is conducted every semester. The latest monitoring was conducted on Semester I year of 2019 at each estate. Tonduhan Estate: 44 poles on good condition, Pasir Mandoge Estate: 40 poles, and Sei Kopas: 136 poles. The unit managements have sending letter to the Law and Land Division in Head Office to install all of poles that has been lost, therefore it has been budget to install next year from Law and Land Division. Based on field observation to each estate sighted that several poles on good conditions, for example: Poles 33 and 11 in Tonduhan Estate, poles 25, 27, 28 in Pasir Mandoge Estate, and also poles 226, 227 in Sei Kopas Estate. Based on document verification and field visit sighted that all of boundary poles on each unit was places in accordance to the land title maps.

## 2.2.3; 2.2.4 & 2.2.5.

The CH has SPO for Land Conflict Management No. 04 (Revision 2) dated 02 January 2015 which explaining that the settlement of land disputes is done by negotiation involving deliberation of regional leaders and determine the compensation done by negotiation until they reach agreement. Calculations carried out with reasonable prices in accordance with the taxable value and state of the areas. Based on document verification there is historical of land dispute in Tonduhan Estate year of 2017 and it has been resolved, while in Pasir Mandoge Estate there is land dispute resolving on period of 2005 till 2007 to the 339 persons with area 903.04 Ha. Therefore, land dispute resolving on period of 2005 till 2007, for example there is 37-person year of 2007. Based on interviews with communities in Tonduhan Village, Buntu Turunan Village (Tonduhan Estate), Suka Makmur Village, Bandar Pasir Mandoge Village (Pasir Mandoge Estate), Silau Jawa Village and Sei Kopas Village (Sei Kopas Estate), it was obtained information that there was no land dispute issues between company and the surrounding communities during last years.

## 2.2.6.

The CH has Code of Conduct Policy with included do not using paramilitary in resolving conflict escalations. Therefore, based on interview with head of village and public figure sighted Tonduhan Village, Buntu Turunan Village (Tonduhan Estate), Suka Makmur Village, Bandar Pasir Mandoge Village (Pasir Mandoge Estate), Silau Jawa Village and Sei Kopas Village (Sei Kopas Estate), that there are no paramilitary used by the company.

<b>2.2.1</b>	<b>Status:</b> <b>Non-Conformity No. 2019.03 with Major Category</b>	
<b>2.3</b> <b>Use of the land for oil palm does not diminish the legal rights, or customary rights, of other users, without their free, prior and informed consent.</b>		
<b>2.3.1; 2.3.2; 2.3.3 and 2.3.4</b>		

The company has SPO for Land Conflict Management No. 04 (revision 2) dated 02 January 2015 which explaining that the settlement of land disputes is done by negotiation involving deliberation of regional leaders and determine the compensation done by negotiation until they reach agreement. Calculations carried out with reasonable prices in accordance with the taxable value and state of the areas. Based on documents verification of Government Regulation no. 19 of 1959, it is explained that the Tonduhan Estate area comes from the land of the Dutch company Handless Vereniging Amsterdam (HVA). Based on document verification in Pasir Mandoge Estate and Sei Kopas Estate there are record of FPIC process for resolving of occupation area, such as: Pasir Mandoge Estate on period of 2005 till 2007 to the 339 person with area 903.04 Ha. Therefore, in Sei Kopas Estate, for example there are 37 person were acquired year of 2007.

**Status: Comply**

### **PRINCIPLE #3 Commitment to long-term economic and financial viability**

#### **3.1**

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

##### **3.1.1**

PTPN IV Pasir Mandoge, Sei Kopas and Tonduhan Business Unit has a long-term management plan for period 2020 to 2024 which issued by the Board of Directors and Commissioners in November 2019. Management plan has covers prediction of production cost, operational areas, productivity, products price, replanting area, product quality, etc. Annual planning also evaluated at the end of year and compared with realization. It annual planning can be adjusted based on field condition, financial condition or another reason.

Estate management informed that there is no presence of peat within estate operational areas. This is confirmed during field observation. Thus, management plan towards peat management matters such as water management, subsidence measurement, etc. are not applicable.

##### **3.1.2**

Based on Document review, each business unit does have a detailed replanting plan in 5 years period (2020 to 2024), for examples:

- 636 ha in Tonduhan Estate.
- 5 ha in Mandoge Estate.
- 5 ha in Sei Kopas Estate.

Management also showed record of replanting activities in 2019 for Tonduhan Estate as many as 8,796 trees. It's in accordance with the results of field observation on Afdeling 2 of Tonduhan Estate.

**Status: Comply**

### **PRINCIPLE #4 Use of appropriate best practices by growers and millers**

#### **4.1**

**Operating procedures are appropriately documented and consistently implemented and monitored.**

##### **4.1.1**

Unit management of Pasir Mandoge POM and each Estate has document related to all agronomist procedure. The procedures were presented in document No. SPO -00 to SPO-21 dated August 1<sup>st</sup> 2007. All procedures were available in Bahasa. Master list of procedure for estate and mill were keeps by Unit Manager. Based on procedures document review, it could be concluded that all SOP's and WI's were still relevant with current situation and covers all aspect of best management practices in the estates and mill. Based on field observation and interview with Foreman and several workers in each estate, it could be concluded that the workers were able to explain and demonstrate its job in accordance with the SOP, such as standard of ripeness, PPE to be used, PPE management, considering wind flows during spraying process, pesticides and weeds target, prohibited areas to be sprayed (for example HCV or riparian zone area which marked by red-paint on the palm trunk).

Procedure of safe working practices towards agrochemicals application or chemist works is presented in several documents such as Work instruction (WI) No. IK/TA/07 dated June 1<sup>st</sup> 2015 about chemist (pesticide application) quality on the palm circle and harvesting path, WI No. IK/TA/08 dated June 1<sup>st</sup> 2015 about wiping on coarse grass, WI No. IK/TA/11 dated June 1<sup>st</sup> 2015 about pest management, Hazard identification risk assessment control (HIRAC) for estates and mill dated January 4<sup>th</sup> 2018 and material safety data sheet (MSDS) of each agrochemicals used. According to field observation to estate and mill, as well as interview with the respective workers, it could be concluded that in general the workers



has understood the basic of safe working practices such as using a proper set of personal protective equipment (PPE), meaning of risk symbols, agrochemicals and hazardous materials handling, etc.

For the contractor or third-party performance, company has done third party evaluation for every month and for each contractor / third parties. Evaluation based on best practice guidelines set by the company. Based on the evaluation, payment can be made or not.

Other than that The company already has a Risk Management SOP with No. Document PAM-4.2.1 effective date 02 January 2014 in this procedure explains how to identify and assess the source of hazards arising from the operational process and its control efforts which are important to ensure that OHS goals and objectives have been set including the use of PPE. Risk management includes Estate and Mill Procedures, for example: Turbine station Work Instruction number 4.3.13-SAL-DP-IK-06.

#### 4.1.2 and 4.1.3

The company has conducted annually internal monitoring to ensure implementation of procedures. The monitoring conducted through annually operational internal audit by internal audit department and RSPO internal audit by sustainability department. The records of internal audit on 2018 has been documented. Non-compliance records of internal audit have been corrected and verified by management.

Each unit has documented the operations of the estate and mill production such as daily reports, supervisor workbooks, etc. The field visit at the mill shows that the unit has been documenting the daily activities in a daily production report that documented by using computerized systems.

The company has a record of third-party evaluation activities (Contractors) for each business unit, such as:

- The track record of providers of goods and services for the ongoing work of the Pasir Mandoge Estate in December 2018 for CV Anugrah Putra Mandiri.
- Track record of providers of goods and services for the ongoing work of the Pasir Mandoge Estate in December 2018 for CV Irhan.
- Evaluation of Tonduhan Estate Vendors in 2019 for CV Anugrah Putra Mandiri and CV Al-Ghifari Utama.
- Evaluation of Sei Kopas Estate Vendor in February 2019 for CV Mitra, CV Karya Mandiri, CV Ratu Badis Bersaudara and CV Ridho Akbar Sejahtera.

However, in that third-party evaluation records, there is no assessment related to indicators of compliance with regulations and RSPO indicators such as: Tax Payment Compliance, Employment & Health Assurance Compliance, Driving License Compliance, OHS Compliance, and other Compliance determined by the government and RSPO. **NCR.2019.04**

#### 4.1.4.

Based on document verification and interview with weighbridge operator sighted that since July 2018 the Pasir Mandoge POM only received FFB's from Tonduhan Estate, Pasir Mandoge Estate, and Sei Kopas Estate.

4.1.3	<b>Status:</b> <b>Non-Conformity No. 2019.04 with Minor Category</b>	
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#### 4.2

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

#### 4.2.1 and 4.2.2

The company has procedure related to maintain soil fertility (No. Unit Usaha A.10 June 2013). The procedure regulates the basic of fertilization, soil and leaf analysis activities, organic and inorganic fertilization, and fertilization management. Based on document review, implementation of manuring activity has been well documented in book of manuring program. It shows that the dose, amount, and location has been in accordance with the recommendation.

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

#### 4.2.3

Procedure of leaf and soil sampling analysis are presented in document No. SOP 05.4 and No. 22 dated January 1<sup>st</sup> 2013. Procedure mentioned that leaf analysis was conducted annually while soil analysis was conducted every 3 to 5 year.

Leaf and soil analysis for each unit were conducted by Palm Oil Research Centre (LP-472-IDN), for examples from the analysis of the leaves in Tonduhan Estate, the results show that the nutrient status of N, P, K, Mg varies between low, normal and high. Nutrient N, P and K were dominated by high criteria respectively 79%, 54% and 100%, while Ca and Mg nutrients were dominated by low criteria respectively by 70% and 100% of 61 KCD units. Analysis of plant nutrient requirements was carried out in December 2018 for manuring recommendation in 2019.

#### 4.2.4

Apart from chemical fertilizer, estate management has also adopting by-products application such as EFB and POME for nutrient supply purposes. As observed to Pasir Mandoge Estate, it was known that land application by palm oil mill effluent (POME) has implemented on the permitted block. Dosage of application was 60 mt/ha/year. POME has support additional nutrient N on the field. Furthermore, as observed to Pasir Mandoge Estate, it was known that EFB had mulched on the inter-row. Dosage implemented was 200-250 kg/palm/year. EFB is very good to retain soil moisture, organic matters and support additional nutrient K on the field.

In addition, recycling of plant residues in the replanting activities of 2019 in Afdeling 2 of Tonduhan Estate is done by uprooting trees, unloading bowl trunks, chipping down fallen trees, fractioning midribs, then scattering / arranged in harvesting path. To accelerate weathering of plant residues, planting of *Mucuna bracteata* ground cover legumes.

Status: Comply

#### 4.3

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

##### 4.3.1, 4.3.2 and 4.3.6

Each estate has a map of soil type, geology, slopes with scale 1: 50.000. Based on the study of land type map and field verification, the entire area of the Estate is a mineral land. There was no peat soil in the operational area. There were no fragile or problematic soils such as sandy soil or soil with low organic matter content.

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

For the use of plant cover crops, the company has procedures in Planting of Soil Crops (Doc. No, SPO 02.3) covering land preparation, the needs of *Pueraria javanica* (Pj) / *Centrosema pubescens* (Cp), *Calopogonium mucunoides* (Cm) and *Mucuna bracteata* (Mb), *Mucuna bracteata* breeding method (cuttings, breastfeeding cuttings, and seeds), cultivation of nuts, and maintenance / development of nuts).

##### 4.3.3

The company shows a road maintenance realization vs program for 2019 period. Each estate has classified roads based on their conditions (good, medium and heavy). From these data the company made priority programs in road improvement. For example, the realization of road improvements in Tonduhan Estate has reached 255,358 meters on September 2019.

Based on field observations throughout the audit activities, it was concluded that the road conditions on Pasir Mandoge, Sei Kopas and Tonduhan Estate were in good condition and could be passed by heavy transportation.

##### 4.3.4 and 4.3.5

Based on information from estate management, verification on soil map and field observation, it could be concluded that there were no presence of peat soils within Pasir Mandoge, Sei Kopas and Tonduhan Estate operational areas. Hence, these Indicator is not applicable.

Status: Comply

#### 4.4

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

##### 4.4.1.

The company show water management plan for 2019/2020 example: water efficiency for mill process and domestic;

surface water for 6 months once; ground water for 6 months once; maintenance in riparian area, forbidden using chemical material in riparian area and others.

#### 4.4.2.

Procedures related to the identification, management and maintenance of water sources and quality example:

- Procedure for Management of High Erosion Potential Areas (SOP No. 11, Revised 02 dated January 2, 2015).
- Procedure for Management and Monitoring of High Conservation Value Areas (SOP No. 8, Revised 02 dated Jan 2, 2015).

Based on field observation, in Block 98B/98C, Division III, HCV1&HCV4 (Riparian of Bah Horas River) & Block 11F, Division III, HCV1&HCV4 (Riparian of Bah Hapusuk River) there are signboard for prohibition of chemical application and the officer has been know related monitoring and management of HCV.

The testing was conducted August 8, 2019 by Laboratory that has been accredited by KAN (LP 001 IDN) with details bellow:

- Upstream of Bah Hapusuk River : 8 mg/l.
- Downstream of Bah Hapusuk River: 7 mg/l.
- Upstream Bah Horas river : 9 mg/l.
- Downstream Bah Horas : 9 mg/l.

Based on that result, the parameters do not exceed the quality standards set by Government Regulation No.82 of 2001 class I which is 50 mg / l.

#### 4.4.3.

##### **Waste water discharge permit for land application.**

Permit for utilization of palm oil industry wastewater on land (*land application*) is located at PTPN IV - Bandar Pasir Mandoge Asahan Regency in accordance with the decree of Asahan Regent number 660.1 / 0853 / LH / 2015, Capacity 60 tons / hour with an area of 411.9 ha. Based on the map of the WWTP layout of the land application location in Block 4AC, 04 AD, 04 AE, 04 AH & 04 AI in Pasir Mandoge Estate.

##### **Waste water discharge permit for water body.**

The liquid waste disposal permit in accordance with the Regent decree in accordance with 503 / PLC / BPPPM / 1577 / XII / 2016 dated December 19, 2016 is located in Bandar Pasir Village with a volume of 58 m<sup>3</sup> / hour. Valid for 5 years from the date of stipulation.

The company was conducted analysis testing result by laboratory which has been accredited by KAN LP 001 IDN for March until September 2019. Based on that, the parameters didn't exceed the threshold by Decision of Minister Environmental number 28/29 year of 2003.

Field observations in the WWTP & Land application of Block B Afdeling 2 Pasir Mandoge, there is no indication of pipeline leakage, liquid wastewater runoff, and the officer records the discharge of waste water every day.

##### **Observed evidence (filled by auditor):**

- Wastewater discharge permit (IPLC) in accordance with the corresponding decision of the Regency Asahan 503 / PLC / BPPPM / 1577 / XII / 2016 dated December 19, 2016 described in point 2 of the terms of the requirements to be met by employers the availability of liquid waste discharge measuring tools.
- Permit for the utilization of palm oil industry wastewater on land (land application) located at PTPN IV - Bandar Pasir Mandoge in accordance with the decision of Regent Asahan number 660.1 / 0853 / LH / 2015.
- Field observations in the area of the WWTP Pond outlet leading to the Land Application and the Water Body did not reveal any liquid waste measurement tool.
- Based on interviews with management, the measuring tools owned (Pinot) has been lost.

##### **Description of Non-compliance:**

The company has not been able to show evidence of a liquid waste measurement tool to accurately calculate liquid waste

discharge. **This is a non-conformance No.2019.05 with the Minor category.**

#### 4.4.4.

Water resources utilization permit to Pasir Mandoge Estate in *Sungai Perot* Asahan Regency, North Sumatra Province according to the decision of the Minister of Public Works and Public Housing number 246.2 / KPTS / M / 2018. The maximum water / discharge quota of 28 liters / second is equivalent to 72,576 m<sup>3</sup> / month and the collection schedule is 24 hours / day. Coordinate point N 02°45'38.69 " & E 99°18'53.54". The company has paid the surface water retribution date on September 23<sup>rd</sup>, 2019.

The company has records of water usage per ton of FFB from January to September 2019, the average usage for the process is 26,950.67 m<sup>3</sup>; boiler of 12,792.89 m<sup>3</sup>; & domestic 17,304.06 m<sup>3</sup>; the average for efficiency of process of 1.25 FFB/ m<sup>3</sup>; boiler efficiency is 0.59 FFB / m<sup>3</sup> and domestic is 0.80 FFB/ m<sup>3</sup>.

4.4.3	<b>Status:</b> <b>Non-Conformity No. 2019.05 with Minor Category</b>	
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#### 4.5

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

##### 4.5.1

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

- For the Sei Kopas Estate, management conducts pest control activities based on the results of the pest census that has passed the threshold, for example:
  - Chemical control with 48 kg of acephate active ingredient in Block 09 AE in Afdeling 3 where the area of the 20-hectare bagworm attacks in August 2019.
  - Chemical control with the active ingredient deltamethrin as much as 3.75 L in Block 04 C in Afdeling 7 where the area of nettle caterpillar was 15 ha in July 2019.
  - Chemical control with 5 L of active ingredient deltamethrin in Block 11 C in Afdeling 1 where the area of nettle caterpillar was 20 ha in May 2019.
  - Chemical control with acephate active ingredient pesticides as much as 28.8 kg in Block 09 W in Afdeling 3 where the area of the attack of 29 ha bagworm in April 2019.
- For Mandoge Estate, from January to September 2019, there were no known pests, either caterpillars, bagworms & rat attacks. So the company does not carry out follow-up control. This is accordance with the review of pesticide material release documents from the chemical warehouse, where there is no use of pesticides for pest control in mandoge estate.

##### 4.5.2

The company shows training records for workers related to integrated pest control, for example:

- Record of Internal Socialization for spraying on September 2019, attended by 51 participants.
- OHS socialization, use of PPE and company policies Socialization in the Pasir Mandoge Estate on July 17, 2019.

Based on interviews with spray workers in division 1 of the Tonduhan Estate, it was concluded that the workers knew about the function of the chemicals used and were selective when spraying activities, such as the example for glyphosate used for spray dishes. The results of interviews with 2 spray workers in Division 9 of Pasir Mandoge Estate also found that workers understand the technicalities of spraying pesticides starting from the use of PPE, how to spray up to washing work tools.

In addition, from interviews with Global Telling workers at the Pasir Mandoge Estate, it is known that workers have been able to demonstrate and explain the pest monitoring procedures, starting with the tools used, census techniques, sampling methods, determination of fronds and thresholds.

	<b>Status: Comply</b>	
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#### 4.6

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

#### 4.6.1

Procedure No. SPO.05 Part 5.10-12 mentioned that chemical application for pests and diseases population control has only allowed when the level of incidence has passed the threshold limit, as identified through census analysis. Estate management was able to show justification of pesticide usage, for example:

- Chemical control with 48 kg of acephate active ingredient in Block 09 AE in Division 3 where the area of the 20-hectare bagworm attacks in August 2019.
- Chemical control with the active ingredient deltamethrin as much as 3.75 L in Block 04 C in Division 7 where the area of nettle caterpillar was 15 ha in July 2019.
- Chemical control with 5 L of active ingredient deltamethrin in Block 11 C in Division 1 where the area of nettle caterpillar was 20 ha in May 2019.
- Chemical control with acephate active ingredient pesticides as much as 28.8 kg in Block 09 W in Division 3 where the area of the attack of 29 ha bagworm in April 2019.

The company used *Isopropil amina glyphosate Triclopyr* and *Metil metsulfuron* which have received permission from the government.

#### 4.6.2

The company has documented records of pesticide toxicity in the document of Monthly Pesticide Toxicity Data. The document is recorded product name, active ingredients, LD<sub>50</sub>, area treated, amount of active ingredients applied per Ha, and total application. This document is constantly recorded and updated by Estate Sustainability Officer each month.

#### 4.6.3

Pasir Mandoge, Sei Kopas and Tonduhan Estate has program to reduce the pesticide usage by replacing pesticides with biological controls such as using natural predators to control rat and planting the beneficial plant. Based on document review and field observation, several IPM program with biological approach that has been implemented such as rat control by *Tyto alba*, and leaf eater caterpillar by planting beneficial plant such as *Turnera subulata* and *Casia cobanensis*. Moreover, it has also conducted early detection routinely listed in the monthly report of early warning system. There is no prophylactic use. In 2018 until September 2019, the company does not use pesticide for pest control at all.

#### 4.6.4

The Management Unit has the complete list of pesticides belonging to the WHO Class 1A or Class 1B, or those listed in the Stockholm or Rotterdam Conventions and paraquat and also has Internal Circular Letter of the Unit Manager No. SAL/SE/Intrn/VIII/2018, dated 16 August 2018, regarding *Paraquat* Reduction Program. It was explained that the use of *paraquat* must be minimized and should only be used in extraordinary conditions. From the review of pesticide use documents, the company uses pesticides with *paraquat* active ingredients, the company shows proof of certificates for workers who apply, for example on behalf of Waringa, Rusli Sitorus, Muslim, Susiana, Damson Sihotang (No.521.4 / 478.51 / UPTTPH / X / 2018 ), issued by the Fertilizer and Pesticide Control Commission of North Sumatra Province on October 17, 2018. (valid for 5 years).

Based on pesticide warehouse, temporary hazardous waste shelter, pesticide mixing site and field observation, there's no evidence that company use Pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat. However, auditors found evidences on upkeep record document that there's use of paraquat. Management explained that the use of *paraquat* was only carried out for the control of weed like *Colocasia* and *Stenochlaena* in Division 6 and 7.

The company shows the use of paraquat for the last 3 years, in 2017 as many as 0 liters; in 2018 as many as 830.48 liters; and in 2019 as many as 229 liters. From the usage data, there is a downward trend in the use of paraquat pesticides.

#### 4.6.5; 4.6.7 and 4.6.9

The results of field observation in warehouse and interview with pesticide applicator in Division 1 of Tonduhan Estate and Division 9 of Pasir Mandoge Estate, it is known that the employees have been given regular training in safe work practices. This was evidenced by the employee can demonstrate the correct way to work in accordance with the procedures including how use and handling the risks in accordance with material safety sheets. There have been sheets of safety work (MSDS) and the symbols of hazardous and toxic materials are properly installed on the walls and doors of warehouse.

Based on document review and field observation, mechanism of hazardous material mixing is carried out in the pesticide warehouse, where there is a mixing place that has been equipped with a container and PPE tool. Pesticide material is



also not purely delivered to the field but has been mixed with water. For mixing, it is also carried out only by warehouse personnel who have previously been given training related to mixing chemicals. Also, there are rinse house for PPE and spray tools storage in each division like Division 6 Pasir Mandoge Estate and Division 4 Sei Kopas Estate.

**4.6.6**

Procedure of hazardous waste management is presented in document No. 02 (Rev. 2) dated January 2<sup>nd</sup> 2015. Procedure mentioned that used pesticide containers should be labelled as hazardous materials, placed on the Hazardous Store and recorded to monitor time of placement. Later on, the hazardous material (included used pesticide containers) to be delivered to the permitted hazardous collector. Based on observation to agrochemical (includes Pesticide) Store in Tonduhan Estate and Pasir Mandoge Estate, it was found that pesticides are stored properly and correctly by adopting the first in / first out method, grouped into categories and labelled according to the nature of the hazard. Used pesticide containers are labelled by estate management. In addition, based on the results of observations in housing and interviews with residents of the housing, it is known that used pesticide containers cannot be reused for domestic household needs.

**4.6.8**

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

**4.6.9**

The Company has conducting several trainings which aims to maintain workers knowledge and skills towards safe pesticide application. For example, training and socialization of spraying, MSDS and HIRAC for Pesticide Applicators has conducted on 27 August 2019. The training is given by Assistant & OHS Expert, attended by all Agrochemical Applicators. Material of training, picture documentation, and attendance list were available. Based on field observation and interview with pesticide applicators in all estates, it could be concluded that the workers were able to explained and demonstrate several technical skills such as PPE used, spraying techniques and prohibited application areas such as HCV and riparian areas which marked with yellow paint on palm trees.

**4.6.10.**

The company has been transported schedule waste to PT Jagar Prima Nusantara with vehicle number BP 9149 DU dated-on January 8<sup>th</sup>, 2019. Contaminated packaging as much as 1983 kg (B104d) with manifest number WY 0002915 and contaminated packaging as much as 169 kg with manifest number WY 0002921. Based on interview with store keeper they have been known related handling of contaminated packaging especially pesticide.

**4.6.11 & 4.6.12**

The results of the medical checkup have been shown to the worker of Tonduhan Business Unit, Pasir Mandoge Business Unit, Pasir Mandoge POM, and Sei Kopas Business Unit which were carried out in December 2018. Examples of follow-up results from the health examination results are letter Number PAM / M-01 / I / 2019 from Pasir Mandoge Unit Manager not to employ two employees (NIK 000325 and NIK 9484) as pesticides and chemical handlers as a result of Medical Checkup follow up

From the results of these MCU it is known that all pesticide handlers have been included in regular health checks. This is the same as information obtained from interviews with representatives of mandoge business unit spraying officer (block 05BU), sei kopas business unit (Block 10AB Afdeling III), and tonduhan business unit (block 95F). Workers said routine MCU were carried out every six months. Examinations conducted include physical and blood tests.

Workers are aware of the results of the medical chekup conducted. Workers say that for results that are not good it will be transferred to work that is not in contact with chemicals. They said that the routine MCU were carried out every six months. Examinations conducted include physical and blood tests. In addition, workers also said there were no complaints regarding skin disease and itches. Based on document verification sighted that the company does not use pesticides with organophosphate or carbamate active ingredients so that the CHE examination is not required.

Policies for not hiring pregnant and breastfeeding women in handling pesticides include in Circular of Manager Tonduhan, Sei Kopas, and Pasir Mandoge Business Units stating that they do not assign employees who are pregnant / breastfeeding because it is dangerous to the health and safety of their fetus.



Monitoring of Pregnant, Childbirth and Breastfeeding Employees for female workers is carried out every month through urine testing using a test pack and monitoring H-1 leave. During the period of January - October 2019, there were no female employees known to be pregnant.

**Status: Comply**

#### 4.7

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

##### 4.7.1

The OHS policy was endorsed by the unit manager on October 1, 2019. In addition, the OHS commitment between the company and the workers union (signed by both parties) on October 1, 2019 contained the commitment: "Management with Employees of PT Perkebunan Nusantara IV commitment to implementing occupational safety and health for the creation of a safe, healthy and productive workplace".

OHS policies and plans have been routinely delivered at least during the morning briefing before carrying out work. In addition, there are OHS signs and warnings as can be seen in several strategic spots such as the afdeling office, security post, and at every station in Mill.

One of the plans related to occupational health and safety was realized in the establishment of *P2K3* (OHS Committee). The *P2K3* program in 2019 includes the following:

- *P2K3* Monthly Meeting
- Quarterly *P2K3* report and annual OHS report
- Evaluation of HIRAC Documents
- Fire Extinguisher inspection (every month), Hydrant (every 3 months), OHS signs / warnings, First Aid Box (every 4 months).
- Emergency Simulation and Refilling Fire Extinguisher
- First Aid Training (April)
- OHS Management System Internal audit (July)
- PPE socialization (August)
- Periodic MCU

Evidence of implementation of the OHS plan compiled by the *P2K3* team includes the following :

- Simulation report for OHS activities in 2019 which was followed by the *P2K3* team, workers' representatives, and management employees on August 8, 2019. In the minutes of meeting, the material discussed and simulated included: Fire Handling Simulation, Natural Disaster Simulation (Earthquake) and First Aid, Riot Control Simulation and Simulations for handling chemical spills.

However, based on observed evidence such as:

1. One of the Work Occupational Health and Safety plans carried out by the company is to conduct periodic Medical Checkup.
  - Medical Checkup for Tonduhan Business Unit, Pasir Mandoge Business Unit, Pasir Mandoge POM Business Unit, and Sei Kopas Business Unit have been demonstrated in December 2018.
  - Examples of the results of the follow-up from the results of the Medical Check-up are letter Number PAM / M-01 / I / 2019 from the Pasir Mandoge Unit Manager not to employ two employees (NIK 000325 and NIK 9484) as pesticides and chemical handlers as the result of medical check-up follow up
  - Laboratory Analysis Result No.37A / LHU-KES / BK3-MDN / VIII / 2018 states 1 NIHL and 3 people suspect NIHL - No follow-up results have been shown yet. In addition, list of workers from the IA-IID PKS Mandoge employees was identified by 2 people with NIK 207312003 and NIK 207504002 still working at the same station.
  - Medical Check-up has been carried out for the period 2019 with the following details:
    - Tonduhan Business Unit □ Letter Number: TON / 04.11 / 482 / VII / 2019 dated July 11, 2019 with 75 participants (All maintenance employees)-
    - Sei Kopas Business Unit □ Letter Number PAM / 04.11 / 83 / IX / 2019 dated 3 September 2019 for 68 employees (All maintenance employees)- Business Unit Number SKO / SE / 26 / VIII / 2019 with 72 participants (All maintenance employees)
    - Pasir Mandoge POM: Letter Number PKS-PAM / 04.11 / 28 / VII / 2019 dated July 9, 2019 for 10 employees (2 Boiler Operators, 2 laboran, 2 Engine Room operator, 2 upkeep plants, and 2 welders). However, the company

- has not justified why only 10 people were included in the MCU. While the number of PKS workers is 186 people.
- Laboratory Analysis Results No. 74A / LHU-LK / BK3-MDN / IX / 2018 from Medan Occupational Health and Safety Office stated the results of the noise test as follows: Kernel Station: 86.4 dB (A); Clarification Station 91.5 dB (A), Thresher Station 94.6 dB (A), Press station 85.9 dB (A), stew station 86 dB (A) and power plant 91.3 dB (A)
  - Minister of Manpower and Transmigration Regulation No. 02 of 1980 concerning Workers' Health Examinations in the Implementation of Work Safety article 3 states that all companies as referred to in article 2 paragraph (2) above must conduct periodic health checks for workers at least once a year unless otherwise stipulated by the Director General Development of Labour Relations and Labor Protection.
2. One of the plans and Occupational Safety and Health is outlined in procedures and work instructions
- Chemist work instructions Document No. 4.3-13-IK-33 & Chemist Work Instructions No. FM.4.3.13-05. Instructions that must be considered: After completing, make sure the work tools and PPE have been washed / cleaned properly. Arranged and stored neatly in the room that has been provided in the rinse house. PPE and chemistry work tools should not be taken home; Jerry cans for taking water and drums for mixing poisons must be marked with poisonous symbols
  - Mechanism of PPE Storage for Chemist Officers Number PAM / SE / Intrn / / IX / 2019 dated October 11, 2019, among others, states that PPE and work tools for chemist workers that have been cleaned must be stored all in a rinse house or other place that has been determined without exception.
  - Based on the field observation, the following facts were found:
    - On the day of the visit there were no fertilizer and pesticide applications.
    - The PPE fertilizer team as conveyed by the assistants were glasses, fertilizer masks, chemical clothes, rubber gloves, and boots. Whereas the PPE team spray is glasses, aprons, chemical masks, chemical clothing, and boots
    - Rinse House Afdeling I Tonduhan: Apron 5, Gloves, Mask 7, Glasses 8, and Knapsack 6.  
Rinse House Afdeling VI Mandoge: No fertilizer team mask was found  
Rinse House Afdeling III Sei Kopas: Mask 3, Coverall 2, Apron 1, and Glasses 1 and no fertilizer team PPE was found  
Rinse House Afdeling IV Sei Kopas: No fertilizer apron and PPE team were found
  - Afdeling I Tonduhan has provided evidence of improvement in the form of PPE Chemist completions on October 23, 2019 but has not shown the root cause analysis and corrective actions

Thus, it can be concluded that the company has not been fully consistent in implementing and monitoring the effectiveness of the established occupational safety and health plan. **This is a non-conformity No.2019.06.**

#### 4.7.2

The company shows the document HIRAC (Hazard Identification, Risk Assessment & Risk Control) prepared by the PTPN IV Team of the Sei Kopas, Tonduhan, and Pasir Mandoge Business Unit (Estate Department), The Processing (Mill), Office (General), and Engineering (workshop) Section which was approved by the management leader on January 1, 2019 (the latest evaluation results) The document contains hazard identification, risk analysis, and risk control in each estate maintenance activity ( Replanting, Pesticide spraying, fertilizer use, empty longitudinal application, frond pruning, etc.), harvesting activities, transportation of FFB, all FFB processing activities (weighbridge, press station, sampling, boiler station, etc.), and general activities ( Office administration, material warehouse)

Testing results related noising was been conducted on August 7<sup>th</sup>, 2019 by Laboratory which has been accredited by KAN (LP IDN 001) based testing result at noise area the parameter is above 85 DbA, the unit management has given PPE such as earmuff and earplug. Beside that there is audimetry test, shifting for workers, and others to prevent this matter.

However, based on observed evidence such as:

- The company has presented Risk Management documents for the Pasir Mandoge Business Unit, the Tonduhan Business Unit, and the Sei.Kopas Business Unit for the period 2019. In the form of a HIRAC form
- The documents include activities, hazards, risks, risk assessment and risk control
- Pasir Mandoge HIRAC Form 2019 in the risk control section for all stations in POM using Work Shoes
- Safety signs and occupational health Pasir Mandoge POM mention the use of PPE (one of them) Safety Shoes
- Risks and hazards identified by the company include struck down by FFB, explosion, oil and hot steam

- Minister of Manpower and Transmigration Regulation No. 08 of 2010 concerning Personal Protective Equipment stated in the attachment  
Foot protection equipment  
Function  
Foot protective equipment functions to protect the foot from being crushed or collided with heavy objects, pierced by sharp objects, exposed to hot or cold liquids, hot steam, exposed to extreme temperatures, exposed to dangerous chemicals and microorganisms, slipping.  
Type of protective foot in the form of safety shoes in smelting work, metal casting, industry, construction of buildings, work which has the potential of blasting hazards, electrical hazards, wet or slippery workplaces, chemicals and microorganisms, and / or animal dangers etc.

Thus it can be concluded that the Risk Assessment of Pasir Mandoge POM has not been consistent and has fully considered the risks and hazards identified. **This is a nonconformity No.2019.07.**

#### 4.7.3

The company has shown the OHS training document which is shown by the issuance of operator license. There are a number of operators whose the license have expired, such as Power plant Operators, Electric Technicians, and Welder, but there has not been any plans to extend licenses for these workers. Non-conformities have been explained in more detail in indicator 2.1.1.

Based on field observation and interviews with both of estate and mill workers, the following facts were found :

- Block 05 BU Afdeling 9. There are 2 pesticide applicators using masks that are not given by the company
- Pasir Mandoge POM :-
  - Sterilizer station: Operators do not use ear protectors
  - Press station: Operators do not use ear protectors
  - Thresher Station: Operators do not use ear protectors
  - Workshop: Shoes used by the operator are not shoes given by the company (because the company-given shoes have been broken but the shoe change period hasn't arrived yet)
  - Most of the operators use rubber boots (unsafe)
- OHS signs of Pasir Mandoge POM mention the use of PPE (one of them) Safety Shoes
- Laboratory Analysis Results No. 74A / LHU-LK / BK3-MDN / IX / 2018 from Medan Occupational Health and Safety Office stated the results of the noise test as follows : Kernel Station: 86.4 dB (A); Clarification Station 91.5 dB (A), Thresher Station 94.6 dB (A), Press station 85.9 dB (A), stew station 86 dB (A) and power plant 91.3 dB (A) - Operators on these stations are required to use ear protectors as written in the Pasir Mandoge POM occupational health and safety guidelines
- Minister of Health Regulation No. 70 of 2016 concerning Standards and Requirements for the Health of the Industrial Working Environment for 8 hours of work per day the threshold value is 85 dBA.
- Minister of Manpower and Transmigration regulations No. 13 of 2011 concerning Threshold Value of the Physical and Chemical Factors in the workplace states that the threshold value of noise is set at 85 decibels A (dBA).
- There were estate and mill PPE handover documents in October 2019 with items provided such as masks, earplugs, earmuff, and helmets

Thus it can be concluded that:

- The company has not been able to show sufficient evidence that PPE given to workers is in accordance with the results of the risk and hazard analysis (especially for shoes)
- The company has not been able to show sufficient evidence that the obligation to use PPE has been complied with by workers

**This is a Nonconformity No.2019.08**

#### 4.7.4

The company has a P2K3 team whose has been approved by the North Sumatra Province Manpower Office.

There are examples of letters of appointment for Public OHS Expert from the Ministry for example:

- Decree of the Minister of Manpower of the Republic of Indonesia Number: KEP.P.2503 / NAKER-BINWASK3 / IV /

2018 concerning the appointment of a Public Occupational Safety and Health Expert on April 16, 2018 for Zulkifli S.H as Health and Safety Specialist at PT Perkebunan Nusantara IV. The letter is valid for three years from the date of stipulation

- Decree of the Minister of Manpower of the Republic of Indonesia Number: KEP.P.720 / NAKER-BINWASK3 / IV / 2018 concerning the appointment of Public Occupational Safety and Health Expert on April 16, 2018 for Zulkifli S.H as Health and Safety Specialist at PT Perkebunan Nusantara IV. The letter is valid for three years from the date of stipulation

Regular meetings are held once a month to prepare *P2K3* quarterly reports for example

- Pasir Mandoge
  - The *P2K3* monthly meeting on 10 August 2019 was attended by 15 *P2K3* team representatives taking place in the Pasir Mandoge POM meeting room. Issues discussed included evaluating the results of OHS inspections and the cleanliness of employee huts
- Tonduhan
  - The *P2K3* monthly meeting on August 6, 2019 was attended by 8 *P2K3* team representatives taking place in the Tonduhan Business Unit meeting room. Issues discussed include evaluating the results of inspections of Fire Facilities and Infrastructure and OHS inspection
- Sei Kopas
  - The *P2K3* monthly meeting on August 6, 2019 was attended by 9 *P2K3* team representatives taking place in the Sei Kopas Business Unit meeting room. Issues discussed include evaluating the results of inspections of Fire Facilities and Infrastructure and OHS inspection

Based on the interviews with representatives of labour unions and representatives of gender committees, it is known that OHS inspections, especially on the completeness of OHS facilities and infrastructure such as Fire Extinguisher, First Aid Box, and Hydrant, are routinely carried out.

At the time of the field observation, it was found out at several sample points such as Daycare afdeling I Tonduhan, Pasir Mandoge POM Chemical Warehouse, harvesting and spraying activities were found to have no eye wash glasses. The glass provided is a large glass used for drinking. So that when compared between the volume of distilled water provided by the glass it becomes incompatible. Furthermore, based on the results of the visit to the Pasir Mandoge POM process station, it is known that Light Fire Extinguisher for all station is stored in the engine room. In addition, the hydrant box is permanently nailed so that it will be difficult if there is a real emergency situation. Thus the company has the opportunity to ensure that the monitoring of the provision of First Aid boxes and Light Fire Extinguisher contents is in accordance with the stipulated plan.

#### **4.7.5**

Accident and emergency response procedures are explained in Accident Handling Procedures and Health Checks dated April 23, 2013 and Emergency Management Procedure No. document 4.3.16 revision 02 effective date April 23, 2013. If serious accident, delivered to the company clinic for first aid, report to the company and *BPJS TK*, report on labor and police (if needed), hold a *P2K3* meeting and take precautions according to recommendations.

The company shows the record of the first aid officer training :

- Certificate of Occupational Health and Safety Counselling for First Aid in Workplace Accidents from the Director General of Labor and Occupational Oversight for Laster Simanjuntak as First Aid Officer for Workplace Accidents on October 22, 2018
- Certificate of Guidance for Occupational Safety and Health for Astuti Ramayana Sirait as a First Aid Officer in Accidents at work. Signed by the Director of Supervision of Occupational Safety and Health Norms on October 22, 2018

#### **4.7.6**

The company has registered employees in the *BPJS TK* and *BPJS Kesehatan* programs. Payment records that are shown as part of the evidence of participation in the *BPJS* program include:

- *BPJS Ketenagakerjaan*
  - Honorary: Contribution code 190802339118 through Bank Mandiri

- Sei Kopas: Contribution Code 190803775260 through Bank Mandiri
- Pasir Mandoge : Contribution Code 190801213166 through Bank Mandiri
- Tonduhan: Contribution Code 190704469323 through Bank Mandiri
- BPJS Kesehatan
  - Honorary: Receipt of payment dated 29 August 2019 with virtual account number 8888890000385807
  - Employee: Receipt of payment dated 29 August 2019 with virtual account number 8888890000384660

However, based on observed evidence such as:

- Audit Report on the Pasir Mandoge Estate Number 04.02 / LHA / Rt / R / 14 / 1V / 2019 by the Internal Auditor team stated that the number of active employees as of February 2019 was 958 people. Found 88 people not registered with BPJS Kesehatan and 2 people not registered with BPJS Ketenagakerjaan
- It is claimed that there are multiple family cards and problematic Personal Identity Card
- In the affirmation column, it is stated that it will coordinate with the human resources department
- BPJS Kesehatan and BPJS Ketenagakerjaan proof of payment is available for the period August and September 2019. However, progress has not been shown on the findings of the audit so it is not certain that all Pasir Mandoge employees have become BPJS participants

Thus, it can be concluded that the Pasir Mandoge Business Unit has not been able to ensure that all workers have been provided with health services and are protected by accident insurance. **This is a nonconformity No.2019.09**

#### 4.7.7

Records of work accidents based on business unit monitoring are as follows:

- Pasir Mandoge POM: During 2018 there were no workplace accidents causing a lost work day (Zero Accident)
- Kebun Tonduhan: During 2018 there were no workplace accidents causing a lost work day (Zero Accident)

<p>4.7.1 4.7.2 4.7.3 4.7.6</p>	<p><b>Status:</b> <b>Non-Conformity No. 2019.06 with Major Category</b> <b>Non-Conformity No. 2019.07 with Major Category</b> <b>Non-Conformity No. 2019.08 with Major Category</b> <b>Non-Conformity No. 2019.09 with Minor Category</b></p>	
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#### 4.8

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

##### 4.8.1

The identification of training needs for each worker in the Pasir Mandoge Unit has been included in the 2019 Training Need Analysis document. The document explains the training needs for each job, including:

- Harvest workers need training in crop management and safe work on harvest work.
- Lead employees require Value Implementation Program (VIP) training.
- Sprayers need training in plant protection management, ganoderma countermeasures.
- Dump Truck operators need training in vehicle operation (dump trucks) and the Runner Telematics System.

The company has a training program for each employee (staff and employees) in the Tonduhan Unit which has been prepared annually as follows:

- Integrated pest management training,
- Pesticide impact training,
- Spraying training,
- Spray calibration training,
- GHG training,
- Fertilization training
- Emergency response simulation & etc.

The company has provided training / socialization to contractor workers who work in the company's work environment according to the type of work. The following is documentary evidence for activities that have been carried out such as OHS socialization, the use of PPE and company policies to the company partners / contractors in the Pasir Mandoge Unit on 17 July 2019, Tonduhan Unit on 10 September 2019, and Sei Kopas Unit on 18 September 2019.



**Non-Conformity No. 2019.10 with Major Category**
**Evidence Observed:**

- PTPN IV Pasir Mandoge Unit has identified worker training needs listed in the Training Need Analysis document which explains the training needs for chemical workers, harvesters, dump truck operators, religious teachers and plant assistants, but for other workers such as fertilizer workers, mechanics, warehouse clerk and other work not included in the document. Meanwhile, the identification of training needs for workers in the Tonduhan Unit and Sei Kopas Unit cannot yet be demonstrated.
- PTPN IV Tonduhan Unit has a training program in 2019 that includes integrated pest training, pesticide impact training, chemical training, spray calibration training, GHG training, fertilizing training and emergency response simulation, but there are still some trainings that are not included, namely: training on hazardous material/waste, harvesting, and other training related to RSPO principles and criteria. Whereas the Pasir Mandoge Unit, the Pasir Mandoge POM Unit, and the Sei Kopas Unit have not been able to show a training program for workers in 2019.

**Non-Conformance Description:**

The company has not been able to show that the identification of training needs has been carried out in accordance with the needs of workers in each type of work and the employee training program which has covered all aspects contained in the principles and criteria of the RSPO.

**4.8.2**
**Non-Conformity No. 2019.11 with Minor Category**
**Evidence Observed:**

The company has training records for workers in each unit including:

- Internal spraying training at Pasir Mandoge Sand Unit on 27 August 2019
- Harvest training at Tonduhan Unit on 09-11 October 2019
- Training of maintenance and harvest foreman competencies at the Sei Kopas Unit on 09-14 September 2019

However, training records for individual workers cannot be shown yet.

**Non-Conformance Description:**

The company has not been able to show training records for each worker.

	<b>Status:</b>	
4.8.1	<b>Non-Conformity No. 2019.10 with Major Category</b>	
4.8.2	<b>Non-Conformity No. 2019.11 with Minor Category</b>	

**PRINCIPLE #5 Environmental responsibility and conservation of natural resources and biodiversity**
**5.1**

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

**5.1.1.**
**Tonduhan Estate.**

In accordance with Minister of Environment Regulation No.14 of 2010 concerning environmental documents for businesses and / or activities that already have an *IUP* but do not yet have an environmental document, they are required to make an Environmental Management Document (*DPLH*) study. To fulfil the adequacy of these regulations, Tonduhan Estate has prepared an environmental document in the form of a *DPLH* document in November 2014 for the Tonduhan Plantation area of ± 2,457.86 Ha.

The *DPLH* document has been approved in accordance with the recommendation letter of the PTPN IV Tonduhan unit from the Head of the Environmental Agency of Simalungun District No.1037 / Sekrt-2014 in November 2014.

**Pasir Mandoge Mill & Estate.**

At the beginning PTPN IV had an environmental permit in the form of an (*SEL*) approved by the Ministry of Agriculture in accordance with Minister of Agriculture Decree No. RC.220 / 788 / B / V / 93 dated May 13<sup>th</sup>, 1993. In 2004, the company made an *AMDAL* change by preparing the *RKL-RPL* Document which was approved by the Head of the Asahan Regency's



Office of Environment and Tourism through Approval Letter No. 130 / XII / LHP / RKL-RPL / 2004 dated December 28, 2004 with a study scope of 15,386 Ha with Mill capacities of 60 Tons of FFB/ Hour.

Environmental permit according to the decision of Regent Asahan number 503 / IL / DPMPTSP / 0035 / XI / 2018 dated November 27, 2018. The scope of the plantation & mill area is 15,386 ha (Plantation of 13,975 ha and Mill of 1,411 ha) with a capacity of 60 tons of FFB / Hour located in Sub Village X Bandar Pasir Mandoge Village.

#### **Sei Kopas Estate.**

Approval of the environmental evaluation document (DELH) of an oil palm plantation covering an area of 6,934.72 ha for Sei Kopas unit is located in Sei Kopas Village, Bandar Pasir Mandoge District, Asahan Regency, North Sumatra Province in accordance with the decision of the Head of the Environment Agency of North Sumatra Province on February 26, 2015. The public consultation on February 13, 2014 was located in the Head Office of Environment Agency of North Sumatra Province.

Available Environmental Evaluation Document (*DELH*) for Palm Oil Plantation Activities Sei Kopas Estate (Decision Letter Head of North Sumatra Province Environmental Agency No. 410 / BLH-SU / BTL-A / 2015, dated February 26, 2015) with an area of 6,934.72 Ha. However, based on area statement for October 2019, total operational area of Sei Kopas Estate is 6,979.72 Ha. **This a Non-conformity No.2019.12 with Major Category.**

Based on document, the monitoring protocol is implemented to monitor the effectiveness of the mitigation measures such as evaluation of document RKL/RPL report. Based on document review, there is socialization related environmental requirements on November 28, 2019 to temporary storage employees

#### **5.1.2 & 5.1.3.**

##### **Tonduhan Estate.**

Important impacts that must be managed include: air quality, Increased Noise, Decreased Surface Water Quality Surface flow discharge, Soil erosion and sedimentation, Decreased soil fertility, Solid waste generation, Hazardous, Waste generation, Potential Fire, Road Damage, Traffic disruption, Job opportunities and business opportunities, The emergence of public perception, Improvement of Community Facilities, OHS disorder and Public health

##### **Pasir Mandoge Estate & Mill.**

Important impacts that must be managed include: air quality, noise testing, ground water testing, local economies in plantation and mill, job opportunity, business opportunity, community income, public and social facilities, security and order, community perception, disease vectors and disease prevalence

#### **Evidence observed:**

##### **Tonduhan Estate.**

- *DPLH* document in November 2014 for the Tonduhan Estate area of  $\pm$  2,457.86 Ha.
- *RKL / RPL* implementation document for Semester I of 2019.

##### **Sei Kopas Estate.**

- Environmental evaluation document (DELH) Sei Kopas Estate covering an area of 6,934.72 ha in 2015.
- *RKL / RPL* implementation document for Semester I of 2019.

#### **Non-Conformance Description:**

1. The *RKL / RPL* implementation report for Semester 1 of 2019 does not explain environmental monitoring parameters in accordance with the monitoring matrix in the Tonduhan Estate such as: soil erosion & sedimentation, potential for land fires, road damage, traffic disruption, improvement of community facilities, OHS disruption and decline in public health and its evaluation in accordance with Decision of Environment Minister No.45 of 2005.
2. The *RKL / RPL* implementation report for Semester 1 of 2019, it has not explained the parameters of environmental monitoring in accordance with the monitoring matrix of the Sei Kopas Estate *DELH* document such as; testing the quality of air, dust and noise every 6 months; testing the quality of water in the Silau River, the Kopas River and the Ambalatu River every 6 months across the plantation area; testing groundwater quality in employee housing every 6 months, social unrest; and the prevalence of the disease and its evaluation in accordance with Decision of Environment Minister No.45 of 2005. **This is a non-conformity No.2019.13 with the Minor category.**

<b>5.1.1</b> <b>5.1.3</b>	<b>Status:</b> <b>Non-Conformity No. 2019.12 with Major Category</b> <b>Non-Conformity No. 2019.13 with Minor Category</b>	
<b>5.2</b> <b>The status of rare, threatened or endangered species and other High Conservation Value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and operations managed to best ensure that they are maintained and/or enhanced</b>		
<b>5.2.1.</b> <b>Tonduhan Estate.</b> <p>The company shows an HCV identification report for Tonduhan Estate which was carried out in November 2015 covering 3 main stages of a desk-based study, field work and consultations with stakeholders. Desk based study was carried out on November 14, 2015 in Medan City, field study on November 27-28, 2015 and public consultation was held on May 12, 2016. HCV identification was carried out by PT Surveyor Indonesia, Team Leader Henry Marpaung and the total HCV is 86.47 ha. The HCV accepted because the initial certification for RSPO done after 15 November 2018 due to Tonduhan estate is supply base of Pasir Mandoge Mill, therefore the initial assessment status is pending.</p> <p><b>Pasir Mandoge Estate.</b>  The HCV assessment for Pasir Mandoge Estate in March 2015 included 3 main stages of desk-based study, field work and consultation with stakeholders. Public consultation was held on 5 March 2016. The methodology used several references such as The High Conservation Values Forest Toolkit (Proforest 2003), Guidelines for identifying valuable areas HCV high conservation Toolkit 2008, common guidance of identification of High Conservation Values (HCVRN 2013), common guidance for management and monitoring of HCVs (HCVRN 2013). The scope of the assessment covers 8,406.35 ha and the total HCV Management is 740.80 ha. Peer review by Kunkun Gurmaya in December 2016. The HCV accepted because the initial certification for RSPO done after 15 November 2018 due to extension of HGU.</p> <p><b>Sei Kopas Estate.</b>  The company showed an assessment of HCV identification carried out in November 2015. Public consultations were carried out on November 14, 2015 in Medan and field studies on 26-27 November 2015. The methodology used several references such as The High Conservation Values Forest Toolkit (Proforest 2003), Guidelines for identifying high conservation value areas HCV Toolkit 2008, common guidance of identification of High Conservation Values (HCVRN 2013), common guidance for management and monitoring of HCVs (HCVRN 2013). The scope of the assessment covers 6,979.72 ha and the total HCV Management is 560.80 ha. Peer review by Kunkun Gurmaya in December 2016. The HCV accepted because the initial certification for RSPO done after 15 November 2018 due to extension of HGU.</p> <p><b>5.2.2 &amp; 5.2.4.</b>  The HCV monitoring plan includes RTE species including:</p> <ul style="list-style-type: none"> <li>• Monitor the occurrence of RTE species caught or trapped</li> <li>• Monitor the incidence of capture and sale of wildlife</li> <li>• Monitor vegetation logging events in river and riparian area.</li> <li>• Monitor riparian land clearing by surrounding communities</li> <li>• Measuring water quality regularly, BOD, COD</li> <li>• Evaluate the effectiveness of HCV area management.</li> </ul> <p>Based on field observation, in Block 98B/98C, Division III, HCV1&amp;HCV4 (Riparian of Bah Horas River) &amp; Block 11F, Division III, HCV1&amp;HCV4 (Riparian of Bah Hapusuk River) there are signboard for prohibition of chemical application and the officer has been know related monitoring and management of HCV.</p> <p>The company has not been able to show periodic monitoring / monitoring reports on the status of RTE (Rare, Threatened, and Endangered) and HCV species located on Sei Kopas Estate. <b>This a non-conformity No.2019.15 with Minor category.</b></p> <p><b>5.2.3.</b></p>		

Observed evidence & Description of Non-compliance:

The company has not been able to show the socialization program the status of protected, rare, endangered species to all workers for the Sei Kopas Estate unit. **This is a non-conformity with No.2019.14 with the Minor category.**

#### 5.2.5.

Based on field observations in the HCV area were located in the Block 98B/98C, Division III, HCV1&HCV4 (Riparian of Bah Horas River) & Block 11F, Division III, HCV1&HCV4 (Riparian of Bah Hapusuk River), it's known there were no areas that overlapped with the surrounding village community area.

	<b>Status:</b>	
5.2.3	<b>Non-Conformity No. 2019.14 with Minor Category</b>	
5.2.4	<b>Non-Conformity No. 2019.15 with Minor Category</b>	

#### 5.3

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

#### 5.3.1.

The company shows a list of waste and management that inform the name of the waste, type / characteristics, source of waste, management procedures and shelf life with details: sack of ex fertilizer, chemical packaging, used oil, rags, TL light bulbs, used neon, Printer cartridge, Used oil filter and used batteries / batteries.

#### 5.3.2.

##### **Pasir Mandoge Mill & Estate.**

Temporary storage permit for schedule waste to Pasir Mandoge Estate in accordance with decision letter No. 503 / LB3 / DPMPPTSP / 0005 / V / 2019 dated May 23, 2019, valid for 5 years from the date of appointment. Design building 24 m with coordinate points N 02 00'88.25 and E 099 02'11.05 ".

##### **Sei Kopas Estate.**

Temporary storage permit for schedule waste to Sei Kopas Estate in accordance with decision letter of Regent Asahan number 291-Link-2016 since 25 August 2016 is valid for 5 years. Temporary storage area of 5 m x 3 m is located at coordinates N: 02°47 '25.5 "and E 099°22 '31.3".

##### **Tonduhan Estate.**

Temporary storage permit for schedule waste to Tonduhan Estate in accordance with decision letter of Environmental Agency of Simalungun No.188.45 / 154 / Sekrt-2016, dated March 8, 2016, Valid for 5 years. Temporary storage area of 6 m x 6 m x 4 m.

Observed evidence:

- Permit for temporary storage of hazardous and toxic materials to Sei Kopas Estate according to the decision of Asahan Regent number 291-Link-Year 2016. The shelf life does not exceed 90 days for schedule waste, and or 180 days for schedule waste produced less than 50 kg per day for category 1 and or 365 days for category 2.
- Government Regulation 101 of 2014 concerning schedule waste management.
- Sei Kopas Estate schedule waste transportation are sent in February 2017 by CV Amindy Barokah.
- Based on field observations at schedule waste storage Sei Kopas Estate contained schedule waste packaging that is still stored and in the warehouse stored as a knapsack for pesticide applications.

#### **Description of Non-compliance:**

The company has not been able to demonstrate that all chemical waste and containers are disposed of responsibly including evidence of cooperation for the transportation, collection and management of schedule waste - Sei Kopas Estate.

**This is a non-conformity No.2019.16 with the Major category.**

#### 5.3.3.

Field observations at emplacement of Pasir Mandoge Mill and Sei Kopas Estate it's found that domestic waste was dumped in the backyard of housing.

Description of Non-compliance:

The company has not managed domestic waste in accordance with Household Domestic Waste Management Procedure

number SPO 20 Revision 03 dated January 2, 2018. This is in accordance with No.2019.17 with the Minor category.

<b>5.3.2</b>	<b>Status:</b>	
<b>5.3.3</b>	<b>Non-Conformity No. 2019.16 with Major Category</b>	
	<b>Non-Conformity No. 2019.17 with Minor Category</b>	

#### **5.4**

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

**5.4.1.**  
The company shows the records of shells, fibres & empty bunches used from January - September 2019. The average use of EFB is 4,450.41 tons, shells is 1,301.62 tons and fibres are 3,048.89 tons. The average efficiency of using shells is 0.06 tons / ton FFB, fibre is 0.14 tons / ton FFB and EFB is 1.84 tons / ton FFB.

	<b>Status: Comply</b>	
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#### **5.5**

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

**5.5.1 & 5.5.2**  
The policy of land clearing without burning refers to SPO No. SPO.02 about new plants one of which includes replanting. The land clearing method implemented by the company is mechanically without burn. There is an example of a work agreement Number: 04.04 / S.Perj / 037 / IV / 2019 on 25 April 2019 between PT Perkebunan Nusantara IV with CV Bintang Asia regarding Land Processing and Advanced Maintenance of Oil Palm Plantations Tonduhan Afdeling II for the area of 69 hectares. Article 15 concerning the obligations of the parties includes:

- Must understand RSPO / ISPO principles: management / treatment for watersheds; Does not employ underage children
- it is prohibited to burn in the work area location

Based on the field observation to block 90F Afdeling 2, it was found that there was a replanting activity in September 2019. There were no signs or traces of fire use in these activities.

	<b>Status: Comply</b>	
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#### **5.6**

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

**5.6.1. & 5.6.2.**  
The company indicated emission and pollution reduction program period 2019 to inform the type of emission / pollution, producer, identification, reduction and program information for example:

<b>Emission type</b>	<b>Sources</b>	<b>Identification</b>	<b>Reduction program</b>
CO2	Workshop	Exhaust vehicle	Regular vehicle maintenance schedule Vehicle inspection checklist
CO, NO <sub>2</sub> , NH <sub>3</sub> & SO <sub>2</sub>	Generator	Generator exhaust gas	Maintenance and inspection schedule generator
CO, NO <sub>2</sub> , NH <sub>3</sub> & SO <sub>2</sub>	Incinerator	Smoke from burning EFB	Doing EFB application as fertilizer
NO <sub>2</sub>	Fertilizer storage	Fertilizer packaging leaks	Fertilizer packaging inspection & housekeeping program
Dust (TSP)	Vehicle of FFB	Dry dirt road	Road watering program.

Testing results related noising was been conducted on August 7<sup>th</sup>, 2019 by Laboratory which has been accredited by KAN (LP IDN 001) based testing result at noise area the parameter is above 85 DbA, the unit management has given PPE such as earmuff and earplug. Beside that there is audimetry test, shifting for workers, and others to prevent this matter.

There is an audiometry test for mill workers who work in high noise area regularly by doctor or Hyperkes. Beside that, there is maintenance for operational mill regularly and testing noise area for laboratory every 6 months. based on field visit in operational mill, there has been a board installation in high noise area. Especially in engine room and boiler station.

**5.6.3.**

The company shows the GHG calculation for 2018 using version 3.0.1 and the accurate data gas been put into the RSPO Palm GHG Calculator such as:

**Summary of Net GHG Emissions period January-December 2018**

Emissions per Product	tCO <sub>2</sub> e/t Product
CPO	6.17
PK	6.17

Production	ton/year
FFB processed	296,439
CPO produced	65,208
PK Produced	11,630

Land Use	Ha
OP planted area	14,377
OP planted on peat	0
Conservation	172.46

Extraction	%
OER	22
KER	3.92

**Summary of Field Emissions and Sinks**

Description	Own Crop			Group		
	tCO <sub>2</sub> e	tCO <sub>2</sub> e/ha	tCO <sub>2</sub> e/t FFB	tCO <sub>2</sub> e	tCO <sub>2</sub> e/ha	tCO <sub>2</sub> e/FFB
Land Conversion	137494.84	9.56	0.46	0	0	0
*CO <sub>2</sub> Emissions from Fertilizer	428,888.22	29.83	1.45	0	0	0
**N <sub>2</sub> O Emissions	5736.24	0.4	0.02	0	0	0
Fuel Consumption	659.73	0.05	0	0	0	0
Peat Oxidation	0	0	0	0	0	0
Sinks						
Crop Sequestration	-132768.1	-9.23	-0.45	0	0	0
Conservation Sequestration	0	0	0	0	0	0
Total	440010.93	30.61	1.48	0	0	0

**Summary Oil Mill Emissions and Credits**

Description	tCO <sub>2</sub> e	tCO <sub>2</sub> e/t FFB
<b>Emissions sources</b>		
POME	33,379.53	0.11
Fuel consumption	505.28	0
Grid electricity utilization	112.03	0

Credits		
Exports of excess electricity to housing & grid	0	0
Sale of PKS	0	0
Sale of EFB	0	0
Total	33996.84	0.11

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

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

**POME Divert to Anaerobic Digestion**

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

Calculation of LUC emissions have included in the plantation emissions such as Land conversion 137,494.84 tCO<sub>2</sub>e, 9.56 tCO<sub>2</sub>e/ha and 0.46 tCO<sub>2</sub>e/tFFB (1-year period).

Testing results related noising was been conducted on August 7<sup>th</sup>, 2019 by Laboratory which has been accredited by KAN (LP IDN 001) such as:

Location	Parameter	Unit	Results (Db)	Thresholds (Db)
In front of office	noise	mg/Nm <sup>3</sup>	45	65
Housing area	noise	mg/Nm <sup>3</sup>	45.4	55

\*Threshold in accordance with Decision of Minister Number 48-year 1996 appendix 1.

**Status: Comply**

**PRINCIPLE #6 Responsible consideration of employees and of individuals and communities affected by growers and mills**
**6.1**

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

**6.1.1 & 6.1.2**

PTPN IV has implemented SIAs for each unit that aims to identify the positive and negative social impacts of plantation / mill operations on surrounding communities. In addition to identifying social impacts, the study also provides plans / recommendations for management and monitoring to increase positive impacts and reduce existing negative impacts. There are methods used in conducting social studies, namely direct interviews (Guideline Interviews), direct interviews (Live Interviews), data / information analysis and field observations. The following are the SIA documents owned by each unit, including:

**PTPN IV - Tonduhan Unit**

PTPN IV Tonduhan Unit SIA Report prepared by Surveyor Indonesia in 2016 with a study period of 3 months (January - March 2016). The study was conducted in the operational areas of the Tonduhan Unit in 4 villages such as Buntu Bayu, Tonduhan, Buntu Turunan and Parhondalian Jawadipar, Hatonduhan District, Simalungun Regency, North Sumatra Province. The aspects examined in this report include socioeconomic aspects (community income, partnership opportunities, work opportunities, regional economics, etc.), social aspects (educational and health accessibility), socio-cultural aspects (social institutions, community customs, population presence original) and others. In addition, the report also identified social parameters that must be carried out in the future management and monitoring, namely: employment



opportunities, business opportunities, public facilities and social facilities.

**PTPN IV – Pasir Mandoge Unit**

PTPN IV SIA Mandoge Sand Unit report prepared by Kompasia in 2015 with a study period of 2 months (March - April 2015). The study was conducted in the operational area of the Mandoge Sand Unit in 3 Villages such as Bandar Pasir Mandoge, Huta Bagasan and Suka Makmur, Bandar Pasir Mandoge District, Asahan Regency, North Sumatera Province. The aspects examined in this report include socioeconomic aspects (community income, partnership opportunities, work opportunities, regional economics, etc.), social aspects (educational and health accessibility), socio-cultural aspects (social institutions, community customs, population presence original) and others. In addition, the report also identified social parameters that must be carried out in the future management and monitoring, namely: employment opportunities, business opportunities, public facilities and social facilities.

**PTPN IV - Kopas Sei Unit**

PTPN IV Unit Sei Kopas SIA Report prepared by Surveyor Indonesia in 2016 with a study period of 3 months (January - March 2016). The study was conducted in the operational areas of the Sei Kopas Unit in 2 Villages such as Sei Kopas and Silau Jawa, Bandar Pasir Mandoge District, Asahan Regency, North Sumatera Province. The aspects examined in this report include socioeconomic aspects (community income, partnership opportunities, work opportunities, regional economics, etc.), social aspects (educational and health accessibility), socio-cultural aspects (social institutions, community customs, population presence original) and others. In addition, the report also identified social parameters that must be carried out in the future management and monitoring, namely: employment opportunities, business opportunities, public facilities and social facilities.

In conducting an SIA, the company and the drafting team involved the participation of the communities in the surrounding villages by conducting guided interviews, live interviews, data / information analysis and field observations. When involving the surrounding community in data collection and interviews and consultations, the community is given the freedom to express and express their social views freely to the drafting team / company.

**6.1.3**

The company already has SIA documents for each unit such as SIA documents for the Pasir Mandoge, Sei Kopas and Tonduhan Units. The document has explained some of the positive and negative impacts caused by plantation and mill operational activities. The company also has a program to manage and monitor the social impacts caused to be able to increase the positive impacts and mitigate the negative impacts caused. The social impact management and monitoring program is prepared with an implementation schedule and has a PIC responsible for implementing it. These programs include several impacts including:

- Public and social facilities
- Opportunities to get a job
- Opportunities to try and improve education

**Non-Conformity No. 2019.18 with Major Category****Evidence observed:**

- Based on document review, it is known that PTPN IV Tonduhan Unit has carried out replanting activities in 2019 and Sei Kopas Unit in 2016, but the company has not identified the social impacts associated with replanting activities carried out.
- The company has conducted an internal audit conducted by SPI for the period August 2018 - February 2019 and found that there were still 88 workers in the Pasir Mandoge Unit not registered with BPJS Health and 2 workers not registered with BPJS Employment. As for the results of the RSPO internal audit conducted on 1-3 July 2019, it was found that there was no evidence that contractor workers had been paid BPJS Manpower contributions. The labour issue has not been identified by the company in the management and monitoring of social impacts in the company.

**Non-Conformance Description:**

The company has not been able to show evidence that the social impact management and monitoring plan has covered all operational activities of the plantation and factory.

**6.1.4**

The company has a program to manage and monitor the social impacts caused to increase the positive impacts and

reduce the negative impacts. The social impact management and monitoring program is prepared with an implementation schedule and has a PIC responsible for implementing it. The program is based on the results of annual evaluations conducted by the company against the previous year's program.

**Non-Conformity No. 2019.19 with Minor Category**
**Evidence observed:**

- PTPN IV Tonduhan Unit has conducted an evaluation of the social impact management and monitoring plan on June 20, 2019 by involving the participation of affected parties namely the people of Tonduhan Village, Buntu Turunan Village and Parhundalian Village Jawadipar. However, there are still affected parties who have not been included in the evaluation, including the community of Buntu Bayu Village, internal stakeholders and local contractors.
- PTPN IV Pasir Mandoge Unit has conducted an evaluation of the social impact management and monitoring plan on January 21, 2019 by involving the affected parties, namely the community of Bandar Pasir Mandoge Village, Huta Bagasan Village, Suka Makmur Village, Bandar Pasir Mandoge Koramil Representative and 1 (one) Mandoge Sand Unit workers. However, there are still affected parties who have not been included in the evaluation, including internal stakeholders and local contractors.
- PTPN IV Sei Kopas Unit has conducted an evaluation of the social impact management and monitoring plan on September 2, 2019 by involving the participation of affected parties, namely the people of Sei Kopas Village and Silau Jawa Village, Pemuda Pancasila Representative, Karya Muda Representative, labour union Unit Sei Kopas Unit Representative and Sei Kopas Unit Christian Unity. But there are still affected parties who have not been included in the evaluation including other internal stakeholders and local contractors.

**Non-Conformance Description:**

The company has not been able to show evidence that all affected parties have been involved in evaluating social management and monitoring plans.

**6.1.5**

PTPN IV Pasir Mandoge POM Unit does not accept FFB originating from surrounding communities or from scheme smallholders, this is because all FFB comes from other PTPN IV units and the main supply bases are the Pasir Mandoge, Tonduhan and Sei Kopas Units.

	<b>Status:</b>	
6.1.3	<b>Non-Conformity No. 2019.18 with Major Category</b>	
6.1.4	<b>Non-Conformity No. 2019.19 with Minor Category</b>	

**6.2**

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

**6.2.1 & 6.2.2**

The mechanism for employee complaints is included in the SOP for Internal Communication and Employee Complaints Handling (Rev. 2, effective January 2, 2015). The procedure outlines that employee complaints are submitted verbally and in writing to the Labour Union (*SP-Bun*). Then the *SP-Bun* Management examines the problem complained of and as far as possible the problem is resolved at the SP-Bun level. If the employee is not satisfied with the solution at the SP-Bun level, the employee can make a written complaint addressed to the Head of the relevant section provided with accurate data. If necessary, management will protect the names of employees who submit complaints (anonymous). The procedure has also been equipped with a Flow Chart.

Based on the interviews with union representatives, gender committee representatives, and employee representatives such as during the circle and path spraying in Block 10 AB, the wooden boy dugout in block 16I and the Pasir Mandoge processing station it is known that workers already know and understand the existence of communication procedures and consultation. In addition, the results of interviews with external stakeholders such as contractors and the surrounding village community have been known to have socialized about the procedure

Officers who are responsible for conducting communication and consultation with the parties are indicated by:

- PTPN IV Unit Tonduhan Business Unit Manager's Decree on the Appointment / Appointment of the Tonduhan Business Unit Communication Officer Number: Ton / KPTS / 43 / II / 2018 dated January 2, 2018 to establish and appoint Susan Yosephine as a special officer to establish good communication with stakeholders.

- The decision of the Pasir Mandoge Unit Manager Number: PAM / MU / Kpts / VII / 2019 dated July 14, 2019 stated that the communication officers were the Assistant of General HR and Security, clerk of General HR and Security, Document Control of RSPO and ISPO

### 6.2.3

PTPN IV Tonduhan Business Unit has 37 stakeholders and Sei Kopas Business Unit has 19 stakeholders listed in the 2019 stakeholder list, but there are still a number of stakeholders not yet included in the list including: Internal Stakeholders (labour unions, gender committees, employee cooperatives and others), Related agencies in the Regency (Asahan and Simalungun Districts) and other stakeholders. Whereas the list of stakeholders in 2019 cannot yet be shown by the Pasir Mandoge POM Business Unit and Pasir Mandoge Business Unit.

**Non-conformities have been accommodated in indicator 1.1.2**

**Status: Comply**

### 6.3

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

#### 6.3.1

There are Standard Operating Procedures for Handling Customer and Environmental Complaints (No. SPO 13. Rev 01, effective date 02 January 2015). Also, in the Collective Labour Agreement Period 2018 - 2019 between PT Nusantara Plantation IV (PTPN IV) with PT Perkebunan Nusantara IV Plantation Workers Union CHAPTER XI Industrial Relations Settlement, Article 65 concerning Procedures for dispute resolution & 66 regarding Complaints Employees and Industrial Action. In the procedure, it was determined that complaints from the parties were conveyed to the management unit through the HR and General Assistant. If the complaint cannot be resolved, the unit manager will submit it to the Business Unit Group Manager and then forward it to the Directors at PTPN IV Headquarters. In the PT Perkebunan Nusantara IV Management of Whistle Blowing System in Article 10, it has explained the Protection for Reporters. If the problem cannot be resolved at the unit level, it will proceed to the level of the board of directors and then according to the agreement of the parties, including to the legal route or other settlement.

#### 6.3.2

Based on internal and external complaints book, it is known that during the period 2019 (January - October) there were no complaints to the company both from internal and external stakeholders. The results of interviews with representatives of workers, representatives of contractors, and representatives of the village community are known so far, the relationship between the company and its stakeholders is quite well established.

**Status: Comply**

### 6.4

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

#### 6.4.1.

Based on documents verification of Government Regulation no. 19 of 1959, it is explained that the Tonduhan Estate area comes from the land of the Dutch company Handless Vereniging Amsterdam (HVA). While the Sei Kopas Estate and Pasir Mandoge Estate has been granted HGU since 1975, however there were occupation cases by the communities in the early year of 2000s. Based on document verification, interview with the surrounding communities and management, sighted that there is occupation had resolved in 2005 till 2007 by compensations to tenants.

#### 6.4.2 & 6.4.3.

The management unit has SPO for Land Conflict Management No. 04 (Revision 2) dated 02 January 2015 which explaining that the settlement of land disputes is done by negotiation involving deliberation of regional leaders and determine the compensation done by negotiation until they reach agreement. Calculations carried out with reasonable prices in accordance with the taxable value and state of the areas. Based on document verification there is historical of land dispute in Tonduhan Estate year of 2017 and it has been resolved, while in Pasir Mandoge Estate there is land dispute resolving on period of 2005 till 2007 to the 339 persons with area 903.04 Ha. Therefore, land dispute resolving on period of 2005 till 2007, for example there is 37 persons year of 2007. Based on interviews with communities in Tonduhan Village, Buntu Turunan Village (Tonduhan Estate), Suka Makmur Village, Bandar Pasir Mandoge Village (Pasir Mandoge Estate), Silau Jawa Village and Sei Kopas Village (Sei Kopas Estate), it was obtained information that there was no land

dispute issues between company and the surrounding communities during last years.

**Status: Comply**

## 6.5

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

### 6.5.1 & 6.5.2

The company has a work regulation in the form of a Collective Labour Agreement which is used as a basis for employment. Collective Labour Agreement for 2018-2019 between PTPN IV and PTPN IV Plantation Labour Union (SPBUN). Decree of the Head of the Department of Manpower and Transmigration of the Province of North Sumatra No. KEP.22-6 / DTK / 2018 concerning registration of collective work agreements with the validity period January 1, 2018 - December 31 2019. The CLA stipulates the rights and obligations of workers such as: employment relations, working days and hours of work, exemptions from the obligation to work , wage classes, benefits and units, health care and medication, OSH and equipment, social security and labour welfare, settlement of industrial disputes, termination of employment, and others. The CLA has also been socialized to workers by providing pocket books for each worker in each unit of the plantation and factory.

Based on the results of the document review of the payment of workers' wages for all units (Pasir Mandoge, Tonduhan and Sei Kopas) it is known that the company has implemented regulations related to minimum wages and the lowest wages of workers are above the minimum wage set by the government. Every worker has provided with wage slip every month, the slip explained the salary, deduction, benefits and other information. Currently the workers who work in the company are permanent workers and contract workers (honorary). All contract / honorary workers have an employment agreement and are in compliance with applicable statutory provisions such as wages, rights and obligations as well as other information. Until now, contractor workers who have collaborated with the company are still available for FFB transportation and maintenance activities.

When the RSPO assessment was carried out in each unit, there were no workers with daily contract status. This statement is evidenced by the results of visits and interviews with workers in the plantation (harvesting, manuring and spraying workers) and factories (operator processes) which states that currently all workers are permanent workers and the company no longer uses contract workers. This is also in line with the results of a review of the company worker registration document which proves that all workers are permanent workers.

Based on interviews with representatives of trade unions, gender committees, harvest workers, sprayers and factory operators it is known that the company has paid more than the minimum wage provisions each month. During the past year there have been no complaints related to wages, workers feel the wages provided are quite good and above the minimum wage set by the government.

### **Non-Conformity No. 2019.20 with Major Category**

#### **Evidence observed:**

Based on the study results of the Pasir Mandoge POM Overtime Worker Unit document, it is known that the total overtime hours for the engine room operator is 186 hours and the boiler operator is 191 hours, while the average overtime hours per week is 46 hours and 47 hours. In Ministerial Decree No. 102 of 2004 concerning Overtime Working Hours and Overtime Work Wages states that overtime hours for workers are a maximum of 3 hours / day or 14 hours / week. Based on the calculation of overtime based on overtime system is higher than the payment system (premium overtime) provided by the company.

#### **Non-Conformance Description:**

The company has not been able to prove that overtime work and overtime wages applied are in accordance with applicable regulations.

### 6.5.3

For the availability of medical services, it is very easy to get by the workers because besides having its own health post for the first treatment, there are also clinics, health centers and hospitals that are located not far from the location of the plantation (about 15-60 minutes' drive). This is because the location of the plantation is quite close to the main road and close to the city of Siantar, the city of Simalungun and the city of Asahan (15-60 minutes' drive).

Educational facilities for school the company provides school buses in each unit as the main means of transportation. Besides that, the distance of elementary, middle and high school education facilities is not too far due to the location of the plantation which is near the main road and the city.

Based on the results of field visits and interviews with housing residents in the company, it is known that the company provides clean water for the daily needs of the workers by using drilled wells and water flowed from the factory. So far, the availability of water has been felt sufficient. Electricity facilities in each employee's housing have been provided and use the PLN electricity network, so that the availability of electricity is always adequate.

#### 6.5.4

To provide access to easy food sources, the company allows grocery sales to sell and enter residential areas, so that the need for food sources for workers and families can be met. In addition, the location of the company which is close to the main road and the city causes access to food sources is very easy to get, because the distance to shop at the nearest market can be reached within 20-30 minutes.

Based on the results of interviews with residents of the housing, it is known that access to food sources in the area of the company is very easy, in addition to access to the market which is quite close, there are grocery sellers who enter to sell, many of the workers themselves are opening stalls to sell groceries in the groceries every house.

6.5.1	<b>Status:</b> <b>Non-Conformity No. 2019.20 with Major Category</b>	
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#### 6.6

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

##### 6.6.1

Recognition of the company of freedom of association for employees is stated in the collective labour agreement 2018 - 2019, especially in articles 5 - 9. The workers' organizations which are found in the company are the Bipartite and the Labour Union.

There are examples of ratification of Bipartite and Trade Unions by the authorized agency for example:

- Decree of the Head of Manpower Office of Asahan Regency Number: Kep.3533 / III-DTK / X / 2019 concerning the Membership Arrangement of PTPN IV Bipartite Board of Directors of Pasir Mandoge Business Unit
- Evidence of Registration No: 3566 / III-DKT / X / 2019 Workers Union of PT-Perkebunan Nusantara IV SP-Pasir Mandoge Base with registration number 481 / III-DKT / 2019 endorsed by the Head of Manpower Office of Asahan Regency

The core composition of the Bipartite and Labour Unions includes the chairman, deputy chairman, secretary and treasurer

##### 6.6.2

Records of union meetings in the 2019 period include the following:

- The Tonduhan SP-BUN Meeting on September 27, 2019 was attended by 23 people from representatives of employers and workers. The problem discussed is the Collective Labour Agreement proposal 2020-2021
- The Pasir Mandoge LKS Bipartite Meeting on 14 October 2019 was attended by 11 people. The minutes include emphasizing the problem of forming the management, recording and making work programs

Each meeting produced a minutes containing a discussion of the results of the meeting. The minutes are freely accessible to each member and kept by each organization.

	<b>Status: Comply</b>	
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#### 6.7

**Children are not employed or exploited.**

##### 6.7.1

The CH shows that the Policy does not employ minors with policy number No. 03 No. revision 02 effective date 02<sup>nd</sup> January 2015 which is approved by the President Director of PTPN IV. The policy explains that the CH supports children's rights and seeks to implement them in the corporate environment, and is committed to implementing a policy of not



employing underage children (18 years) under Law No. 20 of 1999 concerning ratification of the ILO convention concerning the minimum age to be allowed to work, Law No. 1 of 2000 concerning the approval of ILO conventions no. 182 concerning the prohibition and immediate action to eliminate the worst forms of child labour and Law No. 13 of 2004 concerning employment.

Based on the results of the verification document list of workers per January 2019, it is known that all workers who work in the company are more than 18 years old at the time of entry into work and there are no workers aged less than 18 years at the time of admission. This is in line with the results of interviews with representatives of labour unions, harvest workers, sprayers and factory operators. It is known that the company does not employ workers under the age of 18 in accordance with regulation provisions and regulation contained in Collective Labour Agreement 2018-2019.

Status: Comply

## 6.8

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

### 6.8.1

The Company has a social policy which stated that every staff / employees should be handled fairly in everything relating to the recruitment, promotions, restrictions and conditions of employment without regard to personal issues such as race, degrees, ethnicity, gender, skin colour (defects/imperfect), a membership organization, and political views, religious and/or age. It is revealed that the hired employees have diverse educational, ethnic and religious backgrounds. Interview with worker in labour union and gender committee revealed that company opens work opportunity for local communities (in mill and estate) and worker from another Province. This can be considered as positive impact over company's existence for local communities. There is no complaint related to discrimination from local communities.

### 6.8.2

Document verification and interview with management, labour union and gender committee, recruitment is based on company requirement without considering ethnic, religious, and racial and religion. All prospective workers have rights for employment opportunity according with their educational background and company requirement. Moreover, result of interview with worker also reveals that there is no indication of discrimination against employees.

### 6.8.3

Document verification and interview with unit management, labour union and gender committee, that the selection process and recruitment of candidates is done in accordance with the applicable procedures in the company, starting from the signing of the agreements, the evaluation of the performance, until the appointment becomes permanent workers. In process there are not discrimination about race, degrees, ethnicity, gender, skin colour (defects/imperfect), a membership organization, and political views, religious and/or age. Based on the results of the document review, it was found that there was recruitment of workers in 2018 based on the ability and results of the health examination of workers, this was evidenced by the recruitment documents and the results of workers' health checks.

Status: Comply

## 6.9

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

### 6.9.1

Company policy on the prevention of sexual harassment and violence contained in SOP with document number 06.02 dated 1 August 2012 regarding sexual harassment policy which states that PT Perkebunan Nusantara IV is responsible for preventing sexual harassment in the workplace and taking corrective action to prevent sexual harassment related to work.

One form of socialization is with warnings at strategic locations regarding commitments to prevent sexual violence. Organizations that focus on issues of sexual harassment or violence are gender committees. In addition, the management structure of labour unions also includes the field of women's empowerment

The work program in 2019 consists of four points namely monitoring the incidence of sexual harassment, promoting human rights, socializing reproductive health and weekly recitation. The results of interviews with representatives of the gender committee are known so far in the activities, the gender committee cooperates with IKBI (Wife Family Association) which is a container for the wives of PTPN IV employees. The frequency of activities varies from weekly to monthly.

### 6.9.2



Policies to protect all reproductive rights especially for women can be seen in the Collective Labour Agreement between the company and PT PN IV plantation worker union 2018-2019 article 27 and article 28. Based on the results of interviews with female workers who work in the field for example in block 09AB Afdeling VI Pasir Mandoge, block 10 AB Afdeling III Sei Kopas, and block 16I as well as representatives of the gender committee know information about reproductive rights has been understood and these rights have also been given to women workers for example in the form of leave H-1 and leave H-2.

### 6.9.3

PTPN IV has a whistleblowing system document that regulates the mechanism for reporting and handling the report. Protection of whistle-blowers is contained in article X of the document.

In addition, the sexual harassment prevention policy document No. policy 06 takes effect January 2, 2015 explains if employees experience or witness sexual harassment in the workplace to immediately report to the Director of HR & General with the confidentiality of employees, witnesses and perpetrators will be protected from unnecessary disclosure. When the investigation is complete, the employee will be notified of the results of the investigation. All allegations of sexual harassment will be investigated immediately.

PTPN IV does not permit retaliation against work backgrounds for anyone who reports a complaint of sexual harassment or speaks as a witness in an investigation into complaints of sexual harassment.

<b>Status: Comply</b>
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### 6.10

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

#### 6.10.1 & 6.10.2

PTPN IV Pasir Mandoge POM Unit does not accept FFB originating from surrounding communities or from Scheme Smallholders, this is because all FFB comes from other PTPN IV units and the main supply bases are the Pasir Mandoge, Tonduhan and Sei Kopas Units.

#### 6.10.3

The company does not have an agreement with the Scheme Smallholders or with FFB suppliers, but the company has a partnership with a contractor to cooperate in the operations of plantations and factories. At present the work agreement between the contractors, each unit (Tonduhan and Pasir Mandoge) has been demonstrated and signed by both parties with the same legal force.

#### **Non-Conformity No.2019.21 with Minor Category**

##### **Evidence observed:**

PTPN IV Tonduhan and Pasir Mandoge Unit can show cooperation agreements with local contractors for FFB transport activities, but the Sei Kopas Unit has not shown work agreements with local contractors (CV Anugrah Perkasa and CV Mitra) for FFB transport and oil palm maintenance activities.

##### **Non-Conformance Description:**

The company has not been able to prove that the evidence of work agreement with the local contractor has been carried out in accordance with legal, fair and transparent rules.

#### 6.10.4

In carrying out the provisions contained in the Work Agreement between the company and the local contractor, especially in terms of payment of work completion that has been done every month. The provisions contained in the agreement state that the company is obliged to make payments no later than 30 days after the minutes of submission / completion of work are signed and received by the company. based on the results of the document review of work completion payments for contractors in each unit it is known that the company has made payments in accordance with the specified time (payments made before 30 days), as evidenced by proof of payment / transfer via bank.

#### **Non-Conformity No. 2019.22 with Minor Category**

##### **Evidence observed:**

PTPN IV Tonduhan Unit and Pasir Mandoge Unit can show proof of payment of work completion with local contractors in

accordance with the conditions stated in the cooperation agreement. Whereas the Sei Kopas Unit has not been able to show evidence that the completion of work carried out by local contractors has been paid in accordance with the provisions.

**Non-Conformance Description:**

The company has not been able to prove that the agreed payment has been made in a timely manner.

6.10.3	<b>Status:</b> <b>Non-Conformity No. 2019.21 with Minor Category</b>	
6.10.4	<b>Non-Conformity No. 2019.22 with Minor Category</b>	

**6.11**  
**Growers and millers contribute to local sustainable development wherever appropriate.**

**6.11.1**  
The results of interviews with village community representatives, the priority of the main needs of today's society are children's education, places of worship and road improvements. The company's contribution to local development includes:

- Providing educational assistance, improving places of worship, road improvements and sports.
- Provide jobs for the surrounding community.
- Provide business opportunities for local contractors in the surrounding communities

Based on interviews with villagers, it is known that the community has received a positive contribution from the existence of the company. Requests for assistance from the community are well responded to by the company.

**6.11.2**

Based on interviews with the management and document review, there is no scheme of smallholders in the area.

	<b>Status: Comply</b>	
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**6.12**  
**No forms of forced or trafficked labour are used.**

**6.12.1**  
With the definition of forced labour issued by the ILO which states that "all work or service which is exacted from any person under the menace of any penalty and for those who said they have not been offered voluntarily" where each worker is classified as forced labour if in a situation;

- Against their will, or
- Without informed consent, and
- Cannot leave that job without a penalty or a threat of penalty of any kind.

So, based on the verification of labour documents and the results of interviews with workers there is no indication of forced labour practices in PTPN IV (Pasir Mandoge Business Unit, Tonduhan Business Unit, and Sei Kopas Business Unit). Every worker has a work agreement agreed by the employer and the recipient of the work (there is no financial penalties).

In addition, based on the results of interviews and employee lists in October 2019, it was known that all employees had the citizenship of the Republic of Indonesia. There are no migrant workers in the company's business unit.

From the results of the assessment conducted, there were no issues related to forced labor or human rights violations that occurred in the company's operational environment. The results of interviews with workers in the plantation (harvesting, manuring and spraying workers) and factories (operator processes) note that workers are only required to work for 6 days a week and on regular / national holidays, workers are not required to work. Workers are also given the freedom to refuse to work on regular / national holidays and will be given overtime pay if working on those days. The company also does not force workers to work on holidays, this has been clearly written in company policy to avoid forced labor.

**6.12.2 & 6.12.3**

Based on the results of interviews and a list of employees of PTPN IV Pasir Mandoge, Tonduhan and Sei Kopas Business Unit in October 2019 it is known that all employees have citizenship of the Republic of Indonesia. There are no migrant workers in the company's business unit. Similar results were also conveyed by the Asahan District Manpower Office during

a public consultation which stated that there were no migrant workers working in the company

**Status: Comply**

### 6.13

#### **Growers and millers respect human rights**

##### 6.13.1

The human rights policy is listed in Document No. 07 Rev. 02 January 02, 2015 which explains that the Company respects the rights of people in the communities affected by the company's activities. The company seeks to identify detrimental impacts on human rights and take steps to avoid, minimize and / or reduce them.

In addition, there is a human rights protection policy on October 10 which was signed by the managers of Pasir Mandoge, Sei Kopas, and Tonduhan

As part of the socialization there are warnings around the company operational areas (afdeling offices, Mill offices) that can be easily read by all employees. In addition, the principles of the Implementation of the Plantation Management System on April 22, 2019, were followed by internal and external stakeholders (for example regent staff, contractor representatives, employees and trade unions) with a total number of 20 participants. In its minutes the socialization included discussion of HCV within PTPN IV; Human rights policy, sexual harassment, prohibition of underage workers; Code of conduct; and whistle blowing system.

From the results of the assessment conducted, there were no issues related to forced labor or human rights violations that occurred in the company's operational environment. The results of interviews with workers in the plantation (harvesting, manuring and spraying workers) and factories (operator processes) note that workers are only required to work for 6 days a week and on regular / national holidays, workers are not required to work. Workers are also given the freedom to refuse to work on regular / national holidays and will be given overtime pay if working on those days. The company also does not force workers to work on holidays, this has been clearly written in company policy to avoid forced labor.

Based on the results of interviews with workers' representatives, the village community representatives from the contractor representatives found out that the human rights policy had been submitted by the company.

**Status: Comply**

#### **PRINCIPLE #7 Responsible development of new plantings**

##### 7.1

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

##### 7.1.1; 7.1.2 & 7.1.3

Based on the Area Statement document, Tonduhan Estate did not clear land above November 2005. For planting in 2015 it was a replanting area from the 1989 planting year.

In addition, Pasir Mandoge Estate has started planting oil palm since 1978 and the last planting was in 1991 while the plants since 2000 were replanting so that no indicators of new plantation development were verified (Principle 7).

**Status: Comply**

##### 7.2

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

Based on the Area Statement document, Tonduhan Estate did not clear land above November 2005. For planting in 2015 it was a replanting area from the 1989 planting year.

In addition, Pasir Mandoge Estate has started planting oil palm since 1978 and the last planting was in 1991 while the plants since 2000 were replanting so that no indicators of new plantation development were verified (Principle 7).

**Status: Comply**

##### 7.3

**New plantings since November 2005, have not replaced primary forest or any area required to maintain or**

**enhance one or more High Conservation Values.**
**7.3.1; 7.3.2; 7.3.3; 7.3.4 & 7.3.5.**

The company has been sent disclosure of liability for Pasir Mandoge Estate, Sei Kopas & Tonduhan Estate, based on email from RSPO on September 11<sup>th</sup>, 2019 its known there no liability for Pasir Mandoge Estate, Sei Kopas & Tonduhan Estate.

**Status: Comply**

**7.4**
**Extensive planting on steep terrain, and/or on marginal and fragile soils, is avoided.**

Based on the Area Statement document, Tonduhan Estate did not clear land above November 2005. For planting in 2015 it was a replanting area from the 1989 planting year.

In addition, Pasir Mandoge Estate has started planting oil palm since 1978 and the last planting was in 1991 while the plants since 2000 were replanting so that no indicators of new plantation development were verified (Principle 7).

**Status: Comply**

**7.5**
**No new plantings are established on local peoples' land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.**

The company has owned HGU since 1975, the current plant is the second cycle. The first replanting was carried out in 1989. Based on document verification and field visits sighted that there were no new development areas.

**Status: Comply**

**7.6**
**Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.**

The company has owned HGU since 1975, the current plant is the second cycle. The first replanting was carried out in 1989. Based on document verification and field visits sighted that there were no new development areas.

**Status: Comply**

**7.7**
**Use of fire in the preparation of new plantings is avoided other than in specific situations, as identified in the ASEAN guidelines or other regional best practice.**

Based on the Area Statement document, Tonduhan Estate did not clear land above November 2005. For planting in 2015 it was a replanting area from the 1989 planting year.

In addition, Pasir Mandoge Estate has started planting oil palm since 1978 and the last planting was in 1991 while the plants since 2000 were replanting so that no indicators of new plantation development were verified (Principle 7).

**Status: Comply**

**7.8**
**New plantation developments are designed to minimise net greenhouse gas emissions.**
**7.8.1 & 7.8.2.**

Based on documents review, interview, and field visits, shown that company did not expand any operational area and there is no more land clearing for new development activity since January 2015.

**Status: Comply**

**PRINCIPLE #8 Commitment to continuous improvement in key areas of activity**
**8.1**
**Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.**
**8.1.1**
**Worker Welfare Aspect**

- The company has set minimum wage regulations for all workers based on the stipulation of minimum wages by the

Governor of Sumatera Utara for 2019 which applies to all levels of status of workers ranging from permanent workers and contract workers.

- The company facilitates workers with proper housing, electricity facilities, and the availability of clean water in every publicly available housing.
- The company is also committed to avoiding acts of discrimination, sexual harassment, child labour or any violation of human rights in the work environment.

**Environmental Aspect**

- The management unit has conducted regularly environment quality testing.
- The management unit has conducted regularly HCV monitoring and socialization.
- The management unit has implemented EFB application to reduce chemical fertilizer using.

**Status: Comply**

### 3.2 Summary of Assessment Report of Supply Chain Requirement

#### 3.2.1. General chain of custody requirements for the supply chain

Clause	Requirement
<b>5.1</b>	<b>Applicability of the general chain of custody requirements for the supply chain</b>
5.1.1	<p>The General Chain of Custody requirements of the RSPO Supply Chain Standard shall apply to any organization throughout the supply chain that takes legal ownership and physically handles RSPO Certified Sustainable oil palm products at a location under the control of the organization including outsourced contractors. After the end product manufacturer, there is no further requirement for certification.</p> <p>Organization that conduct physically handled of RSPO product is Pasir Mandoge POM, they have takes legal ownership and physically handles under the control of the organization including outsourced contractors. There are two outsourcing activity such as: CPO transport and PK transport. CPO &amp; PK transporter ie CV Pelita Jaya with agreement number 04.09/S.Perj/04/I/2019 dated 2 January 2019 till 31 December 2019 and also CV Karya Mandiri with agreement number 04.05/S.Perj/13/III/2019 dated 20 March 2019 for CSPK transport to the KCP Pabatu valid to 31 December 2019.</p>
	<b>Status: Comply</b>
5.1.2	<p>Traders and distributors require a license obtained from RSPO Secretariat to sell RSPO certified product but do not themselves require certification. When selling RSPO certified products, a licensed trader and/or distributor shall pass on the certification number of the product manufacturer and the applicable supply chain model.</p> <p>Pasir Mandoge POM has been registered and met the requirement for reporting supply chain through RSPO IT Platform. Pasir Mandoge POM only processed their own FFB from own manage plantation and FFB from the estate which has not been certified with RSPO.</p>
	<b>Status: Comply</b>
5.1.3	<p>Either the operator at site level or its parent company seeking certification shall be a member of the RSPO and shall register on the RSPO IT platform.</p> <p>Pasir Mandoge Palm Oil Mill - PTPN IV has registered on the RSPO IT platform with registration number: RSPO PO1000004277.</p>
	<b>Status: Comply</b>
5.1.4	<p>Processing aids do not need to be included within an organization's scope of certification.</p> <p>There is no using processing aids.</p>
	<b>Status: Comply</b>
<b>5.2</b>	<b>Supply chain model</b>
5.2.1	<p>The site can only use the same supply chain model as its supplier or go to a less strict system. Declassification/downgrading can only be done in the following order: Identity Preserved -&gt; Segregated -&gt; Mass Balance.</p> <p>Pasir Mandoge POM is used RSPO supply chain of Mass Balance module because they will be received FFB from the estate which has not been certified with RSPO</p>
	<b>Status: Comply</b>
5.2.2	<p>The site can use one (1) or a combination of supply chain models as audited and certified by the CB.</p> <p>Pasir Mandoge POM is used RSPO supply chain of Mass Balance module.</p>



	<b>Status: Comply</b>
<b>5.3</b>	<b>Documented procedures</b>
<b>5.3.1</b>	<p>The site shall have written procedures and/or work instructions or equivalent to ensure the implementation of all elements of the applicable supply chain model specified.</p> <p>Documents verifications its known if The POM has procedures regarding to ensure the implementation of all the elements mentioned in the terms of SCCS for Mill, which listed in: SOP.04/03/UNIT/SUS/P/2001 about Certified Product Handling dated 1 August 2018, Revised on 1 May 2019, such as: 8.2.1. Certified FFB's handling 8.2.2. Certified FFB's received on the mill In that's procedure mentioned if</p> <ul style="list-style-type: none"> <li>• Supply Chain Model is Mass Balance</li> <li>• FFB derived from their own plantation, one parental plantation and FFB of 3rd party certified by RSPO marked with stamps of CSPO (Certified Sustainable Palm Oil).</li> <li>• The factory reports the shipments of CPO, PK, to marketing and headquarters processing sections</li> <li>• There is a flow diagram of the palm oil supply chain.</li> </ul> <p>The people in charge of the supply chain system are:</p> <ul style="list-style-type: none"> <li>- Head of mill Assistants registers Mill certified to RSPO Palm-Trace and informs them through memo to the Marketing Department of the Directors' Office.</li> <li>- Head of Plant Assistants are responsible for handling in estate certified FFB</li> <li>- Head of Mill Assistants is responsible for handling certified FFB in POM.</li> </ul> <p>Pasir Mandoge POM has Certified Product Handling procedure number SOP.04/03/UNIT/SUS/P/2001 dated 1 August 2018, Rev: 1 May 2019. At point 8.2.2.2. Explaining about FFB received from certified and non-certified sources (one group estates and out growers. Based on document verification sighted that Sei Kopas Estate has renewal land title (HGU) with area 4,572.14 Ha, while on October 2019 the manage area is 6,979.72 Ha. Then based on overlay between operational map and appendix of Forestry Minister number SK.579/Menhut-II/2014 dated 24 June 2014 about Forest Area in Sumatera Utara Province, it's obtained information that their area <math>\pm</math> 4,751.85 Hectare on the other use area (APL) and <math>\pm</math> 1,650.34 Hectare on the Convertible Production Forest (HPK). However, the management unit has not been able to show procedure or work instruction to separate of Certified FFB and non-Certified FFB on the field, such as: block identification, book keeping, and physical marking for the certified and non-certified area. <b>It was raised as nonconformity number 2019.23.</b></p>
<b>5.3.1</b>	<p><b>Status:</b> <b>Non-Conformity No. 2019.23 with Major Category</b></p>
<b>5.3.2</b>	<p>The site shall have a written procedure to conduct annual internal audit</p> <p>The CH has procedures regarding to conduct annual internal audit SOP No 21 dated 02 January 2015 about Implementation Of Internal Audit RSPO that's mentioned if the Annual Audit Program is carried out at least once a year by considering the status and importance of the process and fields to be audited. If necessary, the audit program can be changed. It is recommended that an internal audit be carried out before an audit from the Certification Body. Internal audit Conducted on 29 to 31 July 2019 by strategic planning department. The results of internal audit there was one Noncompliance found in SCCS. All corrective action has been submitted and some are in progress.</p>
	<b>Status: Comply</b>
<b>5.4</b>	<b>Purchasing and goods in</b>
<b>5.4.1</b>	<p>The receiving site shall ensure that purchases of RSPO certified oil palm products are in compliance and the following minimum information for RSPO certified products is made available by the supplier</p> <p>All the FFB received and process information are recorded in the transport receipt and weigh-bridge ticket, such as : estate origin, division, departure time, vehicle number, driver name, block, number of bunches, number of loose fruit, stamp of certified</p>

/ non certified and sign of field assistant.	
FFB certified received and processed in Pasir Mandoge POM is only from its own estate, the mill not purchased RSPO certified product from outsources.	
	<b>Status: Comply</b>
<b>5.4.2</b>	
<b>The site shall have a mechanism in place for handling non-conforming oil palm products and/or documents</b>	
The CH has procedures regarding to ensure the implementation of all the elements mentioned in the terms of SCCS for Mill, which listed in:	
<ol style="list-style-type: none"> <li>1. <i>SOP 04.03/UNIT/SUS/P/2001</i> dated 01 August 2018 about "<i>Penanganan Produk Kelapa Sawit Bersertifikat</i>" (Certified FFB Handling) This procedure is intended as a guide in handling certified FFB from the Estate to reception in Mill</li> <li>2. <i>SOP No 07B Rev 03</i> dated 02 January 2017 about "<i>Penanganan CPO/Bersertifikasi</i>" (Certified CPO/PK Handling) This procedure is intended as a guide in handling certified CPO /PK in Mill, in the procedure mentioned if Mill uses the Mass Balance (MB) model with the Fixed system Inventory Periods which means RSPO stock may be negative in period 3 month, must be balanced</li> </ol>	
It will be verified after mill has certified on the surveillance audit.	
	<b>Status: Comply</b>
<b>5.5</b>	<b>Outsourcing activities</b>
<b>5.5.1</b>	
In cases where an operation seeking or holding certification outsources activities to independent third parties (e.g. subcontractors for storage, transport or other outsourced activities), the operation seeking or holding certification shall ensure that the independent third party complies with the requirements of the RSPO Supply Chain Certification Standard. A CPO mill and independent mill cannot outsource processing activities like refining or crushing.	
Document verification results and interviews with the management obtained information that there are contractors involved in the process of transporting CSPO ie CV Pelita Jaya with agreement number 04.09/S.Perj/04/I/2019 dated 2 January 2019 till 31 December 2019. While the Certified Sustainable Palm Kernel (CSPK) transport are using CV Karya Mandiri with agreement number 04.05/S.Perj/13/III/2019 dated 20 March 2019 for CSPK transport to the KCP Pabatu valid to 31 December 2019.	
In the contract document stated that all product is legally owned, the transporter only responsible for transporting to the destination in stated in delivery document. Meanwhile In the work agreement, it was explained that CV Pelita Jaya & CV Karya Mandiri runs an international system in the transportation of palm oil and palm kernel oil and complies with all the requirements of the RSPO Supply Chain and Palm Kernel Oil and is willing to be audited by a Certification Body appointed by the first party	
	<b>Status: Comply</b>
<b>5.5.2</b>	
Sites which include outsourcing within the scope of their RSPO Supply Chain certificate shall ensure the following:	
<ol style="list-style-type: none"> <li>a. The site has legal ownership of all input material to be included in outsourced processes;</li> <li>b. The site has an agreement or contract covering the outsourced process with each contractor through a signed and enforceable agreement with the contractor. The onus is on the site to ensure that certification bodies (CBs) have access to the outsourcing contractor or operation if an audit is deemed necessary.</li> <li>c. The site has a documented control system with explicit procedures for the outsourced process which is communicated to the relevant contractor.</li> <li>d. The site seeking or holding certification shall furthermore ensure (e.g. through contractual arrangements) that independent third parties engaged provide relevant access for duly accredited CBs to their respective operations, systems, and any and all information, when this is announced in advance</li> </ol>	
The mill has legal ownership of al input material to be included in outsources processed, including transporting of CSPO & CSPK ie CV Pelita Jaya with agreement number 04.09/S.Perj/04/I/2019 dated 2 January 2019 till 31 December 2019 and also CV Karya Mandiri with agreement number 04.05/S.Perj/13/III/2019 dated 20 March 2019 for CSPK transport to the KCP Pabatu valid to 31 December 2019.	
In the contract document stated that all product is legally owned, the transporter only responsible for transporting to the	

destination is stated in delivery document. Meanwhile In the work agreement, it was explained that CV Pelita Jaya runs an international system in the transportation of palm oil and palm kernel oil and complies with all the requirements of the RSPO Supply Chain and Palm Kernel Oil and is willing to be audited by a Certification Body appointed by the first party.

**Status: Comply**

### 5.5.3

The site shall record the names and contact details of all contractors used for the processing or physical handling of RSPO certified oil palm products.

Document verification results and interviews with the management obtained information that there are contractors involved in the process of transporting CPO & PK ie CV Pelita Jaya for the process of transporting CSPO & CSPK ie CV Pelita Jaya (Brigjend Katamso Dalam No 45S Kel. Aur Kec. Medan Maimun, Medan) with agreement number 04.09/S.Perj/04/II/2019 dated 2 January 2019 till 31 December 2019. And also, CSPK transport by CV Karya Mandiri with agreement number 04.05/S.Perj/13/III/2019 dated 20 March 2019 for CSPK transport to the KCP Pabatu valid to 31 December 2019.

**Status: Comply**

### 5.5.4

The site shall at its next audit inform its CB of the names and contact details of any new contractor used for the processing or physical handling of RSPO certified oil palm products

It will be verified on the next surveillance.

**Status: Comply**

## 5.6

### Sales and goods out

### 5.6.1

The supplying site shall ensure that the following minimum information for RSPO certified products is made available in document form: The name and address of the buyer

It will be verified after Pasir Mandoge POM Certified on the next surveillance.

**Status: Comply**

## 5.7

### Registration of transactions

### 5.7.1

Supply chain actors who:

- are mills, traders, crushers and refineries; and
- take legal ownership and/or physically handle RSPO Certified Sustainable oil palm products that are available in the yield scheme of the RSPO IT Platform (Figure 2 and 3, refer Annex 1) shall register their transaction in the RSPO IT platform and confirm upon receipt where applicable

Pasir Mandoge Palm Oil Mill - PTPN IV has registered RSPO-certified products are CSPO and CSPK through IT Platform RSPO with registration number: ID RSPO PO1000004277.

**Status: Comply**

### 5.7.2

The involved supply chain actors mentioned in 5.7.1 shall do the following actions in the RSPO IT Platform:

- Shipping Announcement / Announcement: When RSPO certified volume is sold as certified, the volumes of products that are in the yield scheme (Figure 2 and 3, refer Annex 1) shall be registered as a Shipping Announcement / Announcement in the RSPO IT Platform. The declaration time to do Shipping announcement / Announcement is based on members' own standard operating procedures.
- Trace: When RSPO certified volumes are sold as RSPO certified to actors in the supply chain beyond the refinery, the volume shall be traced at least annually. Tracing triggers the generation of a trace document with a unique traceability number. Tracing can be done in a consolidated way at least annually.
- Remove: RSPO certified volumes sold under other scheme or as conventional, or in case of underproduction, loss or damage shall be removed.
- Confirm: Acknowledge the purchase of RSPO certified volume by confirming Shipping Announcements / Announcements.

It will be verified after Pasir Mandoge POM Certified on the next surveillance.	
	<b>Status: Comply</b>
<b>5.8</b>	<b>Training</b>
<b>5.8.1</b> The organization shall have a training plan on RSPO Supply Chain Standards requirements, which is subject to on-going review and is supported by records of the training provided to staff	
Based documents review and interview with the management representative it's known that the training plan on RSPO SCC requirements conducted annually once a year.	
	<b>Status: Comply</b>
<b>5.8.2</b> Appropriate training shall be provided by the organization for personnel carrying out the tasks critical to the effective implementation of the supply chain certification standard requirements. Training shall be specific and relevant to the task(s) performed	
The last training has been conducted on 18 October 2019 with the number of participants are twenty nine persons including all persons who responsible with SCCS aspect. However, based on interviews with security guards, weighbridge officers and managers, it is known that they have not been explained about SCCS procedure. The management unit to be consider to evaluating time period of training. <b>OFI</b>	
	<b>Status: Comply</b>
<b>5.9</b>	<b>Record keeping</b>
<b>5.9.1</b> 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	
In the procedure (No 05 rev 02 dated 02 January 2015) about Document s Retention Policy is mentioned that PT PN IV has carried out and ensure that all documents regarding the company's activities must be recorded, documented, maintained and stored properly. It will be verified after Pasir Mandoge POM Certified on the next surveillance.	
	<b>Status: Comply</b>
<b>5.9.2</b> Retention times for all records and reports shall be a minimum of two (2) years and shall comply with legal and regulatory requirements and be able to confirm the certified status of raw materials or products held in stock	
In the procedure point 8.2.3. Retention times for all records and reports shall be a minimum of two (2) years and shall comply with legal and regulatory requirements	
	<b>Status: Comply</b>
<b>5.9.3</b> The organization shall be able to provide the estimate volume of palm oil / palm kernel oil content (separate categories) in the RSPO certified oil palm product and keep an up to date record of the volume purchased (input) and claimed (output) over a period of twelve (12) months.	
It will be verified after Pasir Mandoge POM Certified on the next surveillance.	
	<b>Status: Comply</b>
<b>5.10</b>	<b>Conversion factors</b>
<b>5.10.1</b> Where applicable a conversion rate shall be applied to provide a reliable estimate for the amount of certified output available from the associated inputs. Organizations may determine and set their own conversion rates which shall be based upon past experience, documented and applied consistently. Guidance on conversion rates is published on the RSPO website ( <a href="http://www.rspo.org">www.rspo.org</a> ); RSPO Rules for Physical Transition of Oleochemicals and its Derivatives. This is relevant for derivatives of Palm Oil and Palm Kernel Oil, as used in the oleochemical and personal care industries	
During assestment conducted Pasir Mandoge POM only received and processed of FFB's as material input form estate under	

scope of certification. This mill did not purchase FFB, CPO and/or PK from others. Therefore, this mill did not using conversion factors.	
	<b>Status: Comply</b>
<b>5.10.2</b> Conversion rates shall be periodically updated to ensure accuracy against actual performance or industry average if appropriate.	
Pasir Mandoge POM did not using conversion rate. During assesment conducted Pasir Mandoge POM only received and processed of FFB's as material input form estate under scope of certification. This mill did not purchase FFB, CPO and/or PK from others. Therefore, this mill did not using conversion factors.	
	<b>Status: Comply</b>
<b>5.11</b>	<b>Claims</b>
<b>5.11.1</b> The site shall only make claims regarding the use of or support of RSPO certified oil palm products that are in compliance with the RSPO Rules on Market Communications and Claims.	
Pasir Mandoge POM did not using logo during communication with stakeholder / customer. The CH never using RSPO symbol or logos. A unique identification number, certificate number and supply chain model are available on relevant documents. Also, the CH using RSPO Palm Trace for communication, transaction, confirmation status and shipping announcement.	
	<b>Status: Comply</b>
<b>5.12</b>	<b>Complaints</b>
<b>5.12.1</b> The organization shall have in place and maintain documented procedures for collecting and resolving stakeholder complaints.	
Pasir Mandoge POM has a complaint mechanism contained in the document: <ul style="list-style-type: none"> <li>• Standard Operating Procedures for Handling Customer and Environmental Complaint (No. SPO 13. Rev 01, effective date 02 January 2015) relating to complaints from stakeholders</li> <li>• PT Perkebunan Nusantara IV Whistle-Blowing System (PERSERO) in 2013 on Article 10: Protection of Reporters.</li> </ul>	
	<b>Status: Comply</b>
<b>5.13</b>	<b>Management review</b>
<b>5.13.1</b> The organization is required to hold management reviews annually at planned intervals, appropriate to the scale and nature of the activities undertaken	
The managements review planned annually one time a year. It will be verified on the next surveillance.	
	<b>Status: Comply</b>
<b>5.13.2</b> The input to management review shall include information on: <ul style="list-style-type: none"> <li>• Results of internal audits covering RSPO Supply Chain Certification Standard.</li> <li>• Customer feedback.</li> <li>• Status of preventive and corrective actions.</li> <li>• Follow-up actions from management reviews.</li> <li>• Changes that could affect the management system.</li> <li>• Recommendations for improvement.</li> </ul>	
The managements review planned annually one time a year, and it has been socialized to the key persons. It will be verified on the next surveillance.	
	<b>Status: Comply</b>
<b>5.13.3</b> The output from the management review shall include any decisions and actions related to:	

<ul style="list-style-type: none"> <li>• Improvement of the effectiveness of the management system and its processes.</li> <li>• Resource needs.</li> </ul>	
The managements review planned annually one time a year, and it has been socialized to the key persons. It will be verified on the next surveillance.	
	<b>Status: Comply</b>



**3.2.2. Module E – CPO Mills: Mass Balance Requirements**

Clause	Requirement								
<b>E.1</b>	<b>Definition</b>								
<b>E.1.1</b>	<p><b>Certification for CPO mills is necessary to verify the volumes of certified and uncertified FFB entering the mill and sales volume of RSPO certified products. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own and 3rd party certified supply base. In that scenario, the mill can claim only the volume of oil palm products produced from processing of the certified FFB as MB.</b></p> <p>Pasir Mandoge Mill is used RSPO supply chain of Mass Balance module due to still received FFB from the estate which has been certified with RSPO that is Tonduhan Estate, Pasir Mandoge Estate, and Sei Kopas Estate.</p>								
	<b>Status: Comply</b>								
<b>E.2</b>	<b>Explanation</b>								
<b>E.2.1</b>	<p><b>The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the CB in the public summary of the P&amp;C certification report. For an independent mill, the estimated tonnage of CPO and PK products must be recorded in the RSPO IT platform, supply chain certificate and public summary audit report. This figure represents the total volume of certified oil palm product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced shall then be recorded in each subsequent annual surveillance report.</b></p> <p>Estimated tonnage of CPO and PK products Pasir Mandoge POM as follows:</p> <table border="1"> <thead> <tr> <th>Product</th><th>Estimated tonnage of CPO and PK over twelve months (tonnes/year)</th></tr> </thead> <tbody> <tr> <td>FFB</td><td>354,178</td></tr> <tr> <td>CSPO</td><td>82,523</td></tr> <tr> <td>CSPK</td><td>17,709</td></tr> </tbody> </table>	Product	Estimated tonnage of CPO and PK over twelve months (tonnes/year)	FFB	354,178	CSPO	82,523	CSPK	17,709
Product	Estimated tonnage of CPO and PK over twelve months (tonnes/year)								
FFB	354,178								
CSPO	82,523								
CSPK	17,709								
	<b>Status: Comply</b>								
<b>E.2.2</b>	<p><b>The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform).</b></p> <p>It will be verified after Pasir Mandoge POM Certified on the next surveillance.</p>								
	<b>Status: Comply</b>								
<b>E.3</b>	<b>Documented procedures</b>								
<b>E.3.1</b>	<p><b>The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:</b></p> <ol style="list-style-type: none"> <li><b>Complete and up to date procedures covering the implementation of all the elements in these requirements;</b></li> <li><b>The name of the person having overall responsibility for and authority over the implementation of these</b></li> </ol>								

<b>requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site procedures for the implementation of this standard.</b>	
<p>Documents verifications its known if The CH has procedures regarding to ensure the implementation of all the elements mentioned in the terms of SCCS for Mill, which listed in:</p> <ol style="list-style-type: none"> <li>1. SOP No 07A Rev 03 dated 02 January 2018 about <i>"Penanganan TBS Bersertifikasi (Certified FFB Handling)</i> This procedure is intended as a guide in handling certified FFB from the Estate to reception in Mill</li> <li>2. SOP No 07B Rev 03 dated 02 January 2018 about <i>"Penanganan CPO / Bersertifikasi (Certified CPO/PK Handling)</i> This procedure is intended as a guide in handling certified CPO /PK in Mill, in the procedure mentioned if Mill uses the Mass Balance (MB) model with the Fixed system Inventory Periods which means RSPO stock may be negative in period 3 month, must be balanced</li> </ol> <p>In that's procedure mentioned if</p> <ul style="list-style-type: none"> <li>• Supply Chain Model is Mass Balance</li> <li>• FFB derived from their own plantation, one parental plantation and FFB of 3<sup>rd</sup> party certified by RSPO marked with stamps of CSPO (Certified Sustainable Palm Oil).</li> <li>• There is a flow diagram of the palm oil supply chain.</li> </ul> <p>The people in charge of the supply chain system are:</p> <ul style="list-style-type: none"> <li>- Head of mill Assistants registers Mill certified to RSPO Palm-Trace and informs them through memos to the Marketing Department of the Directors' Office.</li> <li>- Head of Plant Assistants are responsible for handling in estate certified FFB</li> <li>- Head of Mill Assistants is responsible for handling certified TBS in POM.</li> </ul> <p>Based on interview with operator of weighbridge, explained that weighbridge ticket for FFB from own estate has been marked with stamp "SCCS Model Mass Balance" and for FFB from third parties has been given with Stamp "Non SCCS".</p>	
	<b>Status: Comply</b>
<b>E.3.2</b>	
<b>The site shall have documented procedures for receiving and processing certified and non-certified FFBs</b>	
<p>Pasir Mandoge POM has Certified Product Handling procedure number SOP.04/03/UNIT/SUS/P/2001 dated 1 August 2018, Rev: 1 May 2019. At point 8.2.2.2. Explaining about FFB received from certified and non certified sources (one group estates and out growers. Based on document verification sighted that Sei Kopas Estate has renewal land title (HGU) with area 4,572.14 Ha, while on October 2019 the manage area is 6,979.72 Ha. Then based on overlay between operational map and appendix of Forestry Minister number SK.579/Menhut-II/2014 dated 24 June 2014 about Forest Area in Sumatera Utara Province, it's obtained information that there area ± 4,751.85 Hectare on the other use area (APL) and ± 1,650.34 Hectare on the Production Forest can convert (HPK). However the management unit has not been able to show procedure or work instruction to separate of Certified FFB and non Certified FFB on the field, such as: block identification, book keeping, and physical marking for the certified and non certified area. <b>It was raised as nonconformity number 2019.23.</b></p>	
<b>E.3.2</b>	<b>Status:</b> <b>Non-Conformity No. 2019.23 with Major Category</b>
<b>E.4</b>	<b>Purchasing and goods in</b>
<b>E.4.1</b>	
<b>The site shall verify and document the volumes of certified and non-certified FFBs received.</b>	
<p>Pasir Mandoge POM has been able to demonstrate the mechanism of separation of certified and non-certified products in the records model made starting from incoming FFB until processed FFB in the documents of <b>Production Monthly Report of Incoming &amp; Processed FFB</b> which describe recording mechanism of the separation of certified and non-certified products, such as incoming FFB data, processed FFB data, CPO and Kernel production data, CPO and kernel extraction data, which were verified daily by Head of Mill Assistant. It will be verified after Pasir Mandoge POM Certified on the next surveillance.</p>	
	<b>Status: Comply</b>

<b>E.4.2</b>	
<b>The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.</b>	
Pasir Mandoge POM will inform the CB immediately if there is a projected overproduction of certified tonnage. This statement is available within the procedure applied. It will be verified after Pasir Mandoge POM Certified on the next surveillance.	
	<b>Status: Comply</b>
<b>E.5</b>	<b>Record keeping</b>
<b>E.5.1</b>	
<b>a. The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a real-time basis and / or three-monthly basis.</b> <b>b. All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO.</b> <b>c. The site can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three (3) months. However, a site is allowed to sell short. (i.e. product can be sold before it is in stock.)</b>	
It will be verified after Pasir Mandoge POM Certified on the next surveillance.	
	<b>Status: Comply</b>
<b>E.5.2</b>	
<b>In cases where a mill outsources activities to an independent (not owned by the same organization) palm kernel crush, the crush still falls under the responsibility of the mill and does not need to be separately certified. The mill has to ensure that the crush is covered through a signed and enforceable agreement.</b>	
There is no outsources activities.	
	<b>Status: Comply</b>

**3.3 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>
<b>IC</b>	The company didn't use trademark on the product.	√
	<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>
<b>IC</b>	The company didn't use trademark on the product.	√
	<b>Status: Comply</b>	
<b>3.</b>	<b>Implementation of Certificate and Trademark is not used on product</b>	<b>X or√</b>
<b>IC</b>	The company didn't use trademark on the product.	√
	<b>Status: Comply</b>	
<b>4.</b>	<b>Controlling of Certificate and Trademark, including withdrawing inappropriate trademark.</b>	<b>X or√</b>
<b>IC</b>	The company didn't use trademark on the product.	√
	<b>Status: Comply</b>	

### 3.4 Summary of RSPO Partial Certification

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

PT Perkebunan Nusantara (PTPN) IV Time Bound Plan (TBP) is explained in point 1.10. PT Perkebunan Nusantara (PTPN) IV 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 June 2020.

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 internal audit that has been conducted for management units of Bah Birung Ulu Estate, Bukit Lima Estate, Timur Estate, Balap Estate, Panai Jaya Estate, Sosa Estate, 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 non-compliant land clearance.</p> <p><b>Auditor verification</b></p>



		Auditor has verified the supporting evidence of above the company statement. The above statement in accordance with the supporting evidence provided.
2.1.3	Any new plantings since January 1 <sup>st</sup> 2010 must comply with the RSPO New Plantings Procedure.	<p>There is new planting/ land clearing after 1<sup>st</sup> January 2010 in subsidiary of PTPN IV (SPN, Timur Estate, ASN, Panai Jaya Estate, Balap Estate, Bah Birung Ulu Estate).</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 seven (7) unit that has non-compliant land clearance without NPP and this unit is become object of sanction.</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 are land conflicts in Bukit Lima Estate, Balap Estate, Sosa Estate and PT SPN. To resolve the land conflict, company use legal manner, mediation with local government or negotiate with complainant.</p> <p><b>Auditor verification</b> The company has procedure of conflict area management No. 4 (revise 3) January 2, 2017 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 labor 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 Rev 3 on 6 November 2018), SOP Handling Customer Complaints and Environment (external) (No. 13 Rev. 1 on 2 January 2015) and there are SOP of Communication and Public Consultation (No.</p>

		<p>SPO 03, Rev. 02, on 2 January 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>
2.1.6	<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>• Marjandi Estate: 30 Ha</li> <li>• Dolok Sinumbah Estate: 35.94 Ha</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 2020 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 2020 at the Head of General Affairs and Human Resources Department and has distributed to each division office in hardcopy and softcopy. The</p>

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

<i>NCR No.</i>	: 2019.01	<i>Issued by</i>	: Trismadi Nurbayuto
<i>Date Issued</i>	: 26 October 2019	<i>Time Limit</i>	: 25 October 2020
<i>NC Grade</i>	: Major	<i>Date of Closing</i>	: 01 April 2020
<i>Standard Ref. &amp; Requirement</i>	1.1.2 Records of requests for information and responses to the information requested shall be available.		
<b>Evidence observed</b> (filled by auditor): 1. PTPN IV Tonduhan Unit and Pasir Mandoge Unit have sent several mandatory reports to agencies related to Simalungun Regency and Asahan Regency such as, RKL-RPL Implementation Report, Obligatory Report on Labor and Plantation Business Development Report. However, there are still a number of reports which have not been able to show evidence of reporting, including the land permit Utilization Report, P2K3 Report for the Tonduhan Unit and the land permit Utilization Report, the Fire Prevention Report for the Pasir Mandoge Unit. While for PTPN IV Sei Kopas Unit has not been able to show evidence of having reported these reports. 2. PTPN IV Tonduhan Unit has 37 stakeholders and Sei Kopas Unit has 19 stakeholders listed in the 2019 stakeholder list, but there are still a number of stakeholders not yet included in the list including: Internal Stakeholders (trade unions, gender committees, employee cooperatives and others ), Related agencies in the Regency (Asahan and Simalungun Districts) and other stakeholders. Whereas the list of stakeholders in 2019 cannot yet be shown by the Pasir Mandoge POM Unit and the Pasir Mandoge Unit.			
<b>Non-Conformance Description</b> (filled by auditor): 1. The company has not been able to prove that mandatory reports have been reported routinely to the relevant agencies. 2. The company has not been able to ensure that the entire stakeholder list related to plantation and mill operational activities has been well documented.			
<b>Root Cause Analysis</b> (filled by organization audited): Lack of understanding of the unit regarding the fulfilment of documents in the application of RSPO Certification, particularly mandatory reporting to relevant agencies and a list of documented internal/external stakeholders.			
<b>Correction</b> (filled by organization audited): <ul style="list-style-type: none"><li>Delivering mandatory reports to relevant agencies regularly</li><li>Register or update the list of Stakeholder units, both internal and external</li></ul>			
<b>Corrective Action</b> (filled by organization audited): <ul style="list-style-type: none"><li>Socialization of document fulfilment in the application of RSPO Certification</li><li>Monitoring routine reporting documents to relevant agencies</li><li>Designate a PIC to monitor routine reporting documents to the relevant agencies</li></ul>			
<b>Assessor Evaluation and Conclusion</b> (filled by auditor):  <b>Verification, 30 December 2019</b> The company has determined the root cause, corrective and corrective actions needed to correct any non-conformity			

that arise during the audit activities. This is also supported by supporting evidence as follows:

- Decree No. SKO.MU/KPTS/08/XII/2019 dated 02 December 2019 concerning the Establishment of a Monitoring Team on the Fulfilment of Documents relating to the Principles and Criteria of the RSPO Application Certificate for the Sei Kopas Unit. In this document the company has determined the Team and PIC which is responsible for monitoring the fulfilment of documents for RSPO certification.
- Letter No. TON / X / SPS / 09 / XI / 2019 dated 18 November 2019 for submission of the P2K3 (OHS Guiding Committee) Tonduhan Unit report to the Simalungun Regency Manpower Office on 19 November 2019.
- Letter No. TON / X / 859 / XI / 2019 dated November 4, 2019 concerning Submission of the P2K3 (OHS Guiding Committee) Report in October 2019 of the Tonduhan Unit to the Regional Labour Supervision Unit of the Region III.

#### **Verification, 03 January 2020**

The company shows evidence of improvement as follows:

- Letter No. PPD-TON / VII / 04/2019 dated July 30, 2019 concerning Semester I HGU Utilization Report 2019 to BPN Simalungun. Among others: Mature Area (TM): 2,178 Ha; Immature Area: 69.00 Ha; Emplacement & terrain: 67.75 Ha; Conservation Area: 35.98 Ha; Facility: 92.38; Grave: 0.75; Ex-Hiaten: 14.00; Total: 2,457.86 Ha.
- The stakeholder list of Sei Kopas Unit consists of 25 names (village government, sub-district, district, NGO, contractor, Workers Union and Women's Empowerment).
- Decree of Sei Kopas Manager No. SKO.MU/KPTS/08/XII/2019 dated 02 December 2019 concerning the formation of a monitoring team for compliance with documents related to the RSPO Principles & Criteria consisting of Assistant Head of Rayon A&B, Assistant HR, General, and Document Control Officer.

#### **Verification, 01 April 2020**

The company has shown additional evidence of improvement as follows:

- List of stakeholders in Pasir Mandoge Unit with the number of stakeholders as many as 40 names consisting of village, sub-district, district, internal stakeholders and others.
- Decree of Pasir Mandoge Manager No. PAM / MU / Kpts / 27 / XII / 2019 dated 16 December 2019 which established the RSPO / ISPO General Assistant Team to be the PIC responsible for monitoring document compliance with RSPO principles and criteria.
- Decree of Pasir Mandoge Mill Manager Unit No. PK.PAM.MU/Kpts/ / XII / 2019 dated 01 December 2019 which stipulates the Chief Engineer, General Assistant & HR, and Document Control Officer is the PIC responsible for monitoring the fulfilment of documents related to RSPO principles and criteria.
- Reporting mandatory reports to relevant agencies for the Pasir Mandoge, Sei Kopas and Tonduhan units such as the Fire Management Report and the HGU Land Use Report.
- Monitoring reports mandatory reporting for the Pasir Mandoge Unit, Tonduhan and Sei Kopas Units in 2019.
- Socialization of monitoring the fulfilment of RSPO application documents in the Pasir Mandoge Unit on 08 October 2019, Pasir Mandoge Mill on 18 November 2019, and the Tonduhan Unit on 13 January 2020.

Based on the evidence of improvement above, the Non-Conformity No. 2019.01 has been declared fulfilled and will be re-observed for its consistency in the next assessment.

<b>Verified by</b>	<b>:</b>	<b>Trismadi Nurbayuto</b>
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<i>NCR No.</i>	: 2019.02	<i>Issued by</i>	: Brigitta Prita
<i>Date Issued</i>	: 26 October 2019	<i>Time Limit</i>	: 25 October 2020
<i>NC Grade</i>	: Major	<i>Date of Closing</i>	: 16 April 2020
<i>Standard Ref. &amp; Requirement</i>	2.1.1 Evidence of compliance with relevant legal requirements shall be available.		

**Evidence observed:**

- Schedule waste storage license in accordance with the decision of Regent Asahan number 291-Link-Year 2016 since August 25, 2016 is valid for 5 years. Point (2.b) records the flow of schedule waste in and out of storage according to the type and volume in the schedule waste balance sheet form and reports to related parties once every 3 months.
- Government Regulation No.101 of 2014 which states that article 44 point (1.d) prepares and submits the schedule Waste Collection report and point (3) collection report is submitted to the Minister, Governor, or regent / mayor in accordance with the schedule waste management permit. 1 time in 3 months since the permit was issued.
- Permit No. 02 / H.0001A for sterilizers (Steam Vessels) No.4 was established on December 5, 2008 by the Head of the Manpower and Transmigration Office of North Sumatra Province. The results of the inspection on September 24, 2019 by the work safety supervisor NIP 197403142006041003 are good
- Steam boiler inspection and testing report Number: 02 / KU / PRU-KHS / 2019 dated September 5, 2019 by the occupational safety and health experts of PT Putra Roburan Utama and known by the inspector from related agencies with NIP.198305192011011009

However, based on evidence observed as :

- Based on the operator license list of Pasir Mandoge POM known some operator licenses have expired, for example :

No	Name	Operator License	Validity Period	
			Published	Expired
1	M.Ikhwan Harahap	Power Plant	04 July 2014	04 July 2019
2	Syaiful Azhari	Power Plant	04 July 2014	04 July 2019
3	Syaiful	Electric Technician	20 June 2016	20 June 2019
4	Dian Hariandi N	Welder	05 August 2016	05 August 2019
5	Budi Siregar	Lift and Transport Operators	11 April 2008	11 April 2013

- Has been shown Letter No. PKS - PAM / 04.11 / 48 / X / 2019 dated October 22, 2019 about extension of operator license from the Manager of Pasir Mandoge POM to PTPN 4 headquarters. However, information cannot yet be shown regarding the progress of the extension. Safety Training Provider who will carry out training the implementation timeframe and the cooperation contract.

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

- Based on the explanation the company has not been able to show evidence of schedule waste reporting every 3 months containing logbooks and schedule waste balance, especially for the first, second & third quarters of 2019 Sei Kopas Business Unit.
- The Company has not been able to show consistency to regulatory compliance, for example in the extension of SIO.

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



1. Lack understanding of Sei Kopas Business Unit regarding Hazardous Waste management provisions and its obligations as a Hazardous Waste producer
2. Lack of supervision over the validity of operator licenses

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

1. Reporting the Hazardous Waste Balance to the Environment Office quarterly and showing proof of reporting
2. Involving all operators to attend training in the context of extending Operator License (SIO)

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

1. Socializing the management of Hazardous waste
2. Monitoring routine reporting documents to relevant agencies
3. Monitoring the validity of licenses and operator licenses in the Pasir Mandoge POM

**Assessor Evaluation and Conclusion (filled by auditor):**
**Verification on 27 December 2019**

The company shows evidence of improvement in the form :

1. List of engine and equipment installation permit
2. Letter from Pasir Mandoge POM Manager dated November 11, 2019 regarding the extension of SIO / Operator License for 13 people with the following details:

berikut :

No	N a m a	SIO / Lisensi	Masa Berlaku	
			Terbit	Berakhir
1	M Ichwan Harahap	Operator Pesawat Tenaga & Produksi	04-07-2014	04-07-2019
2	Syaiful Azhari	Operator Pesawat Tenaga & Produksi	04-07-2014	04-07-2019
3	Syaiful	Teknisi Listrik	20-06-2016	20-06-2019
4	Dian Hariandi Nasution	Juru Las	05-08-2016	05-08-2019
5	K. Manatar R	Operator Pesawat Uap	05-08-2016	05-08-2019
6	Syaiful Nasution	Operator Pesawat Uap	28-11-2013	28-11-2018
7	Sawarto	Operator Pesawat Uap	28-11-2013	28-11-2018
8	M. Parulian Siringo2	Operator Pesawat Uap	28-11-2013	28-11-2018
9	Budi Siregar	Operator Pesawat Angkut & Angkat	11-04-2008	11-04-2015
10	Zulkifli Siregar	Juru Las Kelas I	06-12-2010	06-12-2013
11	Lusder Butar-butur	Pofesi Teknisi Listrik	21-10-2010	21-10-2013
12	Tumpul Panggabean	K3 Bahan Berbahaya dan Beracun	14-08-2008	14-08-2011
13	Supriyadi	Operator Pesawat Uap	11-04-2008	11-04-2013

Demikian disampaikan atas perhatiannya kami ucapkan terima kasih.

**Verification on 3 January 2020**

Evidence of improvement has been added

1. Certificate from PT Emcotama (OHS Service Company) No B.030 / EMCOTAMA-SK / XII / 2019 dated December 30, 2019 for "
  - K Manatar R, Syaiful Nasution, Suwarto, M Parulian Siringoringo, Supriyadi (first class steam aircraft operator Pasir Mandoge POM);
  - M Ichwan Harahap & Syaiful Azhari (Power Plant and Production Operators Pasir Mandoge POM);
  - Budi Siregar (lift operator Pasir Mandoge POM)
  - Syaiful & Lusder Butar-butur (OHS Electric Technician);
  - Dian H Nasution&Zulkifli Siregar (Class I Welding Officer Pasir Mandoge POM),
  - Tumpul Panggabean (chemical OHS Expert Pasir Mandoge POM).

However, it has not been able to show when the date of implementation of the license extension and OHS Service Company appointed / cooperating to complete the extension process. Thus the non-conformity is stated as not yet fulfilled.

**Verification on 4 March 2020.**

The company shows the receipt of the hazardous waste report for Quarter I, II & III on December 13, 2019 and quarter IV on January 8, 2020 to the Environmental Service District of Kisaran. In addition, hazardous waste report monitoring is available that informs the name of the document, the month and the intended Office. Information about the RSPO socialization was available on 18 September 2019 which was attended by 14 participants (Manager, Chief Engineer, Assistant, PPD, clerck, HR and others). For point 1 stated comply

**Verification on 16 April 2020**

The company shows a letter of postponement of OHS guidance activities from the Directorate General of Labor Supervision and Occupational Health and Safety Supervision of the Ministry of Manpower of the Republic of Indonesia as follows:

1. Number 5/938 / AS.02 / III / 2020 dated March 16, 2020: All coaching activities are postponed until March 31, 2020
2. Number 5/966 / AS.02 / III / 2020 dated March 30, 2020: All OSH guidance activities are postponed until an undetermined time

The delay was due to the pandemic Covid 19. Based on the root cause analysis, corrections and corrective actions of the nonconformity were declared to have been comply

**Verified by** : **Haikal R/Brigitta P**

<i>NCR No.</i>	: 2019.03	<i>Issued by</i>	: Trismadi Nurbayuto
<i>Date Issued</i>	: 26 October 2019	<i>Time Limit</i>	: 25 October 2020
<i>NC Grade</i>	: Major	<i>Date of Closing</i>	: 09 September 2020
<i>Standard Ref. &amp; Requirement</i>	: 2.2.1. Documents showing legal ownership or lease, history of land tenure ownership/control, and the actual legal use of the land shall be available.		
<b>Evidence observed</b> (filled by auditor): <b>Bukti yang diamati</b> (dilengkapi oleh auditor): <b>Kebun Sei Kopas</b>			
1. Based on area statement of Sei Kopas Estate dated 4 October 2019 as follows:			
Descriptions		Area (Ha)	
Mature Area		4,759.00	
Immature Area		5,002.00	
Marginal Area		89.00	
Emplacement		74.50	
Conservation Area		973.36	
Public Facilities		148.69	
Occupations		333.40	
Infrastructure (road & trenches)		159.77	

Hiyaten	199.00
Total	6,979.72

2. Based on National Land Agency Decree Letter number 22-HGU-BPN-RI-2007 dated 29 May 2007 for Sei Kopas Estate with area 320 Hectare. And also, renewal of land title in accordance to Agrarian Minister Decree Letter number 72/HGU/KEM-ATR/BPN/VII/2019 dated 9 August 2019 with area 4,252.14 Ha. Based on both of land title, the HGU of Sei Kopas Estate is **4,572.14 Ha**.
3. Based on Head of Forestry Agency of Sumatera Utara Province number 522/1085 dated 29 March 2019 to the PTPN IV Director, about:
  - Based on overlay Sei Kopas Estate Map with Forestry Minister Decree Letter number SK.579/Menhut-II/2014 dated 24 June 2014 about Forest Area of Sumatera Utara Province, there are  $\pm$  4,751.85 Hectare on the other use land (APL) and  $\pm$  1,650.34 Hectare include to Convertible Production Forest (HPK).

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

Based on above data sighted that there are 2,408 Hectare area of Sei Kopas Estate doesn't have HGU. The management unit has not been able to showing that all area has land title.

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

Misunderstanding of officers making the area statement documents, so there is an error in making this document. The area on the area statement should be 6,934.72 Ha, not yet 6,979.72 Ha. The variance in area of 45 hectares is in the fact no longer controlled by Sei Kopas Estate. The area was released after measurement for land title number 22-HGU-BPN-RI-2007 which was originally 365 Ha to 320 Ha. The statement area covering 6,934.72 Ha is divided into two of land title decree, namely the area of 6,614.72 Ha and 320 Ha. The HGU area of 6,614.72 Hectares has expired and it been extended, however the actually area is only 4,572.14 Ha. This is due to the reduction in public facilities and enclave area.

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

Adjustment the area statement

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

The management unit will be coordination with the law and land department about limited production forest area can released process. And the area statement will be updated, if the new land title been issued by the regulator.

**Assessor Evaluation and Conclusion** *(filled by auditor):*
**Verification on 15 August 2020**

The management unit was shown several evidences, such as:

1. PTPN IV Director Letter number 04.07/X/54/IV/2020 dated 13 April 2020 to the Mutuagung Director about: Reduction scope of RSPO certification for the Sei Kopas Estate. Changed the previous statement area 6,934.72 Hectare to 4,572.14 Hectare (it's in accordance to the current HGU).
2. Sei Kopas Estate Manager number SKO/04.07/06/III/2020 dated 16 March 2020, subject: chronological difference in HGU area:
  - a. HGU certificate number 01 dated 22 October 1976 covering an area 6,614.72 Ha.
  - b. In 2010, an extension of HGU was taken with an area 6,402.19 Ha.
  - c. There was difference area in 1976 with the results of the 2010 measurement of 212.53 Ha. This is due to differences in accuracy of measuring instruments.
  - d. In addition the measurement result also contained several areas released such as: public roads: 0.50 Ha, Kopas River: 128.78 Ha; Ambalutu River: 70.08 Ha; Village: 203.97 Ha; Cultivation: 36.42 Ha; Areas indicated in the limited production forest area (HPT): 1,650.34 Ha; and Silau River: 60.02 Ha;

Total area: 2,150.05 Ha.

3. Minutes of meeting between Sei Kopas Estate and the Law & Land Department dated 14 January 2020, that the process releasing of HPK area on the process.

**Verification on 09 September 2020**

The management unit was shown several evidences, such as:

1. Sei Kopas Estate Manager statement signed on 5 August 2020 explaining the area that had been enclave after issuance of HGU number 72/HGU/KEM-ATR/BPN/VIII/2019, including:
  - a. River: 258.82 Ha
  - b. Village: 203.97 Ha
  - c. HPK area: 642.34 Ha
  - d. Planted on HPK area: 763 Ha
  - e. Conservation area: 245.00 Ha
  - f. Public road/facilities: 0.50 Ha
  - g. Occupation: 36.42 Ha

Total: 2,150.05 Ha

2. The update statement area dated 5 August 2020 signed by Sei Kopas Estate Manager, as follows:

Item		Area (Ha)
Mature area	1998	5.00
	1999	199.00
	2004	66.00
	2005	519.00
	2006	147.00
	2007	198.00
	2008	550.00
	2009	918.00
	2010	998.00
	2011	487.00
	2013	46.00
	2015	36.00
	2016	20.00
Immature area	2016 (Rehabilitation)	50.00
<b>Total Planted</b>		<b>4,239.00</b>
<b>Other Area</b>		-
Emplacement		74.50
Road & Bridges		102.66
Unplantable area (Hiyaten)		99.00
HCV		56.98
<b>Total Others area</b>		<b>333.14</b>
<b>Grand Total</b>		<b>4,572.14</b>

3. HCV area map with scale 1:50,000 sighted that there are HCV1; HCV4 and HCV6.

**Auditor Conclusions:**

Based on above explanation, this nonconformity has been closed out.

Verified by : **Trismadi N**

<b>NCR No.</b>	<b>: 2019.04</b>	<b>Issued by</b>	<b>: Briyogi Shadiwa</b>
<b>Date Issued</b>	<b>: 26 October 2019</b>	<b>Time Limit</b>	<b>: Next Surveillance</b>
<b>NC Grade</b>	<b>: Minor</b>	<b>Date of Closing</b>	<b>: 27 March 2020</b>
<b>Standard Ref. &amp; Requirement</b>	<b>: 4.1.3</b> <b>Records of monitoring and carrying out each action must be maintained and available, as is reasonable.</b>		
<b>Evidence observed (filled by auditor):</b> The company has a record of third-party evaluation activities (Contractors) for each business unit, such as: <ul style="list-style-type: none"> <li>• The track record of providers of goods and services for the ongoing work of the Pasir Mandoge Estate in December 2018 for CV Anugrah Putra Mandiri.</li> <li>• Track record of providers of goods and services for the ongoing work of the Pasir Mandoge Estate in December 2018 for CV Irhan.</li> <li>• Evaluation of Tonduhan Estate Vendors in 2019 for CV Anugrah Putra Mandiri and CV Al-Ghifari Utama.</li> <li>• Evaluation of Sei Kopas Estate Vendors in February 2019 for CV Mitra, CV Karya Mandiri, CV Ratu Badis Bersaudara and CV Ridho Akbar Sejahtera.</li> </ul> <p>However, in that third-party evaluation records, there is no assessment related to indicators of compliance with regulations and RSPO indicators such as: Tax Payment Compliance, Employment &amp; Health Assurance Compliance, Driving License Compliance, OHS Compliance, and other Compliance determined by the government and RSPO.</p>			
<b>Non-Conformance Description (filled by auditor):</b> Records of third-party monitoring (evaluation) have not been carried out thoroughly with considering government regulation and RSPO P & C.			
<b>Root Cause Analysis (filled by organization audited):</b> Lack of understanding of management unit (Pasir Mandoge, Tonduhan and Sei Kopas) in evaluating Vendor / Third Parties performance.			
<b>Correction (filled by organization audited):</b> Socializing vendor performance evaluation procedures, namely: <ul style="list-style-type: none"> <li>- Memo No.: 04.01 / Kol / M-702 / VII / 2017 dated July 10, 2017 concerning Track Records of Goods and Services Providers</li> <li>- Circular Letter No.:04.Dir HR and General / SE / 16 / VI / 2015 June 19, 2015 concerning BPJS Employment Partner Contributions</li> <li>- Memo No.:04.03 / Kol / M-15 / II / 2019 Date February 14, 2019 About Membership of BPJS Employment of Work Partners.</li> </ul>			
<b>Corrective Action (filled by organization audited):</b> Evaluate vendors, contractors, and third parties routinely every year as evidenced by documents showing proof of tax payments, proof of participation in the BPJS Employment Program and proof of payment of contributions, permit documents and assessment of Vendor track records.			
<b>Assessor Evaluation and Conclusion (filled by auditor):</b>			

**Verification December 27<sup>th</sup>, 2019**

Company has showed improvement evidences, such as:

- Evidence of tax payment for contractor
- Evidence of truck driver license.
- Evidence of Vehicle registration.
- Evidence of participation in the BPJS Employment Program

However, the company has not yet presented the third party evaluation record document, such as what the follow-up and evaluation was signed by the head of the company, for example: there are several vehicle registration documents that have expired and some driver names that are not shown proof of payment BPJS employment (e.g. Alfred Simare Mare, Indra Gunawan). The company also has not shown evidence of a record of socializing vendor performance evaluation procedures (third parties).

**Verification March 27<sup>th</sup>, 2020**

The company has sent evidence of improvement in the form of a record of the socialization of vendor performance procedures on 30 November 2020 at the Pasir Mandoge Business Unit which was attended by various contractors such as CV Sejahtera Negeriku, CV Mandiri, CV Anugerah Perkasa and CV Anugrah Putra Mandiri. The socialization record discusses about contractor / vendor obligations to comply with regulations such as wages, use of PPE and BPJS payments. The company is also committed to conducting vendor evaluations annually to ensure legal compliance with the RSPO P&C.

Based on above explanation, the non-conformities have been closed with observation.

**Verified by** : **Briyogi S**

<i>NCR No.</i>	: 2019.05	<i>Issued by</i>	: Brigitta Prita
<i>Date Issued</i>	: 26 October 2019	<i>Time Limit</i>	: Next surveillance
<i>NC Grade</i>	: Minor	<i>Date of Closing</i>	: 14 April 2020
<i>Standard Ref. &amp; Requirement</i>	4.4.3. Records for monitoring of effluent especially BOD (Biochemical Oxygen Demand) and efforts to comply with legal requirements, shall be available (see criteria 2.1 and 5.6).		
<b>Evidence observed (filled by auditor):</b> <ul style="list-style-type: none"><li>• Wastewater discharge permit (IPLC) in accordance with the corresponding decision of the Regent Asahan 503 / PLC / BPPPM / 1577 / XII / 2016 dated December 19, 2016 described in point 2 of the terms of the requirements to be met by employers the availability of liquid waste discharge measuring tools.</li><li>• Permit for the utilization of palm oil industry wastewater on land (land application) located at PTPN IV - Bandar Pasir Mandoge in accordance with the decision of Regent Asahan number 660.1 / 0853 / LH / 2015.</li><li>• Field observations in the area of the WWTP Pond outlet leading to the Land Application and the Water Body did not reveal any liquid waste measurement tool.</li></ul>			



- Based on interviews with management, the measuring tools owned (Pinot) has been lost.

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

The company has not been able to show evidence of a liquid waste measurement tool to accurately calculate liquid waste discharge.

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

- Lack of understanding of officers in following up the results of worker medical check-up
- The company does not yet have a mechanism / procedure for a complete health check that regulates starting from the identification of high risk workers, the type of health inspection in accordance with the risk of work, the period of health inspection, the time to follow up on the results of the inspection, the determination of the responsible officer starting from the implementation of the Medical Check-up monitoring to follow up on the results of examinations or recommendations from company doctors

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

- Demonstrate medical check-up procedures
- Following up on the results of the health examination based on the results of Laboratory analysis Number 37A / LHU-KES / BK3-MDN / VIII / 2018 which states 1 person NIHL and 3 people suspect NIHL in Pasir Mandoge POM, such as further medical examination and rotating the worker to a place not high risk
- Conducting medical check-up for all Pasir Mandoge POM employees, especially those at risk of Occupational Diseases

To socialize PPE usage and storage procedures to employees

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

- Monitoring employee health checks
- Appoint the PIC to conduct monitoring of employee health checks and follow-up examinations and follow-up
- Monitor the usage and storage of PPE per each employee

Appoint PIC to monitor usage and storage of PPE per each employee

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

**Verification on 27 December 2019**

The company shows evidence of improvements in the form of:

- Letter number PAMPKS / 04.11 / 55A / XII / 2019 dated December 5, 2019 from Pasir Mandoge POM manager about the follow up of MCU for 3 people suspect NIHL and 1 person NIHL.
- Letter number PAMPKS / 04.11 / 53A / XI / 2019 dated November 11, 2019 concerning health checks / MCU for 111 employees of Pasir Mandoge POM because in 2019 the employee had not yet implemented MCU

However, it has not been able to show:

- Information when the MCU follow-up will take place and who has the authority to ensure the follow-up of the MCU
- Socialization of PPE usage and storage procedures to employees
- Medical Checkup procedures

Based on the root cause analysis. Corrections, and corrective actions of non-conformity are stated as not yet comply

**Verification on 04 March 2020**

Additional proof of improvement has been shown in the form of:

- Monitoring of health checks in the 2019 Sei Kopas business Unit which informs Employee Name, Date of medical

examination, examination results, and follow-up

2. SK No. SKO.MU/KPTS/11/XII/2019 dated 18 December 2019 concerning the establishment of a health monitoring team for Sei Kopas business unit employees
3. SK No. SKO.MU/KPTS/12/XII/2019 concerning the PPE storage monitoring team
4. PTPN 4 Medical Checkup procedure
5. Monitoring of Tonduhan business unit PPE storage dated December 2, 2019 - It is not yet clear the period of inspection and for what type of work (Monitoring has not been informative)

Additional information is still needed, especially in terms of

1. More informative PPE storage monitoring with clear timelines for all business unit
2. Follow up from Letter number PAMPKS / 04.11 / 55A / XII / 2019 dated December 5, 2019 from Pasir Mandoge POM manager about the follow up of MCU for 3 people suspect NIHL and 1 person NIHL

Thus the non-conformity is stated as not yet comply

#### **Verification on 31 March 2020**

Additional proof of improvement has been shown in the form of:

1. Monitoring evaluation of the completeness and suitability of PPE which is carried out every month
2. SK concerning Person in Charge of PPE monitoring
3. SK in charge of employee health checks
4. Health examination results for 3 people suspect NIHL and 1 person NIHL conducted on January 1, 2020. The results attached are General Medical Checkup. Whereas to evaluate the NIHL examination needed is Audiometry. Therefore the follow-up medical examination shown for the 4 people is not relevant (NIK 4008021; NIK 4007343; NIK 4007354; and NIK 4007327)
5. Records of the results of the Pasir Mandoge POM examination for the period 2020 which was carried out on February 12, 2020. The results of the health examination revealed 7 people suspected of NIHL and 3 people experienced NIHL and will be carried out further examinations in April 2020. In this audiometry examination to 3 people suspect NIHL and 1 NIHL person was excluded (NIK 4008021; NIK 4007343; NIK 4007354; and NIK 4007327) so that their health status could not be ascertained
6. Procedure for employee health checks Document No. RSPO-ISPO-PAM-SDMK-01, effective from December 1, 2019, which stated that if there were an abnormality in the results of the health check-up, one month later will be followed up

#### **Auditor conclusion :**

Basically, the proof of improvement sent is acceptable but there is no clarity as to the status of work and the health status of employees with NIK 4008021; NIK 4007343; NIK 4007354; and NIK 4007327. The 4 people are suspect NIHL and experience NIHL so that the follow-up checks needed should be audiometry, which can be shown only in the form of GMCU (general Medical Checkup)

Thus the non-conformity is stated as not yet comply

#### **Verification on 14 April 2020**

GMCU for the four employees above is a follow-up examination of the results of the Audiometry examination at the previous HIPERKES. Follow-up examinations were carried out at the Balimbing Hospital by a Ear, Nose, Throat Specialist (ENT) because it was related to the level of hearing function (Audiometry). The results of further examination of the 4 employees were Prof. AD's Serumen or the accumulation of earwax.

**Auditor conclusion :**

Based on the root cause analysis, corrections, and corrective actions as well as further explanations provided by the auditee, the non-conformity is declared comply. The consistency of the implementation of the improvements will be observed again in the next assessment

**Verified by** : **Haikal R**

<b>NCR No.</b>	<b>: 2019.06</b>	<b>Issued by</b>	<b>: Haikal Ramadhan Kharismansyah</b>
<b>Date Issued</b>	<b>: 26 October 2019</b>	<b>Time Limit</b>	<b>: 25 October 2020</b>
<b>NC Grade</b>	<b>: Major</b>	<b>Date of Closing</b>	<b>: 7 April 2020</b>
<b>Standard Ref. &amp; Requirement</b>	<b>: 4.7.1</b> <b>A health and safety policy shall be in place. A health and safety plan shall be documented and implemented, and its effectiveness monitored.</b>		

**Evidence observed (filled by auditor):**

However, based on observed evidence such as:

1. One of the Work Occupational Health and Safety plans carried out by the company is to conduct periodic Medical Check-up.
  - Medical Checkup for Tonduhan Business Unit, Pasir Mandoge Business Unit, Pasir Mandoge POM Business Unit, and Sei Kopas Business Unit have been demonstrated in December 2018.
  - Examples of the results of the follow-up from the results of the Medical Checkup are letter Number PAM / M-01 / I / 2019 from the Pasir Mandoge Unit Manager not to employ two employees (NIK 000325 and NIK 9484) as pesticides and chemical handlers as the result of medical checkup follow up
  - Laboratory Analysis Result No.37A / LHU-KES / BK3-MDN / VIII / 2018 states 1 NIHL and 3 people suspect NIHL - No follow-up results have been shown yet. In addition, *bazetting* from the IA-IID PKS Mandoge employees was identified by 2 people with NIK 207312003 and NIK 207504002 still working at the same station.
  - Medical Checkup has been carried out for the period 2019 with the following details:
    - Tonduhan Business Unit □ Letter Number: TON / 04.11 / 482 / VII / 2019 dated July 11, 2019 with 75 participants (All maintenance employees)-
    - Sei Kopas Business Unit □ Letter Number PAM / 04.11 / 83 / IX / 2019 dated 3 September 2019 for 68 employees (All maintenance employees)- Business Unit Number SKO / SE / 26 / VIII / 2019 with 72 participants (All maintenance employees)
    - Pasir Mandoge POM : Letter Number PKS-PAM / 04.11 / 28 / VII / 2019 dated July 9, 2019 for 10 employees (2 Boiler Operators, 2 *laboran*, 2 Engine Room operator, 2 Demint Plants, and 2 welders). However, the company has not justified why only 10 people were included in the MCU. While the number of PKS workers is 186 people.
  - Laboratory Analysis Results No. 74A / LHU-LK / BK3-MDN / IX / 2018 from Medan Occupational Health and Safety Office stated the results of the noise test as follows: Kernel Station: 86.4 dB (A); Clarification Station 91.5 dB (A), Thresher Station 94.6 dB (A), Press station 85.9 dB (A), stew station 86 dB (A) and power plant 91.3 dB (A)
  - Minister of Manpower and Transmigration Regulation No. 02 of 1980 concerning Workers' Health Examinations in the Implementation of Work Safety article 3 states that all companies as referred to in article 2 paragraph (2) above must conduct periodic health checks for workers at least once a year unless otherwise stipulated by the Director General Development of Labour Relations and Labor Protection.

2. One of the plans and Occupational Safety and Health is outlined in procedures and work instructions
  - Chemist work instructions Document No. 4.3-13-IK-33 & Chemise Work Instructions No. FM.4.3.13-05. Instructions that must be considered: After completing, make sure the work tools and PPE have been washed / cleaned properly. Arranged and stored neatly in the room that has been provided in the rinse house. PPE and chemistry work tools should not be taken home; Jerry cans for taking water and drums for mixing poisons must be marked with poisonous symbols
  - Mechanism of PPE Storage for Chemist Officers Number PAM / SE / Intrn / / IX / 2019 dated October 11, 2019, among others, states that PPE and work tools for chemist workers that have been cleaned must be stored all in a rinse house or other place that has been determined without exception.
  - Based on the field observation, the following facts were found:
    - On the day of the visit there were no fertilizer and pesticide applications.
    - The PPE fertilizer team as conveyed by the assistants were glasses, fertilizer masks, chemical clothes, rubber gloves, and boots. Whereas the PPE team spray is glasses, aprons, chemical masks, chemical clothing, and boots
    - Rinse House Afdeling I Tonduhan: Apron 5, Gloves, Mask 7, Glasses 8, and Knapsack 6.
    - Rinse House Afdeling VI Mandoge: No fertilizer team mask was found
    - Rinse House Afdeling III Sei Kopas: Mask 3, Coverall 2, Apron 1, and Glasses 1 and no fertilizer team PPE was found
    - Rinse House Afdeling IV Sei Kopas: No fertilizer apron and PPE team were found
  - Afdeling I Tonduhan has provided evidence of improvement in the form of PPE Chemist completions on October 23, 2019 but has not shown the root cause analysis and corrective actions

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

Thus, it can be concluded that the company has not been fully consistent in implementing and monitoring the effectiveness of the established occupational safety and health plan.

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

Lack of understanding among officers at Pasir Mandoge POM in identifying risks at each work station

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

Improve HIRAC documents so that PPE must be used in accordance with the risks at each work station

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

HIRAC evaluation will be carried out routinely every year based on the history of workplace accidents.

**Assessor Evaluation and Conclusion (filled by auditor):**
**Verification on 27 Desember 2019**

The company shows the HIRAC Evaluation document (PAM-SMK3-ISO-RSPO-ISPO) dated December 5, 2019 that was made by the company' OHS Expert, known to the chief engineer, and approved by the manager. In this document PPE for POM include safety shoes / boots, helmets, and masks in accordance with the hazards at each station.

Improvements provided by the company are acceptable but additional information is still needed in the corrective action section. Thus the non-conformity is stated as not yet comply.

**Verification on 31 March 2020**

The auditee has not yet responded to the corrective action section. Non-conformity is stated as not yet comply

**Verification on 07 April 2020**

Based on the analysis of the root causes, corrections, and corrective actions the nonconformity are declared comply

<b>Verified by</b>	<b>: Haikal R</b>
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<i>NCR No.</i>	:	<b>2019.07</b>	<i>Issued by</i>	:	<b>Haikal Ramadhan Kharismansyah</b>
<i>Date Issued</i>	:	<b>26 October 2019</b>	<i>Time Limit</i>	:	<b>25 October 2020</b>
<i>NC Grade</i>	:	<b>Major</b>	<i>Date of Closing</i>	:	<b>7 April 2020</b>
<i>Standard Ref. &amp; Requirement</i>	:	<b>4.7.2 A documented risk assessment shall be available and its implementation shall be recorded.</b>			
<b>Evidence observed (filled by auditor):</b> However, based on observed evidence such as: <ul style="list-style-type: none"><li>• The company has presented Risk Management documents for the Pasir Mandoge Business Unit, the Tonduhan Business Unit, and the Sei.Kopas Business Unit for the period 2019. In the form of a HIRAC form</li><li>• The documents include activities, hazards, risks, risk assessment and risk control</li><li>• Pasir Mandoge HIRAC Form 2019 in the risk control section for all stations in POM using Work Shoes</li><li>• Safety signs and occupational health Pasir Mandoge POM mention the use of PPE (one of them) Safety Shoes</li><li>• Risks and hazards identified by the company include struck down by FFB, explosion, oil and hot steam</li><li>• Minister of Manpower and Transmigration Regulation No. 08 of 2010 concerning Personal Protective Equipment stated in the attachment</li></ul> Foot protection equipment Function Foot protective equipment functions to protect the foot from being crushed or collided with heavy objects, pierced by sharp objects, exposed to hot or cold liquids, hot steam, exposed to extreme temperatures, exposed to dangerous chemicals and microorganisms, slipping. Type of protective foot in the form of safety shoes in smelting work, metal casting, industry, construction of buildings, work which has the potential of blasting hazards, electrical hazards, wet or slippery workplaces, chemicals and microorganisms, and / or animal dangers etc.					
<b>Non-Conformance Description (filled by auditor):</b> Thus, it can be concluded that the Risk Assessment of Pasir Mandoge POM has not been consistent and has fully considered the risks and hazards identified.					
<b>Root Cause Analysis (filled by organization audited):</b> Lack of understanding among officers at Pasir Mandoge POM in identifying risks at each work station					
<b>Correction (filled by organization audited):</b> Improve HIRAC documents so that PPE must be used in accordance with the risks at each work station					
<b>Corrective Action (filled by organization audited):</b> HIRAC evaluation will be carried out routinely every year based on the history of workplace accidents					
<b>Assessor Evaluation and Conclusion (filled by auditor):</b> <b>Verification on 27 Desember 2019</b> The company shows the HIRAC Evaluation document (PAM-SMK3-ISO-RSPO-ISPO) dated December 5, 2019 that was made by the company' OHS Expert, known to the chief engineer, and approved by the manager. In this document PPE for POM include safety shoes / boots, helmets, and masks in accordance with the hazards at each station.					

Improvements provided by the company are acceptable but additional information is still needed in the corrective action section. Thus the non-conformity is stated as not yet comply.

**Verification on 31 March 2020**

The auditee has not yet responded to the corrective action section. Non-conformity is stated as not yet comply

**Verification on 07 April 2020**

Based on the analysis of the root causes, corrections, and corrective actions the nonconformity are declared comply

*Verified by* : **Haikal R**

<i>NCR No.</i>	: <b>2019.08</b>	<i>Issued by</i>	: <b>Haikal Ramadhan Kharismansyah</b>
<i>Date Issued</i>	: <b>26 October 2019</b>	<i>Time Limit</i>	: <b>Before Certified Issued</b>
<i>NC Grade</i>	: <b>Major</b>	<i>Date of Closing</i>	: <b>14 April 2020</b>
<i>Standard Ref. &amp; Requirement</i>	: <b>4.7.3 Records of Occupational Health and Safety (OHS) program (see 4.8) and Personal Protective Equipment (PPE) training in accordance with the result of hazard identification and risk analysis shall be available to all workers.</b>		

**Evidence observed (filled by auditor):**

Based on field observation and interviews with both of estate and mill workers, the following facts were found :

- Block 05 BU Afdeling 9. There are 2 pesticide applicators using masks that are not given by the company
- Pasir Mandoge POM :
  - Sterilizer station: Operators do not use ear protectors
  - Press station: Operators do not use ear protectors
  - Thresher Station: Operators do not use ear protectors
  - Workshop: Shoes used by the operator are not shoes given by the company (because the company-given shoes have been broken but the shoe change period hasn't arrived yet)
  - Most of the operators use rubber boots (not safety)
- OHS signs of Pasir Mandoge POM mention the use of PPE (one of them) Safety Shoes
- Laboratory Analysis Results No. 74A / LHU-LK / BK3-MDN / IX / 2018 from Medan Occupational Health and Safety Office stated the results of the noise test as follows : Kernel Station: 86.4 dB (A); Clarification Station 91.5 dB (A), Thresher Station 94.6 dB (A), Press station 85.9 dB (A), stew station 86 dB (A) and power plant 91.3 dB (A) - Operators on these stations are required to use ear protectors as written in the Pasir Mandoge POM occupational health and safety guidelines
- Minister of Health Regulation No. 70 of 2016 concerning Standards and Requirements for the Health of the Industrial Working Environment for 8 hours of work per day the threshold value is 85 dBA.
- Minister of Manpower and Transmigration regulations No. 13 of 2011 concerning Threshold Value of the Physical and Chemical Factors in the workplace states that the threshold value of noise is set at 85 decibels A (dBA).
- There were estate and mill PPE handover documents in October 2019 with items provided such as masks, earplugs, earmuff, and helmets

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

- The company has not been able to show sufficient evidence that PPE given to workers is in accordance with the results of the risk and hazard analysis (especially for shoes)
- The company has not been able to show sufficient evidence that the obligation to use PPE has been complied with by workers



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

1. Lack of employee understanding in identifying work risks and PPE that must be used
2. Lack of employee understanding of the importance of using PPE
3. The absence of strict sanctions if there are employees not using PPE

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

1. Revise the HIRAC document so that the PPE must be used in accordance with the risks at each work station
2. Socializing the use of PPE to all employees along with sanctions for not using PPE

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

1. Monitoring PPE usage in all work stations in accordance with HIRAC documents
2. Evaluating the socialization of the use of PPE to measure the level of understanding of the participants of the socialization
3. Imposing strict sanctions on employees who do not use PPE when working
4. Appoint the PIC which is responsible for monitoring the use of PPE that is adjusted to the HIRAC document
5. Provides spare PPE stock

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

The company shows evidence of improvement in the form of HIRAC evaluation dated December 5, 2019. However, additional information is still needed on the root cause analysis, correction, corrective actions and additional evidence of improvement. In addition, field visits are needed to ensure that evidence of improvements has been carried out systematically in all units.

Thus the non-conformity is stated as not yet comply

**Verification on 31 March 2020**

The company has shown the monitoring records of PPE inspection and the person responsible for implementing the monitoring. But it has not answered the auditor's question on root cause analysis, correction, and corrective action. So that the nonconformity was declared not yet comply

**Verification on 1 April 2020**

The management unit shows the recording of the socialization of PPE use on 18 November 2019 to 87 employees in Afdeling IV, 44 employees in Afdeling VII, 72 employees in Afdeling VIII, 76 employees in Afdeling X, 74 employees in Afdeling V; November 19, 2019 to 67 employees at Afdeling I; November 20, 2019 to 74 employees in Afdeling VI, Sand Mandoge Business Unit. Explained about ways to use PPE for the team of chemists, harvesters and TBS loaders. if found workers who do not use, then will be given sanctions. But it has not answered the auditor's question on root cause analysis, correction, and corrective action.

**Verification on 07 April 2020**

The response to the auditor's question has not been shown thus, the non-conformity is stated as not yet comply

**Verification on 14 April 2020**

The company provides additional evidence of improvements in the form of:

1. Proof of PPE handover given to all employees in December 2019
2. Add information to the root cause analysis

Based on the analysis of the root causes, corrections and corrective actions the non-conformity is declared comply

and will be re-observed in the next assessment

**Verified by** : **Haikal R**

<b>NCR No.</b>	<b>: 2019.09</b>	<b>Issued by</b>	<b>: Haikal Ramadhan Kharismanysh</b>
<b>Date Issued</b>	<b>: 26 October 2019</b>	<b>Time Limit</b>	<b>: Next surveillance</b>
<b>NC Grade</b>	<b>: Minor</b>	<b>Date of Closing</b>	<b>: 14 April 2020</b>
<b>Standard Ref. &amp; Requirement</b>	<b>: 4.7.6</b> <b>All workers shall be provided with medical care, and covered by accident insurance (see criterion 6.5.3).</b>		
<b>Evidence observed (filled by auditor):</b> <p>However, based on observed evidence such as:</p> <ul style="list-style-type: none"> <li>• Audit Report on the Pasir Mandoge Estate Number 04.02 / LHA / Rt / R / 14 / 1V / 2019 by the Internal Auditor team stated that the number of active employees as of February 2019 was 958 people. Found 88 people not registered with <i>BPJS Kesehatan</i> and 2 people not registered with <i>BPJS Ketenagakerjaan</i></li> <li>• It is claimed that there are multiple family cards and problematic Personal Identity Card</li> <li>• In the affirmation column, it is stated that it will coordinate with the human resources department</li> <li>• <i>BPJS Kesehatan</i> and <i>BPJS Ketenagakerjaan</i> proof of payment is available for the period August and September 2019. However, progress has not been shown on the findings of the audit so it is not certain that all Pasir Mandoge employees have become BPJS participants</li> </ul>			
<b>Non-Conformance Description (filled by auditor):</b> <p>Thus it can be concluded that the Pasir Mandoge Business Unit has not been able to ensure that all workers have been provided with health services and are protected by accident insurance.</p>			
<b>Root Cause Analysis (filled by organization audited):</b> <p>Lack of supervision to ensure all workers have been registered with the BPJS Employment and Health</p>			
<b>Correction (filled by organization audited):</b> <p>Follow up and ensure that 88 people and 2 people have been registered and included in the BPJS Health and Employment Program</p>			
<b>Corrective Action (filled by organization audited):</b> <p>Supervise and ensure that all workers are registered and included in the BPJS Employment and Health Program</p>			
<b>Assessor Evaluation and Conclusion (filled by auditor):</b> <p><b>Verification on 27 December 2019</b>  The company showed 2 TK BPJS Cards and 88 Indonesia Healthy Cards. But not explained the purpose of the evidence of the improvement and recap the names listed on the card. Other than that it can't be shown yet:</p> <ol style="list-style-type: none"> <li>1. List of employees updated per December 2019 for the Pasir Mandoge business unit</li> <li>2. BPJS TK and Kes BPJS numbers for each registered employee as of December 2019</li> </ol> <p>Based on the analysis of the root causes, corrections and corrective actions, the nonconformity have not been comply</p> <p><b>Verification on 14 April 2020</b></p>			

Additional evidence of improvement has been shown in the form of Employee Lists and TK and Health BPJS Membership Lists as of December 2019 for Pasir Mandoge Business unit. From the list it is known that the number of Pasir Mandoge Business Unit employees is 921 people and all of them have been covered by TK and Health BPJS which are met with membership numbers.

Thus the non-conformity is declared comply

**Verified by** : **Haikal R**

<i>NCR No.</i>	: 2019.10	<i>Issued by</i>	: Trismadi Nurbayuto
<i>Date Issued</i>	: 26 October 2019	<i>Time Limit</i>	: 25 October 2020
<i>NC Grade</i>	: Major	<i>Date of Closing</i>	: 01 April 2020
<i>Standard Ref. &amp; Requirement</i>	: 4.8.1 Records of training program related to the aspects of RSPO Principles and Criteria shall be available		
<b>Evidence observed</b> (filled by auditor):			
<ul style="list-style-type: none"><li>PTPN IV Pasir Mandoge Unit has identified worker training needs listed in the Training Need Analysis document which explains the training needs for chemical workers, harvesters, dump truck operators, religious teachers and plant assistants, but for other workers such as fertilizer workers, mechanics, warehouse clerk and other work not included in the document. Meanwhile, the identification of training needs for workers in the Tonduhan Unit and Sei Kopas Unit cannot yet be demonstrated.</li><li>PTPN IV Tonduhan Unit has a training program in 2019 that includes integrated pest training, pesticide impact training, chemical training, spray calibration training, GHG training, fertilizing training and emergency response simulation, but there are still some trainings that are not included, namely: training on hazardous material/waste, harvesting, and other training related to RSPO principles and criteria. Whereas the Pasir Mandoge Unit, the Pasir Mandoge POM Unit, and the Sei Kopas Unit have not been able to show a training program for workers in 2019.</li></ul>			
<b>Non-Conformance Description</b> (filled by auditor):			
The company has not been able to show that the identification of training needs has been carried out in accordance with the needs of workers in each type of work and the employee training program which has covered all aspects contained in the principles and criteria of the RSPO.			
<b>Root Cause Analysis</b> (filled by organization audited):			
Lack of monitoring of the program and identification of training needs in accordance with competencies and training related to the RSPO submitted to the document controller as the related PIC.			
<b>Correction</b> (filled by organization audited):			
<ul style="list-style-type: none"><li>Conduct competency training and training related to RSPO</li><li>Identifying training in order to compile the TNA (Training Need Analysis) the following year for competencies related to RSPO</li></ul>			
<b>Corrective Action</b> (filled by organization audited):			
Monitor the preparation of the TNA (Training Need Analysis) and the realization of its training to ensure all competencies have been included in the training program related to the RSPO.			
<b>Assessor Evaluation and Conclusion</b> (filled by auditor):			
<b>Verification, 30 December 2019</b>			

The company has determined the root cause, corrective and corrective actions needed to correct any non-conformity that arise during the audit activities. This is also supported by supporting evidence as follows:

- Documented the implementation of emergency response and first aid at work for the Pasir Mandoge Unit on 13 July 2019, which was attended by 90 participants.
- Firefighting Safety Certificate for Pasir Mandoge Unit workers.
- OHS Auditor Certificate for Pasir Mandoge Unit workers.
- OHS certificate in the first aid field at work for workers in the Pasir Manoge Unit.
- Training of OHS, MSDS, hazardous waste and Human Trafficking at the Pasir Mandoge Unit on 03 August 2019 which was attended by 45 participants.
- Training Need Analysis Document for Pasir Mandoge Unit workers as determined by the Unit Manager.
- SCCS and GRK socialization documents at the Pasir Mandoge PKS Unit on 21 December 2019, which was attended by 22 participants.
- Monitoring documents and Training Need Analysis for the 2019 in Sei Kopas unit.
- Document spray calibration training at the Sei Kopas Unit on 11 December 2019, attended by 27 participants.
- Integrated pest training document at the Tonduhan Unit on 07 September 2019 attended by 14 participants.
- First aid socialization document at Tonduhan Unit on 02 September 2019 attended by workers at Afdeling I-III.
- Harvesting training document in the Tonduhan Unit on 09 October 2019 attended by Afdeling I-III harvest workers

#### **Verification, 26 January 2020**

The management unit shows some evidence of improvement as follows:

- The hazardous waste socialization record on 28 November 2019 was attended by 29 staff and employees of Sei Kopas Unit.
- Records of Integrated Pest Socialization on 29 December 2019, were attended by 29 staff and employees of Sei Kopas Unit.
- Records of limited pesticide socialization on 18 December 2019, attended by 28 staff and employees of Sei Kopas Unit.

#### **Verification, 01 April 2020**

The company has shown evidence of additional improvements as follows:

- Evidence of integrated pest socialization at the Pasir Mandoge unit on 21 November 2019.
- Evidence of the socialization of domestic competition management to employees and surrounding communities in the Pasir Mandoge unit on 28 October 2019.
- Evidence of spraying training at the Pasir Mandoge unit on 13 November 2019.
- Evidence of the Pasir Mandoge unit training program and Training Need Analysis monitoring in 2019.
- Evidence of the socialization of hazardous waste management and domestic waste in the Pasir Mandoge PKS unit on 06 February 2019.
- Evidence of emergency response and first aid simulation training at the Pasir Mandoge Mill unit on 23 November 2019.
- Evidence of the socialization of domestic waste management to workers and surrounding communities in the Pasir Mandoge Mill unit on 21 November 2019.
- Evidence of program monitoring and Training Need Analysis Pasir Mandoge Mill unit in 2019.
- Evidence of pesticide training is limited in the Tonduhan unit on 01 December 2019.
- Evidence of the socialization of the management and storage of chemicals in the Tonduhan unit on 05 November 2019.
- Evidence of Tonduhan unit Training Need Analysis program and monitoring in 2019.

Based on the evidence of improvement above, the Non-Conformity No. 2019.10 has been declared fulfilled and will be re-observed for its consistency in the next assessment.

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

<b>NCR No.</b>	<b>: 2019.11</b>	<b>Issued by</b>	<b>: Trismadi Nurbayuto</b>
<b>Date Issued</b>	<b>: 26 October 2019</b>	<b>Time Limit</b>	<b>: Next Surveillance</b>
<b>NC Grade</b>	<b>: Minor</b>	<b>Date of Closing</b>	<b>: 21 April 2020</b>
<b>Standard Ref. &amp; Requirement</b>	<b>: 4.8.2 Records of training for each employee shall be maintained.</b>		
<b>Evidence observed (filled by auditor):</b> The company has training records for workers in each unit including: <ul style="list-style-type: none"><li>• Internal spraying training at Pasir Mandoge Sand Unit on 27 August 2019</li><li>• Harvest training at Tonduhan Unit on 09-11 October 2019</li><li>• Training of maintenance and harvest foreman competencies at the Sei Kopas Unit on 09-14 September 2019</li></ul> However, training records for individual workers cannot be shown yet.			
<b>Non-Conformance Description (filled by auditor):</b> The company has not been able to show training records for each worker.			
<b>Root Cause Analysis (filled by organization audited):</b> The training activities have not been well documented and there is no monitoring of training documents			
<b>Correction (filled by organization audited):</b> Make documentation of all training consisting of minutes, attendance lists, photos of documentation and evaluation of training for each worker.			
<b>Corrective Action (filled by organization audited):</b> Monitor the needs of documents related to the application of RSPO Certification.			
<b>Assessor Evaluation and Conclusion (filled by auditor):</b>  <b>Verification, 30 December 2019</b> The company has determined the root cause, corrective and corrective actions needed to correct any non-conformity that arise during the audit activities. But the company still has not shown evidence of improvement in accordance with the specified corrective and corrective actions and there is still some additional information needed by the auditor.  <b>Verification, 01 April 2020</b> The company can show evidence of improvement in the form of: <ul style="list-style-type: none"><li>• Decree No. SKO.MU/KPTS/08/XII/2019 dated 02 December 2019 concerning the Establishment of a Monitoring Team on the Fulfilment of Documents relating to the Principles and Criteria of the RSPO Application Certificate for the Sei Kopas Unit. In this document the company has determined the Team and PIC which is responsible for</li></ul>			

monitoring the fulfilment of documents for RSPO certification.

- Decree No. TON.MU/KPTS/08/XII/2019 dated 02 December 2019 concerning the formation of a monitoring team for compliance with documents related to the RSPO Principles & Criteria consisting of Assistant Head of Rayon A&B, Assistant HR, General, and Document Control Officer.
- Decree No. PAM / MU / Kpts / 27 / XII / 2019 dated 16 December 2019 which established the General Assistant and the RSPO / ISPO the PIC responsible for monitoring the fulfilment of documents related to RSPO principles and criteria.
- Decree No. PK.PAM.MU/Kpts/ / XII / 2019 dated 01 December 2019 which sets the Chief Engineer, General Assistant & HR, and Document Control Officer is the PIC responsible for monitoring the fulfilment of documents related to RSPO principles and criteria.
- Monitoring documents to fulfil RSPO principles and criteria for 2019 for all units.

**Verification, 21 April 2020**

The company has sent additional proof of improvement as follows:

- Records of the types of training that have been attended by three (3) Tonduhan Unit workers from 2015 to 2019.
- Records of the types of training that have been attended by three (3) Pasir Mandoge Unit workers since 2019.
- Records of the types of training that have been attended by ten (10) Sei Kopas Unit workers since 2019.
- Monitoring the list of documents required for ISPO and RSPO in 2019 in preparation for the next assessment.

Based on the evidence of improvement above, the Non-Conformity No. 2019.11 has been declared fulfilled and will be re-observed for its consistency in the next assessment.

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

<i>NCR No.</i>	:	<b>2019.12</b>	<i>Issued by</i>	:	<b>Brigitta Prita</b>
<i>Date Issued</i>	:	<b>26 October 2019</b>	<i>Time Limit</i>	:	<b>25 October 2020</b>
<i>NC Grade</i>	:	<b>Major</b>	<i>Date of Closing</i>	:	<b>15 April 2020</b>
<i>Standard Ref. &amp; Requirement</i>	:	<b>5.1.1 Environmental impact assessment documents shall be available.</b>			
<b>Evidence observed:</b> Available Environmental Evaluation Document ( <i>DELH</i> ) for Palm Oil Plantation Activities Sei Kopas Estate (Decision Letter Head of North Sumatra Province Environmental Agency No. 410 / BLH-SU / BTL-A / 2015, dated February 26, 2015) with an area of 6,934.72 Ha However, based on area statement for October 2019, total operational area of Sei Kopas Estate is 6,979.72 Ha.					
<b>Non-conformance description:</b> Based on these data, it is known that there is an area of 45 hectares which is not covered by environmental documents.					
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i> Misunderstanding of officers making the Area Statement document, so there is an error in making the document. In fact, the area of 45 hectares is no longer controlled by Sei Kopas Estate. The area was issued after measurements for					



SK HGU Number 22-HGU-BPN RI-2007 which were originally 365 Ha to 320 Ha.	
<b>Correction</b> <i>(filled by organization audited):</i> Adjust document (Area Statement) with an area of 6,934.72 Ha.	
<b>Corrective Action</b> <i>(filled by organization audited):</i> Monitoring the needs of the document related to the implementation of RSPO Certification.	
<b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i>  <b>Verification, March 4, 2020.</b> The company shows the area statement on November 5, 2019, where the total area of the Sei Kopas estate is 6,934.72 ha. If the root of the cause is due to the lack of understanding of the area statement document officer.  <b>Verification, April 15, 2020.</b> There was socialization on the preparation of the area statement document on February 5, 2020, which was attended by the Assistant Head of Plantation, Assistant Afdeling, Assistant Administration of Sei Kopas Estate, Assistant HR, General, Adinistration and document control officers. The purpose of this socialization is to provide understanding in the preparation of area statement and and if there are changes.	
<b>Verified by</b>	: <b>Brigitta Prita</b>



<i>NCR No.</i>	:	2019.13	<i>Issued by</i>	:	Brigitta Prita
<i>Date Issued</i>	:	26 October 2019	<i>Time Limit</i>	:	Next surveillance
<i>NC Grade</i>	:	Minor	<i>Date of Closing</i>	:	
<i>Standard Ref. &amp; Requirement</i>	:	5.1.3. Environment monitoring plan document, its implementation report, and the corrective plan (if non-conformance arised from the monitoring result) shall be available. This plan is reviewed on two-yearly basis.			
<b>Evidence observed:</b> <b>Tonduhan Estate.</b> <ul style="list-style-type: none"><li>• <i>DPLH</i> document in November 2014 for the Tonduhan Estate area of ± 2,457.86 Ha.</li><li>• <i>RKL / RPL</i> implementation document for Semester I of 2019.</li></ul> <b>Sei Kopas Estate.</b> <ul style="list-style-type: none"><li>• Environmental evaluation document (DELH) Sei Kopas Estate covering an area of 6,934.72 ha in 2015.</li><li>• <i>RKL / RPL</i> implementation document for Semester I of 2019.</li></ul> <b>Non-Conformance Description:</b> <ol style="list-style-type: none"><li>1. The <i>RKL / RPL</i> implementation report for Semester 1 of 2019 does not explain environmental monitoring parameters in accordance with the monitoring matrix in the Tonduhan Estate such as: soil erosion &amp; sedimentation,</li></ol>					

<p>potential for land fires, road damage, traffic disruption, improvement of community facilities, OHS disruption and decline in public health and its evaluation in accordance with Decision of Environment Minister No.45 of 2005.</p> <p>2. The <i>RKL / RPL</i> implementation report for Semester 1 of 2019, it has not explained the parameters of environmental monitoring in accordance with the monitoring matrix of the Sei Kopas Estate <i>DELH</i> document such as; testing the quality of air, dust and noise every 6 months; testing the quality of water in the Silau River, the Kopas River and the Ambalatu River every 6 months across the plantation area; testing groundwater quality in employee housing every 6 months, social unrest; and the prevalence of the disease and its evaluation in accordance with Decision of Environment Minister No.45 of 2005.</p>
<p><b>Root Cause Analysis</b> <i>(filled by organization audited):</i></p> <ol style="list-style-type: none"> <li>1. Evaluation of officers who have not attended training / outreach has not yet been made in the preparation of <i>RKL/ RPL</i> reports</li> <li>2. There has not been an evaluation of the <i>RKL/RPL</i> reports that have been made whether they are in conformity or not with the Minister of Environment Decree No 45 of 2005.</li> </ol>
<p><b>Correction</b> <i>(filled by organization audited):</i></p> <ol style="list-style-type: none"> <li>1. Revise the <i>RKL/RPL</i> report by including all impacts that have not been managed in accordance with the matrix of <i>RKL/RPL</i> documents owned.</li> </ol> <p>Report back the revised report to the District Environmental Agency.</p>
<p><b>Corrective Action</b> <i>(filled by organization audited):</i></p> <ol style="list-style-type: none"> <li>1. Evaluate officers who have participated in training / socialization for the preparation of <i>RKL /RPL</i> reports.</li> <li>2. Evaluate the <i>RKL/RPL</i> reports that have been made whether they are in accordance with the Minister of Environment Decree No 45 of 2005.</li> </ol>
<p><b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i></p> <p><b>Verification, March 4, 2020.</b></p> <p>The company has shown a revised preparation of <i>RKL / RPL</i> implementation report for semester II of 2019 which has informed the evaluation of trends, critical points and compliance in accordance with environmental parameters in the Tonduhan Estate for example:</p> <ul style="list-style-type: none"> <li>• <b>Evaluation of trends.</b></li> </ul> <p>Testing ambient air quality.</p> <p>It can be seen in the trend graph for air quality testing in Semester II of 2018, that changes in general have experienced an increase in air quality with decreasing levels of pollutants in the air and overall still below the applicable quality standard. Based on the results of the Ambient Air Quality Test, Semester I of 2019 at 2 (two) sampling locations it can be concluded that the ambient air quality in the Tonduhan Estate is still normal and below the Quality Standards and until now there have been no signs of pollution identified.</p> <p>However, evidence of improvement has not yet been shown for <i>RKL/RPL</i> Semester I of 2019 implementation report for the Sei Kopas estate unit. So that this has not been fulfilled.</p> <p><b>Verification, 2 April 2020.</b></p> <p>Please show the report on the implementation of <i>RKL/RPL</i> Semester I of 2019 implementation report for the Sei Kopas estate unit. So that this has not been fulfilled.</p> <p><b>Verification, April 13, 2020.</b></p> <p>The above document has not been shown. So that this <b>has not been fulfilled</b>.</p>

<i>Verified by</i>	:	<b>Brigitta Prita</b>
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<i>NCR No.</i>	:	<b>2019.14</b>	<i>Issued by</i>	:	<b>Brigitta Prita</b>
<i>Date Issued</i> <i>Tanggal diterbitkan</i>	:	<b>26 October 2019</b>	<i>Time Limit</i>	:	<b>Next surveillance</b>
<i>NC Grade</i>	:	<b>Minor</b>	<i>Date of Closing</i>	:	<b>21 April 2020</b>
<i>Standard Ref. &amp; Requirement</i>	:	<b>5.2.3</b> <b>Programs to socialize the status of protected, rare, threatened or endangered (RTE) to all workers shall be available, including records of appropriate sanction disciplinary measures to any individual working for the company who is found to capture, harm, collect or kill these species.</b>			
<b>Evidence observed &amp; Non-Conformance Description (filled by auditor):</b> The company has not been able to show the socialization program the status of protected, rare, endangered species to all workers for the Sei Kopas Estate unit.					
<b>Root Cause Analysis (filled by organization audited):</b> Lack of understanding among officers at Sei Kopas Estate regarding the fulfilment of documents in the context of RSPO Certification.					
<b>Correction (filled by organization audited):</b> Conducted RTE socialization at the Sei Kopas Estate that was documented.					
<b>Corrective Action (filled by organization audited):</b> Monitor the needs of documents related to the application of RSPO Certification.					
<b>Assessor Evaluation and Conclusion (filled by auditor):</b> <b>Verification, December 30, 2019.</b> The company shows a memo prohibiting and sanctions catching, hurting, collecting, or killing wildlife including the RTE category with the number SKO / SE / 42 / XI / 2019 dated November 28, 2019. But it has not been explained when this memo was socialized to workers of the Sei Kopas Estate unit. So that this has not been fulfilled.					
<b>Verification, 2 April 2020.</b> No evidence of improvement has been shown realted when this memo was socialized to workers of the Sei Kopas Estate unit. So that this has not been fulfilled.					
<b>Verification, 21 April 2020.</b> The company showed an internal memo socialization about RTE wildlife which was held on February 24, 2020 and was attended by 28 participants (photo documentation evidence). Based on the explanation above, this has been fullfiled.					
<i>Verified by</i>	:	<b>Brigitta Prita</b>			

<b>NCR No.</b>	<b>: 2019.15</b>	<b>Issued by</b>	<b>: Brigitta Prita</b>
<b>Date Issued</b>	<b>: 26 October 2019</b>	<b>Time Limit</b>	<b>: Next surveillance</b>
<b>NC Grade</b>	<b>: Minor</b>	<b>Date of Closing</b>	<b>: 13 April 2020</b>
<b>Standard Ref. &amp; Requirement</b>	<b>: 5.2.4.</b> <b>Once the management plan is prepared, continuous monitoring documentation and report regarding the status of the RTE and HCVs are affected by the operations of the plantation and palm oil mill shall be available, and the results of monitoring are to be used to follow-up on the improvement of the management plan.</b>		
<b>Evidence observed &amp; Non-Conformance Description (filled by auditor):</b> The company has not been able to show periodic monitoring / monitoring reports on the status of RTE (Rare, Threatened, and Endangered) and HCV species located on Sei Kopas Estate.			
<b>Root Cause Analysis (filled by organization audited):</b> The lack of understanding of officers in the Sei Kopas Estate to conduct regular monitoring of the status of RTE species.			
<b>Correction (filled by organization audited):</b> Conduct periodic monitoring of the status of RTE species.in the Sei Kopas Estate.			
<b>Corrective Action (filled by organization audited):</b> Monitoring the needs of the document related to the implementation of RSPO Certification.			
<b>Assessor Evaluation and Conclusion (filled by auditor):</b> <b>Verification, April 13, 2020.</b> The company shows a management and monitoring program for RTE species of Sei Kopas Estate unit which informs the activity description, time of implementation, management period, officers and person in charge and evaluates for the activity for example: <ul style="list-style-type: none"> <li>• Monitoring the existence of flora and fauna around the estate which is carried out twice a year with related PIC..</li> <li>• Checking and maintaining the condition of the warning board prohibiting wildlife hunting and cutting down trees in the HCV area every 4 times a year.</li> <li>• Conduct monitoring of disturbance and destruction of native habitat of flora and fauna that are around the estate every 2 times a year.</li> </ul> Result of HCV monitoring evaluation will be verified once a year.  Information about the RSPO socialization was available on September 18, 2019 which was attended by 14 participants (Manager, Chief Engineer, Assistant, PPD, Administration, HR and others). Based on that, this has been fulfilled.			
<b>Verified by</b>	<b>: Brigitta Prita</b>		

<b>NCR No.</b>	<b>: 2019.16</b>	<b>Issued by</b>	<b>: Brigitta Prita</b>
<b>Date Issued</b>	<b>: 26 October 2019</b>	<b>Time Limit</b>	<b>: 25 October 2020</b>
<b>NC Grade</b>	<b>: Major</b>	<b>Date of Closing</b>	<b>: 15 April 2020</b>
<b>Standard Ref. &amp; Requirement</b>	<b>: 5.3.2.</b> <b>There shall be evidence that all chemicals and their empty containers are disposed of responsibly.</b>		
<b>Evidence observed (filled by auditor):</b> <ul style="list-style-type: none"> <li>Permit for temporary storage of hazardous and toxic materials to Sei Kopas Estate according to the decision of Asahan Regent number 291-Link-Year 2016. The shelf life does not exceed 90 days for schedule waste, and or 180 days for schedule waste produced less than 50 kg per day for category 1 and or 365 days for category 2.</li> <li>Government Regulation 101 of 2014 concerning schedule waste management.</li> <li>Sei Kopas Estate schedule waste transportation are sent in February 2017 by CV Amindy Barokah.</li> <li>Based on field observations at temporary waste storage Sei Kopas Estate contained schedule waste packaging that is still stored more than a year.</li> <li>Used knapsack for pesticide applications stored in the Material Warehouse of Sei Kopas Estate.</li> </ul>			
			
Temporary Waste Storage of Sei Kopas Estate		Material Warehouse of Sei Kopas Estate	
<b>Non-Conformance Description (filled by auditor):</b> The company has not been able to demonstrate that all chemical waste and containers are disposed of responsibly including evidence of cooperation for the transportation, collection and management of schedule waste - Sei Kopas Estate.			
<b>Root Cause Analysis (filled by organization audited):</b> <ol style="list-style-type: none"> <li>Lack of understanding of the management of schedule waste in Sei Kopas Estate.</li> <li>Lack of monitoring of the management of schedule waste in Sei Kopas Estate.</li> </ol>			
<b>Correction (filled by organization audited):</b> <ol style="list-style-type: none"> <li>Sending all the schedule waste in the Sei Kopas Estate to a temporary storage area of schedule waste.</li> <li>Contacting the transporter to immediately collect and transport the schedule waste of Sei Kopas Estate.</li> </ol>			
<b>Corrective Action (filled by organization audited):</b> <ol style="list-style-type: none"> <li>Socializing the management of schedule waste to Sei Kopas Estate.</li> <li>Periodically monitoring the management of schedule waste in the Sei Kopas Estate.</li> </ol>			

**Assessor Evaluation and Conclusion (filled by auditor):**
**Verification, March 4, 2020.**

The company showed that the socialization of schedule waste management which was carried out on November 28, 2019 was attended by the Unit Manager, Assistant Head of Plantation, Assistant of General Human Resources and Security, Administrative Assistant, storage administration, Technical administration, PPD and Afdeling administration. However, there is no evidence of improvement for the results of field observations (used knapsack packaging for pesticide applications). So that this has not been fulfilled.

**Verification, 2 April 2020.**

The company shows monitoring or inspection of schedule waste management for the fourth quarter of 2019 which informs the type of schedule waste, location of inspection and information. However, there is no evidence of improvement for the results of field observations (used knapsack packaging for pesticide applications). So that this has not been fulfilled.

**Verification, April 13, 2020.**

Available documentation of schedule waste transport evidence by PT Jagar Prima Nusantara Sei Kopas Unit which was carried out on January 16, 2019 vehicle number BP 9149 DU for example:

- Pesticide packaging as much as 18 kg with manifest number WY 0003815.
- Used lubricant as much as 480 liters with manifest number WY 0003802.
- Used rags as much as 2.1 kg with manifest number WY 0003803.
- Used bulbs as much as 6 kg with manifest number WY 0003804.
- Cartridge of 3 kg with manifest number WY 0003805.
- Chemical jerrycans: 33 pieces (36 Kg) Manifest (WY 0003815)
- Burlap ex Fertilizer: 4200 Lbr (2,100 kg). Manifest (WY 0003803)
- Solo Pump: 6 pieces (18 Kg). Manifest (WY 0003815)
- Ex Ally Bottle: 20 pieces (2 kg). Manifest (WY 0003815)
- Ex Metsulindo Bottle: 128 pieces (13 kg). Manifest (WY 0003815).

The need for a License Agreement for schedule waste transporters licensed with schedule waste management or beneficiary companies (including their licenses). So that this has not been fulfilled.

**Verification, April 15, 2020.**

Cooperation Agreement Letter between *PT. Perkebunan Nusantara IV Medan* with PT. Jagar Prima Nusantara regarding the transportation and collection of Hazardous and Toxic Waste (B3) in PTPN IV Medan Business Unit with Number: 04.03 / S.Perj / 32 / XI / 2019 on November 18, 2019 which is valid until November 7, 2020. PT. Jagar Prima Nusantara has a Transportation License from the Director General of Land Transportation with number: SK.736 / AJ.309 / DJDP / 2018 / 210050121BB. PT. Jagar Prima Nusantara also has a collection permit from the Ministry of Environment and Forestry with Number: SK.323 / Menlk / Setjent / PLB.3 / 4/2016. The transportation recommendation from the Ministry of Environment & Forestry of the Republic of Indonesia dated February 4, 2016 in accordance with number S.904 / VPLB3-2 / 2016 is valid for 5 years. The schedule waste management permit for temporary storage activities of PT Jagar Prima Nusantara is in accordance with the Decree of the Deli Serdang Regent with number 345 in 2018 since May 24, 2018, valid for 5 years.

PT. Jagar Prima Nusantara has a cooperation agreement with waste management companies for example:

- CLA between PT Jagar Prima Nusantara and PT Karisma Jaya Mandiri with number 0009 / SPK / KJM-JPN / II / 2020 dated February 1, 2020 for schedule waste management valid for 1 year.

Based on the explanation above, the stated indicator has been fulfilled.

<b>Verified by</b>	<b>: Brigitta Prita</b>
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<i>NCR No.</i>	: 2019.17	<i>Issued by</i>	: Brigitta Prita
<i>Date Issued</i>	: 26 October 2019	<i>Time Limit</i>	: Next surveillance
<i>NC Grade</i>	: Minor	<i>Date of Closing</i>	: 4 April 2020
<i>Standard Ref. &amp; Requirement</i>	: 5.3.3. A documented waste management plan to avoid or reduce pollution and its implementation shall be available.		
<b>Evidence observed (filled by auditor):</b> Field observations at emplacement of Pasir Mandoge Mill/Estate and Sei Kopas Estate it's found that domestic waste was dumped in the backyard of housing.			
<div style="display: flex; justify-content: space-around;">   </div>			
Domestic waste in the backyard of housing			
<b>Non-Conformance Description:</b> The company has not managed domestic waste in accordance with Household Domestic Waste Management Procedure number SPO 20 Revision 03 dated January 2, 2018.			
<b>Root Cause Analysis:</b> There has been no monitoring of domestic waste management in Sei Kopas Estate and Pasir Mandoge Estate/Mill.			
<b>Correction:</b> Cleaning domestic waste in the Sei Kopas Estate and Pasir Mandoge Mill.			
<b>Corrective Action:</b> 1. Domestic Waste management socialization in Sei Kopas Estate and Pasir Mandoge Mill/Estate. 2. To monitor regularly Domestic Waste management in Sei Kopas Estate and Pasir Mandoge Mil/Estate.			
<b>Assessor Evaluation and Conclusion:</b> <b>Verification, December 30, 2019.</b> The company shows determination of officers monitoring domestic waste management with the number of PAM / SK / ... / XII on December 4, 2019. However, it has not yet been explained about the evidence of documentation of cleaning up domestic waste around the Pasir Mandoge Mill at emplacement area and Sei Kopas Estate. So, it hasn't been fulfilled yet.			
<b>Verification, April 4 2020.</b>			

The company shows evidence of socialization regarding the management of domestic waste and cleaning of the waste located at housing area and working place which was carried out on February 3, 2020. There is evidence of documentation of areas that have been cleared. In addition, there has been monitoring of domestic waste management conducted by the company located in the Sei Kopas Estate which informs the name of the house owner, procedures for managing domestic waste, understanding of waste management procedures and information. So that this has been declared fulfilled and will be observed during surveillance 1 audit.

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

<b>NCR No.</b>	<b>: 2019.18</b>	<b>Issued by</b>	<b>: Trismadi Nurbayuto</b>
<b>Date Issued</b>	<b>: 26 October 2019</b>	<b>Time Limit</b>	<b>: 25 October 2020</b>
<b>NC Grade</b>	<b>: Major</b>	<b>Date of Closing</b>	<b>: 01 April 2020</b>
<b>Standard Ref. &amp; Requirement</b>	<b>6.1.3</b> <b>Plans for management and monitoring of social impacts to avoid or reduce negative impacts and promote positive ones, based on social impact assessment, through consultation with the affected parties, shall be available, documented and timetabled, including responsibilities for implementation.</b>		

**Evidence observed** (filled by auditor):

- Based on document review, it is known that PTPN IV Tonduhan Unit has carried out replanting activities in 2019 and Sei Kopas Unit in 2016, but the company has not identified the social impacts associated with replanting activities carried out.
- The company has conducted an internal audit conducted by SPI for the period August 2018 - February 2019 and found that there were still 88 workers in the Pasir Mandoge Unit not registered with BPJS Health and 2 workers not registered with BPJS Employment. As for the results of the RSPO internal audit conducted on 1-3 July 2019, it was found that there was no evidence that contractor workers had been paid BPJS Manpower contributions. The labour issue has not been identified by the company in the management and monitoring of social impacts in the company.

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

The company has not been able to show evidence that the social impact management and monitoring plan has covered all operational activities of the plantation and factory.

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

The employees still lack understanding, especially in the Human Resources, General and Security Section in making plans for managing and monitoring social impacts so that not all issues or problems have been identified, namely:

- The social impact caused by the Replanting activity at the Sei Kopas Unit in 2016
- The social impact caused by Replanting activities at the Tonduhan Unit in 2019
- Problems 88 employees in Pasir Mandoge Unit who have not been registered at BPJS Health and who have not registered at BPJS Employment
- Problems of contractor workers in the Pasir Mandoge Unit which have not been included in the BPJS Employment program

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

- To socialize the procedures for making social impact analysis documents to employees of the Human

<p>Resources, General and Security Section of the Sei Kopas, Tonduhan and Pasir Mandoge Estate.</p> <ul style="list-style-type: none"> <li>Identify all problems in the plantation both internally and externally by involving all stakeholders both with questionnaires and with interviews or public consultations</li> <li>Rearranging social impact management and monitoring programs</li> </ul>
<p><b>Corrective Action</b> <i>(filled by organization audited):</i></p> <p>Monitor the management and monitoring of social impacts so that all problems are truly identified and involve all parties affected</p>
<p><b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i></p> <p><b>Verification, 01 April 2020</b></p> <p>The company has shown evidence of improvement as follows:</p> <ul style="list-style-type: none"> <li>The results of the monitoring of the Pasir Mandoge Unit SIA program in January 2020 which included the preparation of social impact reports, the complete list of consultation results, the SIA management and monitoring program, and other documents.</li> <li>The results of monitoring the Tonduhan unit's SIA program in February 2020 which included the preparation of social impact reports, the complete list of consultation results, the SIA management and monitoring program, and other documents.</li> <li>The Social Impact Management Program in the Tonduhan Unit for the January-December 2019 period established in January 2019 which has added one social impact management point related to replanting activities for the surrounding community.</li> <li>Socialization of the procedure for making SIA documents on November 18, 2019.</li> <li>Socialization of procedures for making SIA documents on November 29, 2019.</li> </ul> <p>Based on the evidence of improvement above, the Non-Conformity No. 2019.18 has been declared fulfilled and will be re-observed for its consistency in the next assessment.</p>
<p><b>Verified by</b> : <b>Trismadi N</b></p>

<i>NCR No.</i>	:	2019.19	<i>Issued by</i>	:	Trismadi Nurbayuto
<i>Date Issued</i>	:	26 October 2019	<i>Time Limit</i>	:	Next Surveillance
<i>NC Grade</i>	:	Minor	<i>Date of Closing</i>	:	
<i>Standard Ref. &amp; Requirement</i>	:	6.1.4 The documented plan for management and monitoring of social impacts, shall be reviewed at least on two-yearly basis. If necessary, the plan should be updated. There shall be evidence that the review process includes participation of all affected parties.			
<b>Evidence observed</b> (filled by auditor): <ul style="list-style-type: none"><li>PTPN IV Tonduhan Unit has conducted an evaluation of the social impact management and monitoring plan on June 20, 2019 by involving the participation of affected parties namely the people of Tonduhan Village, Buntu Turunan Village and Parhundalian Village Jawadipar. However, there are still affected parties who have not been included in the evaluation, including the community of Buntu Bayu Village, internal stakeholders and local contractors.</li></ul>					

- PTPN IV Pasir Mandoge Unit has conducted an evaluation of the social impact management and monitoring plan on January 21, 2019 by involving the affected parties, namely the community of Bandar Pasir Mandoge Village, Huta Bagasan Village, Suka Makmur Village, Bandar Pasir Mandoge Koramil Representative and 1 (one) Mandoge Sand Unit workers. However, there are still affected parties who have not been included in the evaluation, including internal stakeholders and local contractors.
- PTPN IV Sei Kopas Unit has conducted an evaluation of the social impact management and monitoring plan on September 2, 2019 by involving the participation of affected parties, namely the people of Sei Kopas Village and Silau Jawa Village, Pemuda Pancasila Representative, Karya Muda Representative, labor union Unit Sei Kopas Unit Representative and Sei Kopas Unit Christian Unity. But there are still affected parties who have not been included in the evaluation including other internal stakeholders and local contractors.

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

The company has not been able to show evidence that all affected parties have been involved in evaluating social management and monitoring plans.

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

The lack of understanding of employees, especially in the Human Resources, General and Security Section, and the assumption that what is meant by Stakeholders are only external parties associated with the company

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

- Conducting SPO socialization Number 03 Date 02 January 2017 Revision Number 03 regarding Communication and Consultation with the Community to employees of HR, General and Security
- Involving both internal and external stakeholders so that they can represent the affected parties in the preparation of social impact management and monitoring programs and their evaluation
- Restructure evaluation of management plans and monitor social impacts by involving all stakeholders

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

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

**Assessor Evaluation and Conclusion** *(filled by auditor):*
**Verification, 01 April 2020**

The company has shown evidence of improvement as follows:

- The results of the monitoring of the Pasir Mandoge Unit SIA program in January 2020 which included the preparation of social impact reports, the complete list of consultation results, the SIA management and monitoring program, and other documents.
- The results of monitoring the Tonduhan unit's SIA program in February 2020 which included the preparation of social impact reports, the complete list of consultation results, the SIA management and monitoring program, and other documents.
- SIA program evaluation document 2019 created to compile a 2020 social impact management and monitoring program and was established on 29 October 2019 with 5 types of programs in it.
- Conducted consultation with relevant stakeholders in the Tonduhan Unit on 10 October 2019 with 19 people who were important figures related to internal and external stakeholders who had been included as a whole.

Based on this, the non-conformity No. 2019.19 declared Not Yet Fulfilled.

<i>Verified by</i>	:	Trismadi N
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<i>NCR No.</i>	:	2019.20	<i>Issued by</i>	:	Trismadi Nurbayuto
<i>Date Issued</i>	:	26 October 2019	<i>Time Limit</i>	:	25 October 2020
<i>NC Grade</i>	:	Major	<i>Date of Closing</i>	:	21 April 2020
<i>Standard Ref. &amp; Requirement</i>	:	6.5.1 Documentation of pay and conditions for employees based on the existing manpower regulations shall be available.			
<b>Evidence observed</b> (filled by auditor): Based on the study results of the Pasir Mandoge POM Overtime Worker Unit document, it is known that the total overtime hours for the engine room operator is 186 hours and the boiler operator is 191 hours, while the average overtime hours per week is 46 hours and 47 hours. In Ministerial Decree No. 102 of 2004 concerning Overtime Working Hours and Overtime Work Wages states that overtime hours for workers are a maximum of 3 hours / day or 14 hours / week. Based on the calculation of overtime based on overtime system is higher than the payment system (premium overtime) provided by the company.					
<b>Non-Conformance Description</b> (filled by auditor): The company has not been able to prove that overtime work and overtime wages applied are in accordance with applicable regulations.					
<b>Root Cause Analysis</b> (filled by organization audited): The lack of understanding of Pasir Mandoge Mill officers regarding overtime and premium calculation procedures.					
<b>Correction</b> (filled by organization audited): Disseminating information on procedures for calculating and awarding overtime and premiums to head clerk of all Sections in Pasir Mandoge Mill					
<b>Corrective Action</b> (filled by organization audited): Monitor overtime and premium calculations by HR, General and Security					
<b>Assessor Evaluation and Conclusion</b> (filled by auditor):  <b>Verification, 30 December 2020</b> The company has determined the root of the problem, corrective and corrective actions needed to correct any discrepancies that arise during the audit activities. This is also supported by supporting evidence as follows: Socialization of process premiums and company overtime calculations to the relevant PIC in the Pasir Mandoge Mill Unit on 24 November 2019 and was attended by 20 participants.					
<b>Verification, 21 April 2020</b> The company has sent proof of improvements in the form of: <ul style="list-style-type: none"><li>Monitoring of the awarding of overtime, premiums and attendance / performance incentives is carried out by the Administration Section by making comparisons between the simulation of overtime calculations and the plan for awarding premiums and overtime.</li><li>A factory assistant book explaining the absence and hours of overtime during January 2020.</li><li>The salary slips for boiler operators and engine room operators in January 2020 which explain the amount</li></ul>					



related to overtime wages and premiums given to workers.

- Letter No. PAM.PKS / X / 30 / IV / 2019 dated 20 April 2020 concerning Implementation Reports of Working Time, Rest and Overtime of Implementing Employees. The letter states that factory workers work 7 hours / day a week and there are short days on Friday (working 5 hours only) so that the work obligation of workers in a week is 40 hours. If workers do work on holidays / weeks it will be calculated in overtime calculations.
- Overtime warrant for boiler operators and engine rooms in January 2020 explaining workers get overtime work on holidays and Saturdays.
- Documented calculation of premium income for boiler operators and engine rooms in January 2020 coupled with overtime simulation documents. From the results of these calculations it was found that the calculation of premiums obtained by workers was higher than the simulation of overtime calculations so that the company could return to using premium calculations.

Based on the evidence of improvement above, the Non-Conformity No. 2019.20 has been declared fulfilled and will be re-observed for its consistency in the next assessment.

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

<i>NCR No.</i>	:	2019.21	<i>Issued by</i>	:	Trismadi Nurbayuto
<i>Date Issued</i>	:	26 October 2019	<i>Time Limit</i>	:	Next Surveillance
<i>NC Grade</i>	:	Minor	<i>Date of Closing</i>	:	21 April 2020
<i>Standard Ref. &amp; Requirement</i>	:	6.10.3 Evidence shall be available that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent.			
<b>Evidence observed</b> (filled by auditor): PTPN IV Tonduhan and Pasir Mandoge Unit can show cooperation agreements with local contractors for FFB transport activities, but the Sei Kopas Unit has not shown work agreements with local contractors (CV Anugrah Perkasa and CV Mitra) for TBS transport and oil palm maintenance activities.					
<b>Non-Conformance Description</b> (filled by auditor): The company has not been able to prove that the evidence of work agreement with the local contractor has been carried out in accordance with legal, fair and transparent rules.					
<b>Root Cause Analysis</b> (filled by organization audited): Not yet distributed work agreement documents with contractors from the District or Directors' Office to the Sei Kopas Unit					
<b>Correction</b> (filled by organization audited): Shows the employment agreement documents of CV Anugrah Perkasa and CV Mitra					
<b>Corrective Action</b> (filled by organization audited): <ul style="list-style-type: none"><li>• Coordinate with the District and the Office of the Board of Directors so that all work documents in the unit can be distributed to the units concerned</li><li>• Monitoring the completeness of work documents</li></ul>					



**Assessor Evaluation and Conclusion** *(filled by auditor):*
**Verification, 30 December 2019**

The company has determined the root cause, corrective and corrective actions needed to correct any discrepancies that arise during the audit activities. But the company has not shown evidence of improvement in accordance with the determination of corrective and corrective actions.

**Verification, 01 April 2020**

The company has shown evidence of improvement as follows:

- Decree No. SKO.MU/KPTS/08/XII/2019 dated December 2, 2019 concerning the Establishment of a Monitoring Team on the Fulfilment of Documents relating to the Principles and Criteria of the RSPO Application Certificate for the Sei Kopas Unit. In this document the company has determined the Team and PIC which is responsible for monitoring the fulfilment of documents for RSPO certification.
- Decree No. TON.MU/KPTS/08/XII/2019 dated December 2, 2019 regarding the formation of a monitoring team for compliance with documents related to the RSPO Principles & Criteria consisting of Assistant Head of A&B Rayon, Assistant HR, General, and Document Control Officer.
- Decree No. PAM / MU / Kpts / 27 / XII / 2019 dated December 16, 2019 which established the RSPO / ISPO General Assistant and PPD Team to be the PIC responsible for monitoring document compliance with RSPO principles and criteria.
- Monitoring completeness of vendor / contractor documents for Pasir Mandoge and Tonduhan Units in 2019.

**Verification, 07 April 2020**

The company shows evidence of improvement in the form of Letter No. SKO / GMD-I / 1700 / XI / 2019 dated November 12, 2019 concerning Work Agreement (Contract) to the PTPN IV Head Office in Medan from the Sei Kopas Unit Manager. The letter stated that the unit requested letters of work agreement with the contractors to be sent to the unit from the head office.

**Verification, 21 April 2020**

The company has shown evidence of additional improvements as follows:

- Work Agreement Document No. GMD-I / SPKP-TAN / ANGKUT-TBS / 74 / IX / 2019 dated 10 December 2019 between the Sei Kopas Unit and CV Anugrah Perkasa for the work of transporting FFB in the Sei Kopas Unit area.
- Work Agreement Document No. GMD-I / SPKP-TAN / ANGKUT-TBS / 65 / VI / 2019 dated June 28, 2019 between the Sei Kopas Unit and CV Mitra for the work of transporting FFB in the Sei Kopas Unit area.
- Monitoring the completeness of vendor / contractor documents for the 2019 Sei Kopas unit.

Based on the evidence of improvement above, the Non-Conformity No. 2019.21 has been declared fulfilled and will be re-observed for its consistency in the next assessment.

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

<b>NCR No.</b>	<b>2019.22</b>	<b>Issued by</b>	<b>Trismadi Nurbayuto</b>
<b>Date Issued</b>	<b>26 October 2019</b>	<b>Time Limit</b>	<b>Next Surveillance</b>

<b>NC Grade</b>	: <b>Minor</b>	<b>Date of Closing</b>	: <b>21 April 2020</b>
<b>Standard Ref. &amp; Requirement</b>	: <b>6.10.4</b> <b>Agreed payments shall be made in a timely manner.</b>		
<b>Evidence observed (filled by auditor):</b> PTPN IV Tonduhan Unit and Pasir Mandoge Unit can show proof of payment of work completion with local contractors in accordance with the conditions stated in the cooperation agreement. Whereas the Sei Kopas Unit has not been able to show evidence that the completion of work carried out by local contractors has been paid in accordance with the provisions.			
<b>Non-Conformance Description (filled by auditor):</b> The company has not been able to prove that the agreed payment has been made in a timely manner.			
<b>Root Cause Analysis (filled by organization audited):</b> Not yet distributed documents for payment of the work of the contractor from the District or Office of the Board of Directors to the Sei Kopas Unit			
<b>Correction (filled by organization audited):</b> Shows document of payment of contractor work at Sei Kopas Unit			
<b>Corrective Action (filled by organization audited):</b> <ul style="list-style-type: none"> <li>• Coordinate with the District and the Office of the Board of Directors so that all work documents in the unit can be distributed to the units concerned</li> <li>• Monitoring the completeness of work documents</li> </ul>			
<b>Assessor Evaluation and Conclusion (filled by auditor):</b>  <b>Verification, 30 December 2019</b> The company has determined the root cause, corrective and corrective actions needed to correct any discrepancies that arise during the audit activities. But the company has not shown evidence of improvement in accordance with the determination of corrective and corrective actions.			
<b>Verification, 01 April 2020</b> The company has shown evidence of improvement as follows: <ul style="list-style-type: none"> <li>• Decree No. SKO.MU/KPTS/08/XII/2019 dated December 2, 2019 concerning the Establishment of a Monitoring Team on the Fulfilment of Documents relating to the Principles and Criteria of the RSPO Application Certificate for the Sei Kopas Unit. In this document the company has determined the Team and PIC which is responsible for monitoring the fulfilment of documents for RSPO certification.</li> <li>• Decree No. TON.MU/KPTS/08/XII/2019 dated December 2, 2019 regarding the formation of a monitoring team for compliance with documents related to the RSPO Principles &amp; Criteria consisting of Assistant Head of A&amp;B Rayon, Assistant HR, General, and Document Control Officer.</li> <li>• Decree No. PAM / MU / Kpts / 27 / XII / 2019 dated December 16, 2019 which established the RSPO / ISPO General Assistant and PPD Team to be the PIC responsible for monitoring document compliance with RSPO principles and criteria.</li> <li>• Monitoring completeness of vendor / contractor documents for Pasir Mandoge and Tonduhan Units in 2019.</li> </ul>			
<b>Verification, 21 April 2020</b> The company has shown evidence of additional improvements as follows:			

- The completeness Documents and proof of payment for work completion for CV Anugrah Perkasa in September 2019 on October 26, 2019 through bank transfer.
- Documents and proof of payment for work completion for CV Mitra in September 2019 on October 26, 2019 through bank transfer.
- Monitoring of vendor / contractor documents for the 2019 Sei Kopas unit.

Based on the evidence of improvement above, the Non-Conformity No. 2019.22 has been declared fulfilled and will be re-observed for its consistency in the next assessment.

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

<b>NCR No.</b>	<b>: 2019.23</b>	<b>Issued by</b>	<b>: Brigitta Prita</b>
<b>Date Issued</b>	<b>: 26 October 2019</b>	<b>Time Limit</b>	<b>: 25 October 2020</b>
<b>NC Grade</b>	<b>: Major</b>	<b>Date of Closing</b>	<b>: 6 May 2020</b>
<b>Standard Ref. &amp; Requirement</b>	<b>General CoC 5.3.1</b> The site shall have written procedures and/or work instructions or equivalent to ensure the implementation of all elements of the applicable supply chain model specified.  <b>E.3.2.</b> The site shall have documented procedures for receiving and processing certified and non-certified FFBs.		
<b>Evidence observed (filled by auditor):</b> Pasir Mandoge POM has Certified Product Handling procedure number SOP.04/03/UNIT/SUS/P/2001 dated 1 August 2018, Rev: 1 May 2019. At point 8.2.2.2. Explaining about FFB received from certified and non certified sources (one group estates and out growers. Based on document verification sighted that Sei Kopas Estate has renewal land title (HGU) with area 4,572.14 Ha, while on October 2019 the manage area is 6,979.72 Ha. Then based on overlay between operational map and appendix of Forestry Minister number SK.579/Menhut-II/2014 dated 24 June 2014 about Forest Area in Sumatera Utara Province, it's obtained information that there area ± 4,751.85 Hectare on the other use area (APL) and ± 1,650.34 Hectare on the Production Forest can convert (HPK).			
<b>Non-Conformance Description (filled by auditor):</b> However the management unit has not been able to show procedure or work instruction to separate of Certified FFB and non Certified FFB on the field, such as: block identification, book keeping, and physical marking for the certified and non certified area.			
<b>Root Cause Analysis (filled by organization audited):</b> Not all factors that can influence the separation of certified and non certified products are documented in the procedure for handling certified palm oil products.			
<b>Correction (filled by organization audited):</b> Identify factors that can influence the separation of certified and non certified products and incorporate them into procedures.			
<b>Corrective Action (filled by organization audited):</b>			

Regularly monitoring on the field so that procedures can be adjusted immediately.

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

**Verification on 15 August 2020**

The management unit was shown several evidences, such as:

1. PTPN IV Director Letter number 04.07/X/54/IV/2020 dated 13 April 2020 to the Mutuagung Director about: Reduction scope of RSPO certification for the Sei Kopas Estate. Changed the previous statement area 6,934.72 Hectare to 4,572.14 Hectare (it's in accordance to the current HGU).
2. Sei Kopas Estate Manager number SKO/04.07/06/III/2020 dated 16 March 2020, subject: chronological difference in HGU area:
  - a. HGU certificate number 01 dated 22 October 1976 covering an area 6,614.72 Ha.
  - b. In 2010, an extension of HGU was taken with an area 6,402.19 Ha.
  - c. There was difference area in 1976 with the results of the 2010 measurement of 212.53 Ha. This is due to differences in accuracy of measuring instruments.
  - d. In addition the measurement result also contained several areas released such as: public roads: 0.50 Ha, Kopas River: 128.78 Ha; Ambalutu River: 70.08 Ha; Village: 203.97 Ha; Cultivation: 36.42 Ha; Areas indicated in the limited production forest area (HPT): 1,650.34 Ha; and Silau River: 60.02 Ha; Total area: 2,150.05 Ha.
3. Minutes of meeting between Sei Kopas Estate and the Law & Land Department dated 14 January 2020, that the process releasing of HPK area on the process.

**Verification on 09 September 2020**

The management unit was shown several evidences, such as:

1. Sei Kopas Estate Manager statement signed on 5 August 2020 explaining the area that had been enclave after issuance of HGU number 72/HGU/KEM-ATR/BPN/VIII/2019, including:
  - a. River: 258.82 Ha
  - b. Village: 203.97 Ha
  - c. HPK area: 642.34 Ha
  - d. Planted on HPK area: 763 Ha
  - e. Conservation area: 245.00 Ha
  - f. Public road/facilities: 0.50 Ha
  - g. Occupation: 36.42 Ha
  - Total: 2,150.05 Ha
2. The update statement area dated 5 August 2020 signed by Sei Kopas Estate Manager, as follows:

Item	Area (Ha)
Mature area	
1998	5.00
1999	199.00
2004	66.00
2005	519.00
2006	147.00
2007	198.00
2008	550.00
2009	918.00
2010	998.00
2011	487.00
2013	46.00
2015	36.00
2016	20.00

Immature area	2016 (Rehabilitation)	50.00
<b>Total Planted</b>		<b>4,239.00</b>
<b>Other Area</b>		-
Emplacement		74.50
Road & Bridges		102.66
Unplantable area (Hiyaten)		99.00
HCV		56.98
<b>Total Others area</b>		<b>333.14</b>
<b>Grand Total</b>		<b>4,572.14</b>

- HCV area map with scale 1:50,000 sighted that there are HCV1; HCV4 and HCV6.
- The management unit has identified certified and non-certified area on Afdeling 1 (Block 99B, 99K & 99L), Afdeling 4 (Block 99G, 99M, 99N, 99O, 99P, 99Q, 99R, 99S, 99T, 99U, 06A, 07P, 08W, 13B, 13C, 13D, 15A, 16E, 16F, 16G, 16H, 16I, 16J, 16K, 16L, 16M, 16N), Afdeling 5 (Block 07E, 07G, 13E), Afdeling 6 (Block 99X, 99Y, 05J, 05K, 05L, 05M, 05N, 05O, 05Z, 05AA, 05AC, 05AD, 06J, 06K, 07H, 07J, 07K, 07T, 13H, 15D, 15E), and Afdeling 7 (Block 05AB, 05AE). There is recapitulation data of mass balance, for example period of January till March 2020. As follows:

Month	Uncertified (Kg)					Certified (Kg)	Total (Kg)
	Afd1	Afd 4	Afd 5	Afd 6	Afd 7		
<b>January</b>	444	7,390	3,932	16,506	3,814	19,321,004	19,353,090
<b>February</b>	389	6,653	3,188	18,343	2,359	21,630,078	21,661,010
<b>March</b>	412	5,713	2,832	904	1,834	22,220,805	22,232,500

**Auditor Conclusions:**

Based on above explanation, this nonconformity has been closed out.

Verified by : Trismadi N

**3.5.2. Opportunity for Improvement**

No	Ref. Std.	Description
1	2.1.1	Ensuring renewal of the letter of cooperation agreement for the transportation, collection and management of hazardous waste.
2	4.4.1	Care and maintenance of monitoring wells in the Land Application area.
3	4.7.4	The company has the opportunity to ensure that the monitoring of the provision of First Aid boxes and Light Fire Extinguisher contents is in accordance with the stipulated plan.
4	General COC 5.8.2.	The last training has been conducted on 18 October 2019 with the number of participants are twenty-nine persons including all persons who responsible with SCCS aspect. However, based on interviews with security guards, weighbridge officers and managers, it is known that they have not been explained about SCCS procedure. The management unit to be consider to evaluating time period of training.

**3.5.3. Noteworthy Positive Components**

No	Description
1	The good cooperation during audits.





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

Public Issues (Institution/ NGO/Community)	Auditor Verification
<p><b>Tonduhan Village, District Hatonduhan, Simalungun Regency, Sumatera Utara Province.</b></p> <p>Communication links between villagers have been going pretty well for more than 5 years. During the past year there were no complaints made from the village officer and the village community. The company's CSR plan is always disseminated to the villagers every year and the realization of these activities has also been carried out by the company such as the construction of mosques, road improvements and others. There are no issues related to environmental pollution, land fires, conflicts / land claims, child labour, worker discrimination, sexual harassment or human rights violations that occur in the company's operational area. The social impact assessment has been carried out by the company through the delivery of questionnaires to the village and the community.</p>	<p>The communication and consultation relationship is explained further in criterion 6.2</p> <p>Complaints from external parties (villagers) are explained in criterion 6.3</p> <p>The procedure for providing information and responses is explained in criterion 1.1</p> <p>CSR programs and realization are explained in criterion 6.11</p> <p>The social impact assessment that has been carried out is explained in criterion 6.1</p>
<p><b>Buntu Turunan Village, District Hatonduhan, Simalungun Regency, Sumatera Utara Province.</b></p> <p>Communication links between villagers have been going pretty well for more than 5 years. During the past year there were no complaints made from the village officer and the village community. The company's CSR plan is always disseminated to the villagers every year and the realization of these activities has also been carried out by the company such as the construction of village barriers (planking), road improvements and others. There are no issues related to environmental pollution, land fires, conflicts / land claims, child labour, worker discrimination, sexual harassment or human rights violations that occur in the company's operational area. The social impact assessment has been carried out by the company through the delivery of questionnaires to the village and the community.</p>	<p>The communication and consultation relationship is explained further in criterion 6.2</p> <p>Complaints from external parties (villagers) are explained in criterion 6.3</p> <p>The procedure for providing information and responses is explained in criterion 1.1</p> <p>CSR programs and realization are explained in criterion 6.11</p> <p>The social impact assessment that has been carried out is explained in criterion 6.1</p>
<p><b>Plantation Agency of Asahan Regency.</b></p> <p>In general, the communication relationship between the company and the agency went quite well. The company has licenses/permits related to plantations and is still valid. Mandatory reports have been reported routinely in accordance with applicable regulations and during the last year there were no land fires in the company's operational area.</p>	<p>This has been quite clear and there are explanations in each of the related indicators.</p>
<p><b>Manpower Agency of Asahan Regency.</b></p> <p>In general, the communication relationship between the company and the agency went quite well. The company has implemented a labour system that complies with existing regulations such as setting minimum wages, wage scale structures and other things. For mandatory reports have been reported regularly in accordance with applicable regulations and during the last year there were no reports related to industrial relations disputes that occurred between workers and PTPN IV.</p>	<p>This has been quite clear and there are explanations in each of the related indicators.</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
<b>National Land Agency of Asahan Regency.</b> In general, the communication relationship between the company and the agency went quite well. All legality permits for land rights have been fulfilled and owned by the company. There were several incidents of land disputes that occurred between the surrounding community and PTPN IV in 2007.	This has been quite clear and there are explanations in each of the related indicators. An explanation of land disputes is in criterion 6.4
<b>Environment Agency of Asahan Regency.</b> In general, the communication relationship between the company and the agency went quite well. The company already has permits related to the environment and is still valid. For mandatory reports have been reported regularly in accordance with applicable regulations and during the last year there were no environmental pollution events caused by the company's operational activities.	This has been quite clear and there are explanations in each of the related indicators.
<b>Communities of Pasir Mandoge Estate</b> <b>Secretary of Suka Makmur Village, Head of Sub Village I, IV, &amp; VIII.</b> <ul style="list-style-type: none"> <li>- Sub Village 7<sup>th</sup> is inside of Pasir Mandoge Estate.</li> <li>- Sub Village 6<sup>th</sup> and 8<sup>th</sup> is bordering with Pasir Mandoge Estate.</li> <li>- The management unit has realized several CSR programs, such as: religion aspect and infrastructure aspect.</li> <li>- There is no environment pollution issues during last year.</li> <li>- There is no conflict between human and wildlife issues</li> <li>- There is no forest fire issues during last year.</li> <li>- There is no land dispute issues.</li> <li>- Human Resources and General Affair Assistant as PIC of communication</li> <li>- The villagers didn't use river water, for the clean water is from well.</li> </ul> <b>Negative issues:</b> <ul style="list-style-type: none"> <li>- There is no job opportunities information.</li> <li>- There is no local contractor from Suka Makmur Village.</li> </ul>	It has been verified on criteria 5.1; 6.1; and 6.10  Based on document verification and interview with management sighted that the worker recruitment and sub-contractor authority is in head office Medan.
<b>Communities of Pasir Mandoge Estate</b> <b>Head of Bandar Pasir Mandoge Village, Head of Sub Village V, VI, XI, &amp; XIII</b> <ul style="list-style-type: none"> <li>- There is good relation between villagers and management unit.</li> <li>- The management unit has socialized HCV area and wildlife protected by national regulation.</li> <li>- The management unit has realized CSR program, such as: infrastructure aspect (road concrete, trench maintenance), charity fund, and CSR on religion aspect.</li> <li>- There are two local contractors from this village.</li> <li>- The management unit has socialized HCV areas.</li> <li>- Human Resources and General Affair Assistant as PIC of communication</li> <li>- There is no environment pollution issues.</li> <li>- There is no land dispute issues during last year.</li> <li>- There is no new development of estate.</li> </ul> <b>Aspiration:</b> The Pasir Mandoge POM can be realized electricity from biogas plant and then priority for Banda Pasir Mandoge villagers.	It has been verified on criteria 5.1; 6.1; and 6.10  Based on document verification and interview with management sighted that the worker

Public Issues (Institution/ NGO/Community)	Auditor Verification
	recruitment and sub-contractor authority is in head office Medan.
<b>Communities of Sei Kopas Estate</b> <b>Head of Silau Jawa Village</b> <ul style="list-style-type: none"> <li>- There is good relation between villagers and management unit.</li> <li>- The management unit has socialized HCV area and wildlife protected by national regulation.</li> <li>- The management unit has realized several CSR programs, such as: lend heavy equipment, aid for orphans, assistance for religion holidays, funding for worship facilities.</li> <li>- Human Resources and General Affair Assistant as PIC of communication</li> <li>- There is no environment pollution issues.</li> <li>- There is no land dispute issues during last year.</li> <li>- There is no new development of estate.</li> </ul> <p>Aspiration: The community ask permissions to do fencing in the cemetery area (HGU Insides). It's to prevent damage from the cattle.</p>	<p>It has been verified on criteria 5.1; 6.1; and 6.10</p> <p>Based on interview with the management unit sighted that the authority of land lending in the land and law division on the head office.</p>
<b>Communities of Sei Kopas Estate</b> <b>Head of Sei Kopas Village</b> <ul style="list-style-type: none"> <li>- There is good relation between villagers and management unit.</li> <li>- The management unit has socialized HCV area and wildlife protected by national regulation.</li> <li>- The management unit has realized several CSR programs, such as: lend heavy equipment, aid for orphans, assistance for religion holidays, funding for worship facilities, funding for teacher and scholarship for student.</li> <li>- Human Resources and General Affair Assistant as PIC of communication</li> <li>- There is no environment pollution issues.</li> <li>- There is no land dispute issues during last year.</li> <li>- There is no new development of estate.</li> </ul> <p>Aspiration: The community hoping that cemetery area (HGU Insides)</p>	<p>Based on interview with the management unit sighted that the authority of land lending in the land and law division on the head office.</p>

4.0	<b>CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY</b>
4.1	<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> <div style="display: flex; justify-content: space-between; align-items: flex-end;"> <div style="text-align: center;"> <p>PT Perkebunan Nusantara IV Head of Planning Department</p>  <p><b>Dhanny Hermawan</b> Wednesday, 09 September 2020</p> </div> <div style="text-align: center;"> <p>Mutuagung Lestari Lead Auditor</p>  <p><b>Trismadi Nurbayuto</b> Wednesday, 09 September 2020</p> </div> </div>

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

No	Institution/NGO/Community	Address	Phone/Email	Form of Communication	Date of Contact	Response	
						Yes	No
1	Yayasan Auriga Indonesia	Jakarta	info@auriga.or.id	Questionnaire via Email	14-10-2019		✓
2	Greenpeace	Jakarta	Info.id@greenpeace.org	Questionnaire via Email	14-10-2019		✓
3	United State AID Lestari Indonesia	Jakarta	info@lestari-indonesia.org	Questionnaire via Email	14-10-2019		✓
4	Tonduhan Village	Sub-District Hatonduhan, Simalungun Regency	-	Interview	22-10-2019	✓	
5	Buntu Turunan Village	Sub-District Hatonduhan, Simalungun Regency	-	Interview	22-10-2019	✓	
6	Plantation Agency of Asahan Regency	Asahan Regency	-	Interview	23-10-2019	✓	
7	Environment Agency of Asahan Regency	Asahan Regency	-	Interview	23-10-2019	✓	
8	National Land Agency of Asahan Regency	Asahan Regency	-	Interview	23-10-2019	✓	
9	Manpower Agency of Asahan Regency	Asahan Regency	-	Interview	23-10-2019	✓	
10	Bandar Pasir Mandoge Village	Asahan Regency	-	Interview	23-10-2019	✓	
11	Suka Makmur Village	Asahan Regency	-	Interview	23-10-2019	✓	
12	Sei Kopas Village	Asahan Regency	-	Interview	24-10-2019	✓	
13	Silau Jawa Village	Asahan Regency	-	Interview	24-10-2019		
14	Tonduhan Estate: - 2 Harvester - 3 Road Maintenance workers - 3 Spray Workers	PTPN IV – Tonduhan Estate	-	Internal Review and Field Observation	22-10-2019	✓	
15	Pasir Mandoge Estate: - 1 Global Telling Worker - 2 Spray Workers - 2 Manuring Workers	PTPN IV – Pasir Mandoge Estate	-	Internal Review and Field Observation	23-10-2019	✓	
16	Pasir Mandoge POM: - 2 Grading workers - 3 Sterilization Personnel - 1 Pressing Operator	PTPN IV – Pasir Mandoge POM	-	Internal Review and Field Observation	24-10-2019	✓	

**Appendix 2. Assessment Program**

DATE	21 – 26 October 2019	
PLANNED TIM	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
<b>Monday, 21 October 2019</b>		
05.35 – 08.00	<ul style="list-style-type: none"> <li>CGK – KNO (GA – 180)</li> </ul>	<ul style="list-style-type: none"> <li>All Team</li> </ul>
08.30 – 12.00	<ul style="list-style-type: none"> <li>KNO – Tonduhan Estate</li> </ul>	<ul style="list-style-type: none"> <li>All Team</li> </ul>
12.00 – 14.00	<b>BREAK</b>	<ul style="list-style-type: none"> <li>All Team</li> </ul>
14.00 – 15.00	<b>Opening Meeting</b> <ul style="list-style-type: none"> <li>Auditee Speech (Introduction of PIC, Profile of Certified 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>	<ul style="list-style-type: none"> <li>All Team</li> </ul>
15.00 – 17.00	<b>Document Review</b> <ul style="list-style-type: none"> <li>Verification of Basic Information Mill and Estate</li> <li>Confirmation of Time Bound Plan</li> <li>Review of Partial Certification</li> </ul>	<ul style="list-style-type: none"> <li>All Team</li> </ul>
<b>Tuesday, 22 October 2019</b>		
08.00 - 12.00	<ul style="list-style-type: none"> <li>Stakeholders consultation to related agencies in Simalungun Regency by phone</li> <li>Interview with Gender Committee, Worker's Union, Local Contractor (for Estate), Third Party Supplier</li> <li>Stakeholders consultation to Surrounding villages</li> </ul> <b>Field Observation to Tonduhan Estate</b> Aspect to be verified : <ul style="list-style-type: none"> <li>Implementation of Legal Aspect (Land Ownership, Legal Boundaries) &amp; HCV;</li> <li>Implementation of Environmental, and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management)</li> <li>Observation of Workers Facilities (Housing, School, Worship Place).</li> <li>Implementation of Agronomy Aspect (Harvesting &amp; Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application)</li> <li>Implementation of Occupational Health &amp; Safety Aspect</li> <li>Implementation of Employment Procedure and Mechanism Aspect</li> </ul>	<ul style="list-style-type: none"> <li>BRP</li> <li>BRP</li> <li>RGR/BRP</li> <li>TNB</li> <li>HRK</li> <li>HRK</li> <li>BYG</li> <li>BYG</li> <li>BYG</li> </ul>
12.00 – 14.00	<b>BREAK</b>	<ul style="list-style-type: none"> <li>All Team</li> </ul>
14.00 – 17.00	Document Review & Field Observation Clarification	<ul style="list-style-type: none"> <li>All Team</li> </ul>
<b>Wednesday, 23 October 2019</b>		



DATE	21 – 26 October 2019	
PLANNED TIM	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
08.00 -12.00	<ul style="list-style-type: none"> <li>Stakeholders consultation to related agencies in Asahan</li> <li>Stakeholders consultation to Surrounding villages</li> </ul> <p><b>Field Observation to Pasir Mandoge Estate</b> Aspect to be verified :</p> <ul style="list-style-type: none"> <li>Implementation of Legal Aspect (Land Ownership, Legal Boundaries) &amp; HCV;</li> <li>Implementation of Environmental, Conservation/HCV and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management)</li> <li>Observation of Workers Facilities (Housing, School, Worship Place).</li> <li>Implementation of Agronomy Aspect (Harvesting &amp; Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application)</li> <li>Implementation of Occupational Health &amp; Safety Aspect</li> <li>Implementation of Employment Procedure and Mechanism Aspect</li> <li>Interview with Gender Committee, Worker's Union, Local Contractor (for Mill and Estate), Third Party Supplier</li> </ul>	<ul style="list-style-type: none"> <li>RGR/BRP</li> <li>TNB</li> <li>HRK</li> <li>HRK</li> <li>HRK</li> <li>BYG</li> <li>BYG</li> <li>BYG</li> <li>BRP/RGR</li> </ul>
12.00 – 14.00	<b>BREAK</b>	<ul style="list-style-type: none"> <li>All Team</li> </ul>
14.00 -17.00	<ul style="list-style-type: none"> <li>Document Review &amp; Field Observation Clarification (Pasir Mandoge Estate Office)</li> </ul>	<ul style="list-style-type: none"> <li>All Team</li> </ul>
<b>Thursday, 24 October 2019</b>		
08.00 - 12.00	<ul style="list-style-type: none"> <li>Document Review &amp; Field Observation Clarification (Pasir Mandoge Estate Office)</li> </ul>	<ul style="list-style-type: none"> <li>All Team</li> </ul>
12.00 – 14.00	<b>BREAK</b>	<ul style="list-style-type: none"> <li>All Team</li> </ul>
14.00 – 17.00	<p><b>Field observation to Pasir Mandoge Palm Oil Mill:</b></p> <ul style="list-style-type: none"> <li>Supply Chain verification (FFB Receiving, Weighbridge)</li> <li>FFB Sorting, Processing Activity, Despatch CPO.</li> <li>Occupational Health &amp; Safety Aspect (Inspection to Chemical Storage, Hazardous Waste Storage, Fire Control Simulation)</li> <li>Inspection of POME Pond, LA and Water Intake)</li> </ul>	<ul style="list-style-type: none"> <li>TNB</li> <li>BYG/RGR</li> <li>HRK</li> <li>BRP</li> </ul>
<b>Friday, 25 October 2019</b>		
08.00 – 11.30	<p><b>Field Observation to Sei Kopas Estate</b> Aspect to be verified :</p> <ul style="list-style-type: none"> <li>Implementation of Legal Aspect (Land Ownership, Legal Boundaries) &amp; HCV;</li> <li>Implementation of Environmental, Conservation/HCV and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management)</li> <li>Observation of Workers Facilities (Housing, School, Worship Place).</li> <li>Implementation of Agronomy Aspect (Harvesting &amp; Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application)</li> <li>Implementation of Occupational Health &amp; Safety Aspect</li> <li>Implementation of Employment Procedure and Mechanism Aspect</li> <li>Interview with Gender Committee, Worker's Union, Worker's Co</li> <li>Stakeholders consultation to Surrounding villages</li> </ul>	<ul style="list-style-type: none"> <li>BYG</li> <li>BYG</li> <li>BYG</li> <li>HRK/RGR</li> <li>HRK/RGR</li> <li>HRK/RGR</li> <li>BRP</li> <li>TNB</li> </ul>

DATE	21 – 26 October 2019	
PLANNED TIM	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
11.30 – 14.00	<b>BREAK</b>	• All Team
14.00 – 17.00	Document Review & Field Observation Clarification	• All Team
<b>Saturday, 26 October 2019</b>		
08.00 – 10.00	• Closing Meeting at Pasir Mandoge Estate	• All Team
10.00 – 14.00	• Pasir Mandoge Estate - KNO	• All Team
16.50 – 19.10	• KNO – CGK (Batik Air – ID-6885)	• All Team