

**RSP0 SURVEILLANCE ASSESSMENT (ASA – 1)****GUNUNG MELAYU I PALM OIL MILL AND ITS SUPPLY BASE  
(PT. SAUDARA SEJATI LUHUR)****Office:**

JI MH Thamrin No 31 Jakarta 10230

**Location:**Rahuning Village, Bandar Pulau District, Asahan Regency,  
Sumatera Utara Province, Indonesia

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## Section 1 Scope of the Certification Assessment

1.1. Company Details			
<b>RSPO Membership Number</b>	1-0022-06-000-00	<b>Date</b>	06 <sup>h</sup> February 2006
<b>Company Name</b>	PT. Saudara Sejati Luhur		
<b>Address</b>	<b>Head Office:</b> Jl MH Thamrin No 31 Jakarta 10330  <b>Location:</b> Rahuning Village, Bandar Pulau District, Asahan Regency, Sumatera Utara Province, Indonesia		
<b>Subsidiary of (if applicable)</b>	PT Inti Indosawit Subur		
<b>Contact Name</b>	Ms. Asrini Subrata		
<b>Website</b>	<a href="http://www.asianagri.com">www.asianagri.com</a>	<b>E-mail</b>	<a href="mailto:Asrini_subrata@asianagri.com">Asrini_subrata@asianagri.com</a>
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1.2. Certification Information			
<b>Certificate Number</b>	<b>RSPO 620755</b>	<b>Date</b>	-
<b>Scope of Certification</b>	Production of CPO and PK of PT. Gunung Melayu (Gunung Melayu I Palm Oil Mill) and its supply base, namely Pulau Maria Estate.  Mill capacity of Gunung Melayu I POM is 60 tonnes FFB/hour.		
<b>Standard Referring</b>	- RSPO P & C, Certification System 2007, Rev. 2011. - RSPO P & C, Generic Standard 2013. - RSPO SCCS certification system and standard, 2014		
Other Certifications			
<b>Certificate Number</b>	<b>Standard(s)</b>	<b>Certificate Issued by</b>	<b>Expiry Date</b>
ID05/65250	ISO 14001:2004	SGS	10 June 2017
ISCC	EU-ISCC-Cert-DE100-20152719	SGS	03 Dec 2016

1.3. Description of Supply Base						
Estate	Mature (ha)	Immature (ha)	Total Planted (ha)	Infrastructure & others (ha)	Total Hectarage	% of Planted
Pulau Maria	2,063	0	2,063	239	2,302	89.42

\*) Aek Tarum estate is additional estate which developed from existing estates

1.4. Location(s) of Mill & Supply Bases			
Name (Mill / Supply Base)	Location [Map Reference #]	GPS	
		Longitude	Latitude
Gunung Melayu I Mill	Rahuning Village, Bandar Pulau District, Asahan Regency, North Sumatera Province, Indonesia	99° 35' 54" E	02° 47' 30" N
Pulau Maria	Rahuning Village, Bandar Pulau District, Asahan Regency, North Sumatera Province, Indonesia	99° 33' 04" E - 99° 36' 35" E	02° 43' 57" N - 02° 47' 44" N

<b>1.5. Plantings &amp; Cycle</b>									
Estate	Age (Years) in Ha						Tonnage / Year		
	0 – 3	4 – 10	11 – 20	21 - 25	26 - up	Total	Estimated (2015)	Actual (2015)	Forecast (2016)
<b>I. Supply Base from own estate</b>									
Pulau Maria Estate	0	1,464	599	0	0	2,063	53,839	47,215	52,771
<b>Total Certified FFB</b>									
<b>II. Supply base from Scheme Smallholders</b>									<b>0</b>
<b>III. Supply Base from independent third parties/Middle man</b>									<b>290,000</b>
<b>TOTAL SUPPLY FFB</b>									<b>342,771</b>

Note: \*) Planting age 0- 3 year, 4 – 10 year and some planting area 11 – 20 year are replanting (Replanting is started from 2003)

<b>1.6. Certified Tonnage (tonnes)</b>									
Mill	Estimated (2015)			Actual (2015)			Forecast (2016)		
	FFB	CPO	PK	FFB	CPO	PK	FFB	CPO	PK
Gunung Melayu I Mill	53,839	13,460	2,391	47,215	11,926	2,432	52,771	13,456	2,797

<b>1.7. Actual Certified Palm Production</b>			
MILL	Capacity	CPO (tonnes)	PK (tonnes)
Gunung Melayu I Mill	60	11,926	2,432

<b>1.8. Actual Sales of certified Palm Product</b>			
MILL	Certified CPO Sold	Certified PK Sold	Remarks
Gunung Melayu I Mill	0	1,444.44	

<b>1.9. Certified FFB received monthly in previous year (Tonnes)</b>	
Month	Pulau Maria
January 2015	2,390
February 2015	2,066
March 2015	2,557
April 2015	3,282
May 2015	4,653
June 2015	5,797
July 2015	5,328
August 2015	5,944
September 2015	4,567
October 2015	4,389
November 2015	3,211
December 2015	3,031
<b>TOTAL</b>	<b>47,215</b>

## Section 2 Assessment Process

### 2.1. Certification Body:

**BSI Services Malaysia Sdn Bhd,**  
(ASI Accreditation Number: RSPO-ACC-19)  
Unit 10-03, Level 10, Tower A  
The Vertical Business Suites, Bangsar South  
No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia  
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BSI is a leading global provider of management systems assessment and certification, with more than 60,000 certified locations and clients in over 100 countries. BSI Standards is the UK's National Standards Body. BSI provides independent, third-party certification of management systems. BSI is ASI Accredited (RSPO-ACC-19) since 31/10/2014 with accredited office located at Kuala Lumpur, Malaysia and an office at Singapore, Jakarta, Bangkok and Australia which involve in RSPO Certification Program.

#### **Assessment Methodology, Programme, Site Visits**

The objective of the assessment is to conduct a surveillance assessment and look for positive evidence to ensure the elements of the scope of certification and the requirements of the management standard are effectively addressed by the organisation's management system and that the system is demonstrating the ability to support the achievement of statutory, regulatory and contractual requirements and the organisations specified objectives, as applicable with regard to the scope of the management standard, and to confirm the on-going achievement and applicability of the forward strategic plan. Continuing Assessment (Surveillance) was conducted from 31 May 2016 and 03 – 04 June 2016.

The audit programme is included as Appendix D. The approach to the audit was to treat the mill and its supply base as an RSPO Certification Unit. Mill was audited together with the sample estates. A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HCVs, declared conservation areas and local communities.

The methodology for collection of objective evidence included physical site inspections, observation of tasks and processes, interviews of staff, workers and their families and external stakeholders, review of documentation and monitoring data. RSPO P&C 2013, Generic Standard was used as Checklists and questionnaires were used to guide the collection of information to assess compliance. The comments made by external stakeholders were also taken into account in the assessment.

Stakeholder consultation involved internal and external stakeholders. External stakeholders were contacted by visiting to the villages convenient to them to discuss Umbul Mas Wisesa POM Certification Unit's environmental and social performance.

Meetings were held with stakeholders to seek their views on the performance of the company with respect to the RSPO requirements and aspects where they considered that improvements could be made. At the start of each meeting, the interviewer explained the purpose of the audit followed by an evaluation of the relationship between the stakeholder and the company before discussions proceeded. The interviewer recorded comments made by stakeholders and these have been incorporated into the assessment findings.

Structured worker interviews with male and female workers and staff were held in private at the workplace in the mill and the estates. Fieldworkers were interviewed informally in small groups in the field. In addition, the wives of workers and staff were interviewed in informal group meetings at their

housing. Separate visits were made to each of the local communities to meet with the village head and residents. Company officials were not present at any of

Internal or external stakeholder interviews. A list of Stakeholders contacted is included as Appendix E.

The assessment findings for the recertification are detailed in Section 3.3.

This report is structured to provide a summary of assessment finding as attached in the Appendix A. The assessment was based on random samples and therefore nonconformities may exist that have not been identified.

This report was internally reviewed by Mr. Hoo Boon Han (He is one of the BSI Qualified RSPO Lead Auditor and Internal Reviewer).

**The following table would be used to identify the locations to be audited each year in the 5 year cycle**

<b>Name (Mill / Supply Base)</b>	<b>Year 1 (12/2014)</b>	<b>Year 2 (05/2016)</b>	<b>Year 3 (05/2017)</b>	<b>Year 4 (05/2018)</b>	<b>Year 5 (05/2019)</b>
Gunung Melayu I POM	x	x	x	x	x
Pulau Maria	x	x	x	x	x

**Tentative Date of Next Visit: 01/05/2017**

**Total No. of Mandays: 6 Mandays**

**BSI Assessment Team comprises of:**

**Haeruddin – Lead Team (Lead Auditor)**

He holds Bachelor Degree in Forest Management, graduated from Hasanuddin University on 1994. He has 16 years of work experience in forest concession, forestry industry and the latest is within Oil Palm Plantation in Indonesia. He experiences as auditor for several sustainability standard including FSC, UTZ, Organic Farming, 4C, ISPO and RSPO. He completed the ISO 9001 Lead Auditor Course; ISPO Lead Auditor endorsed Course, RSPO Lead Auditor Course, and also completed ISCC, RSPO SCCS, RSPO RED course, etc. He had been involved in RSPO auditing since November 2010 in more than various companies in Malaysia, Thailand and Indonesia. During this assessment, he assessed on the aspects of legal and estate best practices.

**Pratama Agung Sedayu – Team Member**

He graduated from University of Jenderal Soedirman on 2008, majoring in Social Economic of Agriculture. He involved in RSPO certification since 2009 as a team member subsequently as a Lead Auditor, covering assessment against RSPO P&C in Indonesia, Malaysia, Thailand, Papua New Guinea, and Liberia. He completed the ISO 9001, ISO 14001, OHSAS 18001 Lead Auditor Course, HCV Identification and Management; ISPO Lead Auditor endorsed Course and RSPO P&C and RSPO SCCS Lead Auditor endorsed Courses. During this assessment, he assessed on the aspects of estate best practices, environment, OHS, and Smallholder audits. He is fluently speaking in English and Bahasa Indonesia.

**Nanang Mualib - Team Member**

He graduated from Bogor Agriculture University on 1999, Forestry Faculty. He involved in RSPO certification since 2010 as a team member covering assessment against RSPO P&C in Indonesia. He completed the ISO 9001 Lead Auditor Course, Technical Training of HCV Assessment; ISPO Lead Auditor endorsed Course. During this assessment, he assessed on the aspects of social, stakeholder consultation and smallholders.

**Edy Widodo – Team Member**

Edy Widodo graduated as bachelor of the Faculty of Agriculture, Department of Agricultural Technology, University of Padjadjaran, Bandung. Earlier he worked as an Assistant Estates Manager in PT SMART Tbk. (1999 to 2005). He joined SAI Global in 2013 as a Lead Auditor for ISO 9001: 2008. He has working experience in the industrial sector and audit Plantation, and also the processing industry and agricultural mechanization. He is also the ISPO auditor who has obtained a certificate from the ISPO Commission, Ministry of Agriculture of Indonesia, on February 2013. He had got a certificate of training on Understanding ISO 14001: 2004 & Auditing ISO 14001: 2004 in 2013. He also had joined RSPO P&C training (2013).

**Accompanying person: None**

## Section 3 Assessment Findings

### 3.1. Details of audit results are provided in the following Appendix:

- RSPO P&C 2013 Summary of the Assessment – Appendix A
- PT. Gunung Melayu Time Bound Plan – Appendix B
- RSPO Supply Chain Certification Assessment – Appendix F

### 3.2. Progress against Time Bound Plan

PT Gunung Melayu demonstrates a challenging time bound plan to certify its entire mill and supply bases, there is no change of time bound plan. Audit team found that the company has strong commitment to implement time bound plan and comply with the time bound plan.

BSI also assessed the requirement for partial certification and concluded that:

1. There are no unresolved significant land disputes.
2. No replacement of primary forest or loss of HCV. New land acquisition follows the RSPO NPP process, including public notification of new planting.
3. No labour disputes that are not being resolved through an agreed process.
4. No evidence of noncompliance with law noted.

### 3.3. Details of findings

During this surveillance assessment (ASA-1) there was found 1 Major NC, 5 Minor NCs were identified:

<b>Non-Conformity</b>		
NCR #	Description	Category (Major/Minor)
1338574M1	<p>RSPO P &amp; C Generic Standard, 2013 - Indicator 4.7.2</p> <p>Risk assessment for boundary poles monitoring, HCV monitoring and land application activities have not been included in latest Hazard Identification Risk Assessment and Determining Control/risk assessment document.</p> <p><b>Action taken:</b> The company has included all activities in HIRADC, updated June 2016, included for boundary poles monitoring, HCV monitoring and land application and any changes of activities within mill and estates will be monitored regularly.</p> <p><b>This Major NC is closed out on 17<sup>th</sup> July 2016</b></p>	Major
1338574N1	<p>RSPO P &amp; C Generic Standard, 2013 - Indicator 2.1.3</p> <p>List Pemenuhan Peraturan Perundang Undangan. The company has "Update List of regulation/pemenuhan peraturan perundang undangan", in January 2016, however this update has not completed for new and/or amendment of regulation, e.g. Permentan no. 11/2015 (ISPO), PP no. 27/2012, etc.</p> <p>Action taken: The CAP has been submitted by the company, this Minor NC will be verified in the next surveillance audit.</p>	Minor
1338574N4	<p>RSPO P &amp; C Generic Standard, 2013 - Indicator 4.7.5</p> <ol style="list-style-type: none"> <li>1. There is not sufficient evidence management appointed first aid officer with first aider license – Petugas berlisensi P3K in PT Saudara Sejati Luhur;</li> <li>2. Fertilizer applicator mandor in Division II, block J07d did not bring first</li> </ol>	Minor



	<p>aid kit;</p> <p>3. First aid kit in Pulau Maria Estate's workshop was found incomplete, only consist of iodine and distilled water;</p> <p>Action taken:  The CAP has been submitted by the company, this Minor NC will be verified in the next surveillance audit.</p>	
1338574N3	<p>RSPO P &amp; C Generic Standard, 2013 - Indicator 4.7.6</p> <p>Based on document review upon payment BPJS Kesehatan and Ketenagakerjaan, audit team found information 153 temporary and SKU - Harian workers have been covered with BPJS Ketenagakerjaan and 224 workers have been covered with BPJS Kesehatan; out of 387 temporary workers and SKU Harian in Pulau Maria estate. The rests of temporary workers have not covered with BPJS Kesehatan and Ketenagakerjaan. Also found Medical checkup for Genset Operator (Irwansyah) in Gunung Melayu I mill has not performed in 2015.</p> <p>Action taken:  The CAP has been submitted by the company, this Minor NC will be verified in the next surveillance audit.</p>	Minor
1338574N5	<p>RSPO P &amp; C Generic Standard, 2013 - Indicator 5.3.3</p> <p>Domestic waste management requires serious attention.</p> <ol style="list-style-type: none"> <li>1. Based on visit to housing complex "Seng", audit team found waste disposed off into sewer and housing backyard;</li> <li>2. The management of landfill (block J07h) was poor, organic and an-organic waste mixed and piled up;</li> <li>3. Audit team also observed used motorcycle lubricant container disposed off into landfill;</li> </ol> <p>Action taken:  The CAP has been submitted by the company, this Minor NC will be verified in the next surveillance audit.</p>	Minor
1338574N6	<p>RSPO P &amp; C Generic Standard, 2013 - Indicator 6.9.3</p> <p>Based on interview with Gender Committee - Unit Pulau Maria, it was found that gender committee has not understood the specific grievance mechanism for (any) sexual harassment case and policy to protect complainants/whistleblower where requested. The Gender Committee – Unit Pulau Maria did not created activity plan in 2015.</p> <p>Action taken:  The CAP has been submitted by the company, this Minor NC will be verified in the next surveillance audit.</p>	Minor

There are 5 Observation/opportunities for improvements were identified during this surveillance audit (ASA-1.1):

<b>Observation</b>	
<b>OBS #</b>	<b>Description</b>
1	<p>RSPO P &amp; C Generic Standard, 2013 - Indicator 4.6.7</p> <p>Limited pesticide training has been conducted in 2014 for manager level and worker level. Pulau Maria Estate to provide more sprayers with limited pesticide training.</p>

2	<p>RSPO P &amp; C Generic Standard, 2013 - Indicator 4.7.1</p> <p>Hazard Identification Risk Assessment and Determining Control/Risk Assessment for Pulau Maria Estate is available. Program for Health and Safety for Pulau Maria Estate is evident. However, company's health and safety program for plantation lack of consideration onto risk assessment result to improve condition on high risk level activity such as: FFB loading, harvesting activities; activities around empty bunch hopper.</p>
3	<p>RSPO P &amp; C Generic Standard, 2013 - Indicator 4.7.3</p> <p>It is need to be considered monitoring of health and safety related washing "apron" after working hours.</p>
4	<p>RSPO P &amp; C Generic Standard, 2013 - Indicator 4.7.4</p> <p>Health and Safety Committee approved by manpower office, as per "Surat Keputusan Kepala Dinas Tenaga Kerja Kabupaten Asahan No.2564/IV-DTK/2015 tentang Pengesahan Susunan Panitia Pembina Keselamatan dan Kesehatan Kerja (P2K3) di Perusahaan PT Saudara Sejati Luhur – Kebun Pulau Maria" dated 13/07/2015. The committee chaired by Mr.Alber Butarbutar (previous estate manager). Pulau Maria Estate to adjust the structure for health and safety committee for Pulau Maria Estate and Gunung Melayu I Mill – accommodating changes of personnel.</p> <p>Safety officer to monitor the infrastructure and environment condition in Pulau Maria Estate, i.e. electricity installation could be improved in Pulau Maria workshop.</p>
5	<p>RSPO P &amp; C Generic Standard, 2013 - Indicator 5.2.4</p> <p>Company have a HCV Management plan, including program for tree planting in HCV area; company could improve the implementation of tree planting to be aligned with plan.</p>

<b>Positive Findings</b>	
<b>PF #</b>	<b>Description</b>
1	Company has maintained management system and organisation structure to monitor the implementation of RSPO requirements within their operation.
2	Company taking into consideration all of comments and inputs from stakeholder, in order to prepare an action plan. Relationship with external stakeholders was good.

<b>Issues Raised by Stakeholders</b>	
<b>Issues #</b>	<b>Description</b>
1	<p><b>Social issues:</b></p> <p>a. <u>Tokoh Masyarakat dan Kepala Desa Sidomulyo dan Desa Gonting Malaha</u></p> <ol style="list-style-type: none"> <li>1. In general, the communication between company and village is good.</li> <li>2. Company always responded every problem brought upon to company by village official or by communities.</li> <li>3. Company has implemented the CSR program to local community. Company has involving local community in preparation for CSR program – and have been communicated.</li> <li>4. Local communities has positive impact from the company operation, such as: road maintenance, road material provision, medical aid, house repair, religious house repair, provision of clean water, donation during religion festivities, etc.</li> <li>5. There are occupied lands inside HGU/land title of PT Saudara Sejati Luhur. The occupied lands started from reformation era, 1997. Currently no expansion in terms of hectare area and number of farmer cultivating the land inside company's land title. There has been an agreement between company and KTTM. There has not been any escalation of conflict using violence.</li> <li>6. CSR program has been communicated with village officials, surrounding the company's</li> </ol>

	<p>plantation.</p> <ol style="list-style-type: none"> <li>7. Company currently prepares pilot project to improve economic wellbeing through partnership in developing independent smallholder in Desa Gonting Malaha.</li> <li>8. There has been no report from communities working in the company on the practice of force labour.</li> <li>9. Workers in PT Saudara Sejati Luhur paid in accordance to government regulation.</li> <li>10. Communities have understood company regulation prohibits recruitment of underage/child worker.</li> <li>11. There has been no report related to company operation against the principle of female worker protection. Company provided annual medical check-up and registration of social insurance.</li> <li>12. There has been no report from communities related to company operation that was violating human rights, human trafficking, etc.</li> <li>13. There once report from community related to pollution caused by company operation; however the case found no solid base.</li> <li>14. There was complaint from communities related to cattle grazing inside company plantation. The current regime was to gather green fodder, instead of allow cattle roam freely inside plantation.</li> <li>15. Company has utilized workforce by recruiting local community as temporary worker.</li> </ol> <p>b. <u>Pengurus Komite Gender/Gender committee</u></p> <ol style="list-style-type: none"> <li>1. Gender committee has an annual work program such as regular meeting, dissemination on female worker rights to female worker, worker skill training, etc.</li> <li>2. There has been no report/claim related to domestic violence and/or sexual harassment to female worker.</li> <li>3. Company demonstrated commitment to protect female worker's reproductive rights by: period leave, maternal leave, specific medical check-up for high risk worker every 6-months, monthly pregnancy test;</li> <li>4. Gender committee has not understood the specific grievance/complaint mechanism and confidentiality/protection of complainant/whistleblower identity for sexual harassment case.</li> <li>5. Company provided PPE;</li> <li>6. Company has provided facility for worker welfare: housing, clean water, electricity, sanitation facility, school bus, school building, medical clinic, religious house, etc.</li> <li>7. Company has registered the workers in BPJS Ketenagakerjaan and BPJS Kesehatan;</li> <li>8. There has been no worker demonstration against company;</li> <li>9. Company paid the worker salary in accordance to relevant regulation;</li> <li>10. There is no indication of human rights violation;</li> <li>11. There is no indication of forced labor.</li> </ol> <p><b>Management Response:</b> Positive finding</p> <p><b>Auditor Team Findings:</b> Postive finding</p>
2	<p><b>Labour issues:</b>  <u>Dinas Tenaga Kerja Kabupaten Asahan</u></p> <p>a. <u>Industrial norm;</u></p> <ol style="list-style-type: none"> <li>1. PT Saudara Sejati Luhur has paid minimum wage as per regulation. For permanent workers based on UMSK, while for temporary workers in accordance to UMR Provinsi Sumatera Utara.</li> <li>2. PT Saudara Sejati Luhur has registered their employees under social, health and accident insurance BPJS Ketenagakerjaan and Kesehatan.</li> <li>3. Company has prepared a manpower reporting "Wajib Lapor Tenaga Kerja" on annual basis and reported to "Dinas Tenaga Kerja Kabupaten Asahan".</li> <li>4. Plantation industry categorized as worst sector in the use of female worker during night time and the use of child worker. Manpower office stated there has been no report with regards to use of child worker and/or the use of female workforce during</li> </ol>

	<p>night time – in PT Saudara Sejati Luhur.</p> <p>5. Company shall register all workers under BPJS Ketenagakerjaan and BPJS Kesehatan Scheme, including temporary worker. Even though manpower office understands the technical difficulties related to turnover of temporary worker.</p> <p>b. <u>Health and Safety:</u></p> <ol style="list-style-type: none"> <li>1. Company has prepared health and safety structure, acknowledged by “Dinas Tenaga Kerja Kabupaten Asahan”.</li> <li>2. Company has implemented provision of personal protective equipment for all employees. However, the consistency in the use by worker needs to improve.</li> <li>3. PT Saudara Sejati Luhur obtained recommendation on th use of hazardous substance from “Dinas Tenaga Kerja Kabupaten Asahan”</li> <li>4. Company handled accident cases in good manner. The reporting and claim was completed with reports.</li> <li>5. Company has regularly prepared and reported the health and safety performance report to “Dinas Tenaga Kerja Kabupaten Asahan”.</li> <li>6. Company has conducted regular medical check up, especially for workers on high risk station (palm oil mill) including sprayers and fertilizer applicators.</li> <li>7. Heavy machinery operator, lift and carry operator, steam vessel operator has obtained operator license.</li> <li>8. Company has conducted regular inspection on machinery such as steam vessel and pressure vessel as per applicable regulation.</li> <li>9. Company has established bi-partite coordination body, to resolve industrial relationship dispute, prior to report on mediation by “Dinas Tenaga Kerja” or court “Pengadilan Perselisihan Hubungan Industrial”. The bi-partite coordination body has been acknowledged by “Dinas Tenaga Kerja Kabupaten Asahan”.</li> <li>10. Company has collective work agreement “Perjanjian Kerja Bersama” for permanent worker. For temporary worker, company shall abide relevant regulation.</li> <li>11. There has been no industrial relationship dispute.</li> <li>12. Company has prepared infrastructure and facility for welfare: housing, clean water, electricity, medical facility, education, etc.</li> </ol> <p>c. <u>Pengurus Serikat Pekerja Serikat Pekerja</u></p> <ol style="list-style-type: none"> <li>1. Company has fulfilled their normative obligation in terms of salary payment in accordance to regulation, religious day benefit, BPJS program, etc.</li> <li>2. Worker union member/SPSI is worker from permanent worker up to staff. However in operational level, SPSI also pays attention on temporary worker’s issues.</li> <li>3. Temporary workers have work agreement.</li> <li>4. Work performance evaluation conducted on annual basis – as consideration for evaluation, promotion, mutation, etc.</li> <li>5. There is no indication of discrimination of worker.</li> <li>6. Company has provided personal protective equipment for its worker.</li> <li>7. Company has provided facility for worker welfare: housing, clean water, electricity, sanitation facility, school bus, school building, medical clinic, religious house, etc.</li> <li>8. Company has registered the workers in BPJS Ketenagakerjaan and BPJS Kesehatan.</li> <li>9. There has been no worker demonstration against company.</li> <li>10. Company paid the worker salary in accordance to relevant regulation</li> <li>11. There is no indication of human rights violation</li> <li>12. There is no indication of forced labor</li> <li>13. There is a bi-partite coordination body</li> </ol>
	<p><b>Management Response:</b> Positive finding</p>
	<p><b>Auditor Team Findings:</b> Postive finding</p>
<p>3</p>	<p><b>Environmental issues:</b></p>

	<p><u>Badan Lingkungan Hidup Kabupaten Asahan</u></p> <ol style="list-style-type: none"> <li>1. "Kantor Lingkungan Hidup Kabupaten Asahan" conducted regular 3-monthly meeting with all company to evaluate the environmental management and monitoring performance.</li> <li>2. PT Gunung Melayu have environmental document in form of "Dokumen Studi Evaluasi Lingkungan" and have reported the environmental management and monitoring implementation on regular basis.</li> <li>3. PT Gunung Melayu has performed environmental management in good manner.</li> <li>4. Company has utilized the palm oil mill effluent into land application, obtained permit from "Badan Lingkungan Hidup Kabupaten Asahan".</li> <li>5. Company has managed the hazardous waste, obtained permit for temporary storage – in accordance with relevant regulation.</li> <li>6. Company has implemented the CSR program in good manner.</li> <li>7. There was no report from stakeholder on environmental pollution caused by plantation operation of palm oil mill operation.</li> <li>8. Inner plastic bag from fertilizer bag shall be treated and managed as hazardous waste</li> </ol> <p><b>Management Response:</b> Positive finding</p> <p><b>Auditor Team Findings:</b> Positive finding</p>
4	<p><b>Legal issues:</b>  <u>Kantor Pertanahan Kabupaten Asahan</u></p> <ol style="list-style-type: none"> <li>1. In 2015, there once a report from committee for Human Rights "Komnas HAM", related to land dispute by "Kelompok Tani Ujung Masehi" dated back 2014 and BPN have stated their availability and readiness for field visit; however it has not been conducted – because the complainant (Kelompok Tani Ujung Masehi) cannot point out the location and cannot demonstrate evidence of land ownership over the complained land.</li> <li>2. There once land dispute related to occupied land in area of PT Gunung Melayu (inside HGU). The dispute between company and communities since long period of time. However, the matter can be resolved accordingly. The latest case dated back October 2014 resolved through mediation by "Bupati Asahan".</li> </ol> <p><b>Management Response:</b> Positive finding</p> <p><b>Auditor Team Findings:</b> Positive finding</p>

5	<p><b>Operational issues:</b></p> <p>a. <u>Dinas Perkebunan dan Kehutanan Kabupaten Asahan</u></p> <ol style="list-style-type: none"> <li>1. The HGU/land title area of PT Gunung Melayu and PT Saudara Sejati Luhur – are in line with spatial planning for Kabupaten Asahan, as cultivation/plantation area.</li> <li>2. All HGU/land title area of PT Gunung Melayu and PT Saudara Sejati Luhur, based on “Peta penunjukan kawasan hutan provinsi Sumatera Utara” – map on forest area in Sumatera Utara – located in “Area Penggunaan Lain” non-forest area.</li> <li>3. Company has reported the plantation operation activities on regular basis to “Dinas Kehutanan dan Perkebunan Kabupaten Asahan”.</li> <li>4. FFB price established based on market price, and company was not bound to FFB price regulated by “Keputusan Penyusunan Harga TBS Sumatera Utara”. Based on report, PT Gunung Melayu and PT Saudara Sejati Luhur have price structure better than other companies.</li> <li>5. With regards to additional processing capacity in Gunung Melayu Dua POM, currently is in process of review by “Dinas Perkebunan dan Kehutanan Kabupaten Asahan”.</li> </ol> <p>a. <u>Kontraktor Lokal</u></p> <ol style="list-style-type: none"> <li>1. Meeting was attended by 8 sub-contractors of PT Tunas Subur – FFB Supplier Company.</li> <li>2. FFB payment done once as per agreed time and price.</li> <li>3. FFB price information gave by PT Tunas Subur as contract holder with PT Gunung Melayu. Price changes also informed.</li> <li>4. FFB that does not meet specification returned to FFB supplier.</li> <li>5. The current complaint occurred with regards to information of FFB reception during high crop season – causing high lead time for waiting in queue.</li> <li>6. Contractor wanted company could facilitate shortcut road from Desa Sidomulyo to Desa Batu Anam, currently hampering FFB transportation.</li> </ol> <p><b>Management Response:</b> Positive finding</p> <p><b>Auditor Team Findings:</b> Postive finding</p>
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**3.4. Status of nonconformities and observation previously identified.**

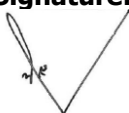

Non-Conformity		
NCR #	Description	Category (Major/Minor)
1128966M2	<p><b>Requirements:</b> RSPO P &amp; C, Generic Standard 2013 - Indicator 4.1.1 Gunung Melayu I POM has not obtained revision of IUP (Operational Permit Business) related increasing mill capacity from 30 tonnes FFB/hour become 60 tonnes FFB/hour as regulated in Permentan No 98 Thaun 2013 article 34(2).</p> <p><b>Action Taken:</b> The company has obtained approval letter for increasing mill capacity from 30 tonnes FFB/hour become 60 tonnes FFB/hour from “Badan Pengelola Perizinan dan Penanaman Modal Kabupaten Asahan” No.503/IUP-PKIP/BPPPM/1772/V/2015, dated 17<sup>th</sup> June 2015</p> <p><b>This Major NC has been closed on 17<sup>th</sup> June 2015</b></p>	Major
1128966M1	<p><b>Requirements:</b> RSPO P &amp; C 2013 - Indicator 3.1 Gunung Melayu I POM has budget for years (2014-2019), covering FFB projection received, projection of CPO and PK (OER and KER), however cost production per ton CPO and forecast prices are not available.</p> <p><b>Action Taken:</b> The company has updated budget plan for 6 years (2014-2019) covering FFB</p>	Major

	projection received, projection of CPO and PK (OER and KER), included cost production and price of CPO.  <b>This Major NC has been closed on 20<sup>th</sup> April 2015</b>	
1128966M3	<b>Requirements:</b> RSPO P & C 2013 - Indicator 4.6.2 No record of amount of active ingredient of pesticide applied in plantation.  <b>Action Taken:</b> Record of pesticides: The company has recorded pesticides use, including active ingredient used and their LD 50 per ha and number of applicant, the record covering type of pesticides, active ingredient, hectares applied, number of pesticides applied, number of applicant, active ingredients was applied per ha and number of applicant, e.g. Applied Gramoxone in December 2014 (ai. Paraquat dichloride) 256 liter (a.i. 276 gr/litres) or 70 litres active ingredient was applied for 2,063 ha and number applicant 8/295 Mandays (0.034 gr/ha) or (8.75 gr/applicant).  <b>This Major NC has been closed on 20<sup>th</sup> April 2015</b>	Major

<b>Observation</b>	
<b>OBS #</b>	<b>Description</b>
1	<b>RSPO P &amp; C 2013 - Indicator 4.7.2</b> It should be considered to make sure ladder in Chimney Boiler is good condition.  <b>Action Taken:</b> The company has improved ladder in Chimney Boiler
2	<b>RSPO P &amp; C 2013 - Indicator 4.4.2</b> It should be consider increasing planting vetiver grass and forest trees along riparian zone in Pulau Maria Estate.  <b>Action taken:</b> Based on document verification and field visit to Pamerahan river' buffer zone (Division II – block J07c and J07d), shows company has planted tree species such as <i>Waru</i> and <i>Ketapang</i> .
3	<b>RSPO P &amp; C 2013 - Indicator 4.3.3</b> It should be consider improving road maintenance.  <b>Action taken:</b> Based on field visit to Division II and document review against "Program dan Realisasi Pengerasan Jalan 2016" shows PT. Saudara Sejati Luhur has implemented the road maintenance program.

### 3.5. Status of Non Conformities

Reference	Category	Issued	Closed
1128966M1	Major	18/12/2014	20/04/2015
1128966M2	Major	18/12/2014	17/06/2015
1128966M3	Major	18/12/2014	20/04/2015
1338574M1	Major	03/06/2016	17/07/2016
1338574N1	Minor	03/06/2016	"open"
1338574N4	Minor	03/06/2016	"open"
1338574N3	Minor	03/06/2016	"open"
1338574N5	Minor	03/06/2016	"open"
1338574N6	Minor	03/06/2016	"open"

<b>Assessment Conclusion and Recommendation</b>	
<p>The auditors conclude that Perlavian Palm Oil Mill and its supply base are complying with the RSPO certification system 2007, RSPO Generic Standard 2013 and RSPO SCCS 2014.</p> <p>Its recommend to extend the RSPO certificate for Gunung Melayu I Palm Oil Mill and and its supply base</p>	
<b>Acknowledgement of Assessment Findings by PT Saudara Sejati Luhur – Gunung Melayu I POM</b>	<b>Report Prepared by</b>
<b>Name:</b> Mr. Welly Pardede	<b>Name:</b> Haeruddin
<b>Company name:</b> PT. Saudara Sejati Luhur	<b>Company name:</b> PT. BSI Indonesia
<b>Title:</b> Head of Environment and Sustainability	<b>Title:</b> Lead Auditor
<b>Signature:</b>  <b>Date:</b> 21/06/2016	<b>Signature:</b>  <b>Date:</b> 20/06/2016



**Appendix "A"**  
**Summary of Finding**

Criterion / Indicator	Assessment Findings	Compliance	
<b>PRINCIPLE 1: COMMITMENT TO TRANSPARENCY</b>			
<b>Criterion 1.1:</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.			
1.1.1	<p>There shall be evidence that growers and millers provide adequate information on (environmental, social and/or legal) issues relevant to RSPO Criteria to relevant stakeholders for effective participation in decision making.</p> <p>- Minor compliance -</p>	<p>The company has made a mechanism for request information no.: AA-GL-5008.1-R1 dated on 22<sup>nd</sup> August 2011. The company has owned some policies for documents created by the public relations department in the company and acknowledged by plantation manager that can be accessed by public dated 12<sup>th</sup> September 2014 that covered:</p> <ul style="list-style-type: none"> <li>a. Legal Documents               <ul style="list-style-type: none"> <li>1. a copy of SK HGU (Land Title)</li> <li>2. a copy of AMDAL (Social and Environmental Impact Assessment)</li> </ul> </li> <li>b. Environment Documents               <ul style="list-style-type: none"> <li>1. Waste management plans</li> <li>2. Report of waste water</li> <li>3. Report of water management</li> <li>4. Report of river water quality</li> <li>5. Report of air quality.</li> <li>6. Report of RKL (Environmental Management Plan) – RPL (Environmental Monitoring Plan).</li> <li>7. Report of Hazardous Waste</li> </ul> </li> <li>c. Social Activity Documents</li> <li>d. Employment Documents               <ul style="list-style-type: none"> <li>1. Jamsostek</li> <li>2. HSE management programmes</li> </ul> </li> </ul>	Yes

Criterion / Indicator		Assessment Findings	Compliance
1.1.2	<p>Records of requests for information and responses shall be maintained.</p> <p>- Major compliance -</p>	<p>Request Information and response from Stakeholder has been documented into a log book "Surat Masuk 2012 -2016", there were noted 18 information requests and others from Stakeholder in 2016. Sample seen: from FSP-SPSI No.707/SOSEK/PL.KSP.PP-AS/II/2016, dated 5<sup>th</sup> March 2016 regarding "Upah Pekerja" and No.047/ORG/PUK –SPSI/GM-SSL/III/2016, dated 23<sup>th</sup> March 2016 related "Sosialisasi kenaikan upah dan iuran anggota".</p> <p>All request information and others has been responded timely manner.            Logbook Request Information, e.g.:</p> <ol style="list-style-type: none"> <li>1. Department of Labor District of Asahan dated 23/04/2016, regarding: Changes in Management of P2K3.</li> <li>2. Head of Statistics District of Asahan, dated 19/05/2016, concerning: Survey of Large Plantations second quarter 2015. The response was submitted by company on 30/05/2016.</li> </ol>	Yes
<p><b>Criterion 1.2:</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.</p>			
1.2.1	<p>Publicly available documents shall include, but are not necessarily limited to:</p> <ul style="list-style-type: none"> <li>• Land titles/user rights (Criterion 2.2);</li> <li>• Occupational health and safety plans (Criterion 4.7);</li> <li>• Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8);</li> <li>• HCV documentation (Criteria 5.2 and 7.3);</li> <li>• Pollution prevention and reduction plans (Criterion 5.6);</li> <li>• Details of complaints and grievances (Criterion 6.3);</li> <li>• Negotiation procedures (Criterion 6.4);</li> <li>• Continual improvement plans (Criterion 8.1);</li> <li>• Public summary of certification assessment report;</li> <li>• Human Rights Policy (Criterion 6.13).</li> </ul> <p>- Major compliance -</p>	<p>The company has list of documents can access by public, such as: legal permits, SEIA (AMDAL), RKL / RPL (Management and Monitoring Plan), water management plan, waste management plan, water and air monitoring, OHS, hazardous waste management plan, CSR, employment documents, etc.</p> <p>All documents refer to the ratified International Regulation, National Regulation and local regulation, e.g. OHS documents refer to the Act 1, year 1970.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
<b>Criterion 1.3:</b> Growers and millers commit to ethical conduct in all business operations and transactions.			
1.3.1	<p>There shall be a written policy committing to a code of ethical conduct and integrity in all operations and transactions, which shall be documented and communicated to all levels of the workforce and operations.</p> <p>- Minor compliance -</p>	<p>The company has human rights policy that has been published No.298/ES-KTS/Memo/08/14 dated 26<sup>th</sup> August 2014 which also covering ethics in business that stated that "ethical behavior, prohibition of all forms of corruption, bribery in the conduct or transaction of business practices and fraudulent use of funds".</p> <p>That policy has been informed to all employees and it also has been posted in public area as well as been socialized in every morning briefing so that it can be accessed by all employees.</p> <p>The policy has been disseminated to all level on 04/01/2016 in Pulau Maria Estate and on 08/01/2015 in Gunung Melayu Satu Mill.</p>	Yes
<b>PRINCIPLE 2: COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS</b>			
<b>Criterion 2.1</b> There is compliance with all applicable local, national and ratified international laws and regulations.			

	<b>Criterion / Indicator</b>	<b>Assessment Findings</b>	<b>Compliance</b>
2.1.1	<p>Evidence of compliance with relevant legal requirements shall be available.</p> <p>- Major compliance –</p>	<p>Gunung Melayu Satu POM: Mill machineries permit and inspection:            "Pengesahan Pemakaian Turbin Uap Dinas Tenaga Kerja Kabupaten Asahan" No.5205/TU/IV-DTK/2014 dated 09/12/2014 for Steam turbine Shinko. Latest inspection by CV.Jaya Abadi No.05867TU/JA/II/2016 dated 09/02/2016. Report stated the turbine condition and function is good.            "Izin Pengesahan Pemakaian Motor Diesel Dinas Tenaga Kerja Kabupaten Asahan" No.5208/MD/IV-DTK/2014 dated 09/12/2014 for motor diesel Deutz. Latest inspection report No.0588/MD/JA/II/2016 dated 09/02/2016.            "Akte Izin Bejana Uap Kepala Dinas Tenaga Kerja Kabupaten Asahan No.5210/BU/IV-DTK/2014 dated 09/12/2014 for steam vessel, back pressure.            "Akte Izin Bejana Uap Kepala Dinas Tenaga Kerja Kabupaten Asahan No.5214/BU/IV-DTK/2014 dated 09/12/2014 for steam vessel, vertical sterilizer.            "Pengesahan Penggunaan Instalasi Penyalur Petir di Tempat Kerja Departemen Tenaga Kerja Kantor Wilayah Propinsi Sumatera Utara" No.04/VI/PPT/KONV/W2/1999 dated 08/06/1999 for lighting arrester installation. Latest inspection report evident No.0582/IPTR/JA/II/2016 dated 09/02/2016.            "Pengesahan Penggunaan Instalasi Listrik di Tempat Kerja Dinas Tenaga Kerja Kabupaten Asahan" No.1462/10/IL/IV-DTK/2005 dated 14/06/2005 for electrical installation. Latest inspection report No.0583/IL/JA/II/2016 dated 09/02/2016. Report stated the crane condition and function is good.            "Akte Izin Departemen Tenaga Kerja Kantor Wilayah Propinsi Sumatera Utara untuk Ketel Uap" No.02.H.0011A dated 11/1989 steam vessel/boiler. Latest inspection report evident No.0580/KU/JA/II/2016 dated 09/02/2016.</p>	Yes
2.1.2	<p>A documented system, which includes written information on legal requirements, shall be maintained.</p> <p>- Minor compliance –</p>	List of laws are available and being evaluated regularly. Last updated in January 2016	Yes
2.1.3	<p>A mechanism for ensuring compliance shall be implemented.</p> <p>- Minor compliance –</p>	The company has "Update List of regulation/pemenuhan peraturan perundang undangan", in January 2016, however this update has not completed for new and/or amendment of regulation, e.g. Permentan no. 11/2015 (ISPO), PP no. 27/2012, etc. <b>(Minor NC was raised)</b>	No

Criterion / Indicator		Assessment Findings	Compliance
2.1.4	A system for tracking any changes in the law shall be implemented.  - Minor compliance –	Legal requirement-evaluation and fulfilment mechanism regulated under “SOP Pemenuhan Peraturan Perundang-undangan dan Perubahannya” (No. SOP; AA-GL-5001.1-RO) dated 5 <sup>th</sup> December 2009. The procedure explains the stages for evaluation applicable legal requirements, person in charge for evaluation and ensures implementation of such requirement.	Yes
<b>Criterion 2.2</b>			
The right to use the land is demonstrated, and is not legitimately contested by local people who can demonstrate that they have legal, customary or user rights.			
2.2.1	Documents showing legal ownership or lease, history of land tenure and the actual legal use of the land shall be available.  - Major compliance -	The company has legal land ownership as indicator 2.1.1	Yes
2.2.2	Legal boundaries shall be clearly demarcated and visibly maintained.  - Minor compliance –	Based on field visit to Division II (boundary pegs No.28, 27, 21 and 16) shows the pegs are maintained and identifiable. Based on interview with security officer, said that monitoring program for boundary pegs condition has been done on 6-monthly basis. Based on document verification “Laporan Pemeriksaan dan Perawatan Patok Batas HGU PT. SSL – Kebun Pulau Maria 2016” conducted on 09/01/2016, Doc. No.001/LAP/KTU/01/2016 shows in Pulau Maria Estate have maintained/repared (through repaint and cleaning the base) 18 HGU boundary pegs.	Yes

	<b>Criterion / Indicator</b>	<b>Assessment Findings</b>	<b>Compliance</b>
2.2.3	<p>Where there are or have been disputes, additional proof of legal acquisition of title and evidence that fair compensation has been made to previous owners and occupants shall be available, and that these have been accepted with free, prior and informed consent (FPIC).</p> <p>- Minor compliance –</p>	<p>Based on management statement, hectare statement shows no land dispute in PT Saudara Sejati Luhur, with other party or with surrounding community. However, there was occupied land inside the company title of 51.80 Ha, occupied by 27 farmers. For these occupied land, company and farmers have come into agreement stating both parties will not obstruct each other and develop cooperation in securing company boundary between company and communities. The agreement dated 13/09/2014, acknowledged by village leader of Desa Batu Anam.</p> <p>Based on stakeholder consultation with Desa Sidomulyo and Kantor Pertanahan Kabupaten Asahan, stating in principle there was never an open land conflict. However the village officials and land office aware of occupied land inside PT. Saudara Sejati Luhur’s plantation.</p> <p>Based on interview with chairman of Kelompok Tani Tangkisan Meriam (KTTM), stating that:</p> <ol style="list-style-type: none"> <li>1. Currently no land dispute/conflict between farmer member and company. There has been mediation from Pemerintah Kabupaten Asahan.</li> <li>2. Agreement has been implemented on the ground in form of harvesting time interval and collective quality inspection with farmer members.</li> <li>3. The FFB from farmer being sent to Gunung Melayu Satu POM and Gunung Melayu Dua POM.</li> <li>4. Farmers claimed KTTM has been occupied and working the land before company operated in the area.</li> </ol>	Yes

	<b>Criterion / Indicator</b>	<b>Assessment Findings</b>	<b>Compliance</b>
2.2.4	<p>There shall be an absence of significant land conflict, unless requirements for acceptable conflict resolution processes (see Criteria 6.3 and 6.4) are implemented and accepted by the parties involved.</p> <p>- Major compliance -</p>	<p>Based on management statement, hectare statement shows no land dispute in PT Saudara Sejati Luhur, with other party or with surrounding community. However, there was occupied land inside the company title of 51.80 Ha, occupied by 27 farmers. For these occupied land, company and farmers have come into agreement stating both parties will not obstruct each other and develop cooperation in securing company boundary between company and communities. The agreement dated 13/09/2014, acknowledged by village leader of Desa Batu Anam.</p> <p>Based on stakeholder consultation with Desa Sidomulyo and Kantor Pertanahan Kabupaten Asahan, stating in principle there was never an open land conflict. However the village officials and land office aware of occupied land inside PT. Saudara Sejati Luhur's plantation.</p> <p>Based on interview with chairman of Kelompok Tani Tangkisan Meriam (KTTM), stating that:</p> <ol style="list-style-type: none"> <li>1. Currently no land dispute/conflict between farmer member and company. There has been mediation from Pemerintah Kabupaten Asahan.</li> <li>2. Agreement has been implemented on the ground in form of harvesting time interval and collective quality inspection with farmer members.</li> <li>3. The FFB from farmer being sent to Gunung Melayu Satu POM and Gunung Melayu Dua POM.</li> <li>4. Farmers claimed KTTM has been occupied and working the land before company operated in the area.</li> </ol>	Yes

<b>Criterion / Indicator</b>		<b>Assessment Findings</b>	<b>Compliance</b>
2.2.5	<p>For any conflict or dispute over the land, the extent of the disputed area shall be mapped out in a participatory way with involvement of affected parties (including neighbouring communities where applicable).</p> <p>- Minor compliance -</p>	<p>Based on management statement, hectare statement shows no land dispute in PT Saudara Sejati Luhur, with other party or with surrounding community. However, there was occupied land inside the company title of 51.80 Ha, occupied by 27 farmers. For these occupied land, company and farmers have come into agreement stating both parties will not obstruct each other and develop cooperation in securing company boundary between company and communities. The agreement dated 13/09/2014, acknowledged by village leader of Desa Batu Anam.</p> <p>Based on stakeholder consultation with Desa Sidomulyo and Kantor Pertanahan Kabupaten Asahan, stating in principle there was never an open land conflict. However the village officials and land office aware of occupied land inside PT. Saudara Sejati Luhur's plantation.</p> <p>Based on interview with chairman of Kelompok Tani Tangkisan Meriam (KTTM), stating that:</p> <ol style="list-style-type: none"> <li>1. Currently no land dispute/conflict between farmer member and company. There has been mediation from Pemerintah Kabupaten Asahan.</li> <li>2. Agreement has been implemented on the ground in form of harvesting time interval and collective quality inspection with farmer members.</li> <li>3. The FFB from farmer being sent to Gunung Melayu Satu POM and Gunung Melayu Dua POM.</li> <li>4. Farmers claimed KTTM has been occupied and working the land before company operated in the area.</li> </ol>	Yes



<b>Criterion / Indicator</b>		<b>Assessment Findings</b>	<b>Compliance</b>
2.2.6	<p>To avoid escalation of conflict, there shall be no evidence that palm oil operations have instigated violence in maintaining peace and order in their current and planned operations.</p> <p>- Major compliance -</p>	<p>Based on management statement, hectare statement shows no land dispute in PT Saudara Sejati Luhur, with other party or with surrounding community. However, there was occupied land inside the company title of 51.80 Ha, occupied by 27 farmers. For these occupied land, company and farmers have come into agreement stating both parties will not obstruct each other and develop cooperation in securing company boundary between company and communities. The agreement dated 13/09/2014, acknowledged by village leader of Desa Batu Anam.</p> <p>Based on stakeholder consultation with Desa Sidomulyo and Kantor Pertanahan Kabupaten Asahan, stating in principle there was never an open land conflict. However the village officials and land office aware of occupied land inside PT. Saudara Sejati Luhur's plantation.</p> <p>Based on interview with chairman of Kelompok Tani Tangkisan Meriam (KTTM), stating that:</p> <ol style="list-style-type: none"> <li>1. Currently no land dispute/conflict between farmer member and company. There has been mediation from Pemerintah Kabupaten Asahan.</li> <li>2. Agreement has been implemented on the ground in form of harvesting time interval and collective quality inspection with farmer members.</li> <li>3. The FFB from farmer being sent to Gunung Melayu Satu POM and Gunung Melayu Dua POM.</li> <li>4. Farmers claimed KTTM has been occupied and working the land before company operated in the area.</li> </ol>	Yes
<b>Criterion 2.3</b>			
Use of the land for oil palm does not diminish the legal, customary or user rights of other users without their free, prior and informed consent.			
2.3.1	<p>Maps of an appropriate scale showing the extent of recognised legal, customary or user rights (Criteria 2.2, 7.5 and 7.6) shall be developed through participatory mapping involving affected parties (including neighbouring communities where applicable, and relevant authorities).</p> <p>- Major compliance -</p>	<p>The Company has Hak Guna Usaha (HGU)/Land title, there are no customary land or legal rights within the company's HGU.</p>	Yes

	<b>Criterion / Indicator</b>	<b>Assessment Findings</b>	<b>Compliance</b>
2.3.2	<p>Copies of negotiated agreements detailing the process of free, prior and informed consent (FPIC) (Criteria 2.2, 7.5 and 7.6) shall be available and shall include:</p> <ul style="list-style-type: none"> <li>a) Evidence that a plan has been developed through consultation and discussion with all affected groups in the communities, and that information has been provided to all affected groups, including information on the steps that shall be taken to involve them in decision making;</li> <li>b) Evidence that the company has respected communities' decisions to give or withhold their consent to the operation at the time that this decision was taken;</li> <li>c) Evidence that the legal, economic, environmental and social implications for permitting operations on their land have been understood and accepted by affected communities, including the implications for the legal status of their land at the expiry of the company's title, concession or lease on the land.</li> </ul> <p>- Minor compliance –</p>	<p>Based on documents review and interview with local government and local communities surrounding the company, it was noted that no any no customary land or legal rights within the company areas.</p>	Yes
2.3.3	<p>All relevant information shall be available in appropriate forms and languages, including assessments of impacts, proposed benefit sharing, and legal arrangements.</p> <p>- Minor compliance –</p>	<p>Based on documents review and interview with local government and local communities surrounding the company, it was noted that no any no customary land or legal rights within the company areas.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance														
2.3.4	Evidence shall be available to show that communities are represented through institutions or representatives of their own choosing, including legal counsel.  Major coimpliance -	Based on documents review and interview with local government and local communities surrounding the company, it was noted that no any no customary land or legal righths within the company areas.	Yes														
<b>PRINCIPLE 3: COMMITMENT TO LONG-TERM ECONOMIC AND FINANCIAL VIABILITY</b>																	
Criterion 3.1 There is an implemented management plan that aims to achieve long-term economic and financial viability.																	
3.1.1	A business or management plan (minimum three years) shall be documented that includes, where appropriate, a business case for scheme smallholders.  - Major compliance -	The company has set up a business management plan for the next 5 years and the forecast have been well documented in the document management plan of PT Gunung Melayu – Gunung Melayu I Mill and Pulau Maria Estate 2016 – 2019. Management plan was set up including independent FFB suppliers. Its management plan include: 1. FFB Production actual 2015 and projection 2016 – 2019 2. CPO, PK, PKO, PKM production actual 2015 and projection 2016 – 2019 3. CPO, PK, PKO, PKM Revenue actual 2015 and projection 2016 – 2019 4. Estate Cost, Mill Cost, KCP Cost, Selling cost, Bulking cost and Tax portion actual 2015 and projection 2016 – 2019 5. Nett Profit/Loss	Yes														
3.1.2	An annual replanting programme projected for a minimum of five years (but longer where necessary to reflect the management of fragile soils, see Criterion 4.3), with yearly review, shall be available.  - Minor compliance –	No replanting program in the near future. All areas have been replanted in 2002 – 2008.  Based on document review and field visit, the planting year of Pulau Maria Estate, PT Saudara Sejati Luhur was 2002 up to 2008. The nearest replanting would be year 2027. <table border="1" style="margin-left: 20px;"> <thead> <tr> <th>Planting year</th> <th>Hectarage (Ha)</th> </tr> </thead> <tbody> <tr> <td>2002</td> <td>372</td> </tr> <tr> <td>2003</td> <td>227</td> </tr> <tr> <td>2006</td> <td>433</td> </tr> <tr> <td>2007</td> <td>446</td> </tr> <tr> <td>2008</td> <td>585</td> </tr> <tr> <td>Total</td> <td>2,063</td> </tr> </tbody> </table>	Planting year	Hectarage (Ha)	2002	372	2003	227	2006	433	2007	446	2008	585	Total	2,063	Yes
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<b>PRINCIPLE 4: USE OF APPROPRIATE BEST PRACTICES BY GROWERS AND MILLERS</b>																	
Criterion 4.1 Operating procedures are appropriately documented, consistently implemented and monitored.																	

	<b>Criterion / Indicator</b>	<b>Assessment Findings</b>	<b>Compliance</b>
4.1.1	Standard Operating Procedures (SOPs) for estates and mills shall be documented.  - Major compliance -	The company has procedures from land preparation up to despatch CPO PK, such as: 1. SOP AA-APM-OP-1100.01-R2 10/06/2015 Pembibitan for Seedling preparation; 2. SOP AA-APM-OP-1100.02-R3 10/06/2015 Penanaman Areal Baru for new planting; 3. SOP AA-APM-OP-1100.03-R2 24/07/2015 Pembuatan dan Perawatan Jalan dan Jembatan explains road and bridge construction and maintenance; 4. SOP AA-APM-OP-1100.04-R3 07/12/2015 Pembuatan dan Pemeliharaan Parit explains culvert/drainage construction and maintenance; 5. SOP AA-APM-OP-1100.05-R2 Konservasi Tanah dan Air explains Soil & Water Conservation; 6. SOP AA-APM-OP-1100.06-R4 Menanam kacang related to Planting cover crops; 7. SOP AA-APM-OP-1100.07-R4, Menanam Kelapa Sawit related to Planting; 8. SOP AA-APM-OP-1100.08-R5 07/12/2015 Pengendalian Gulma or Weed control; 9. SOP AA-APM-OP-1100.09. R3 P20/04/2015 Pemupukan related to Fertilizer application; 10. SOP AA-APM-OP-1100.10. R5 11/01/2011 Pengendalian Hama dan Penyakit explains Pests & Disease Control; 11. SOP AA-APM-OP-1100.11. R1 01/02/2009 Pestisida dan Pengendaliannya for pesticide handling; 12. SOP AA-APM-OP-1100.12. R2 10/06/2015 Kastrasi explains castration (cutting all generative product (male flower, female flower, all fruit, to support vegetative growth) – done 5-6 months before being harvested); 13. SOP AA-APM-OP-1100.13. R3 04/03/2016 Tunas Pokok for pruning; 14. SOP AA-APM-OP-1100.14. R2 02/12/2013 Sensus dan Identifikasi Pokok explains census and palm identification; 15. SOP AA-APM-OP-1100.15. R2 01/10/2010 Sensus Produksi related to production census; 16. SOP AA-APM-OP-1100.16. R1 01/02/2009 Konsolidasi Pohon Tumbang explains provision of support to fallen palm; 17. SOP AA-APM-OP-1100.17. R1 23/10/2014 Pengelolaan Air related to water management; 18. SOP AA-APM-OP-1100.18. R3 20/04/2015 Potong Buah related to harvesting; 19. SOP AA-APM-OP-1100.19. R1 01/02/2009 Pengelolaan Transport explains FFB Transport; 20. SOP AA-APM-OP-1100.20-R5 04/03/2016 Replanting;	Yes

	Criterion / Indicator	Assessment Findings	Compliance
		<p>Gunung Melayu Satu POM:</p> <ol style="list-style-type: none"> <li>1. SOP AA-MPM-OP-1400.02.R2 Stasiun Penerimaan for FFB receiving station;</li> <li>2. SOP AA-MPM-OP-1400.03.R1 Stasiun Rebusan for sterilizer;</li> <li>3. SOP AA-MPM-OP-1400.04.R1 Stasiun Pemisahan Berondolan for loose fruit separation;</li> <li>4. SOP AA-MPM-OP-1400.05-R1 Stasiun pengadukan dan pengempaan for pressing station;</li> <li>5. SOP AA-MPM-OP-1400.06-R1 Stasiun pemurnian for clarification;</li> <li>6. SOP AA-MPM-OP-1400.07-R1 Stasiun pemisahan nut dan fiber for nut and fiber separation;</li> <li>7. SOP AA-MPM-OP-1400.08-R1 Stasiun kernel for kernel station;</li> <li>8. SOP AA-MPM-OP-1400.09-R1 Stasiun boiler;</li> <li>9. SOP AA-MPM-OP-1400.10-R1 Stasiun engine room;</li> <li>10. SOP AA-MPM-OP-1400.11-R1 Stasiun water treatment;</li> <li>11. SOP AA-MPM-OP-1400.12-R1 Laboratorium;</li> <li>12. SOP AA-MPM-OP-1400.13-R1 Stasiun pengelolaan limbah for palm oil mill effluent treatment;</li> <li>13. SOP AA-MPM-OP-1400.14-R2 Stasiun penimbunan dan pengiriman CPO dan kernel for CPO and PK bulking and despatch operation;</li> <li>14. SOP AA-MPM-OP-1400.15-R1 Perawatan for preventive maintenance;</li> </ol> <p>The mill operational procedures explains the flow process, specification of material and process, machinery and tools required, step-by-step process, control, monitoring and measurement and health and safety requirements.</p>	

	<b>Criterion / Indicator</b>	<b>Assessment Findings</b>	<b>Compliance</b>
4.1.2	<p>A mechanism to check consistent implementation of procedures shall be in place.</p> <p>- Minor compliance –</p>	<p>Pulau Maria Estate: PT Saudara Sejati Luhur follows procedure for internal audit under Standard Operating Procedures AA-SOP-ES-6001-R1 01/03/2013. The procedure stating internal audit of minimum once a year. Upon finding, management unit shall prepare review on audit finding and prepare root cause analysis, prepare corrective action – with person in charge and completion target.</p> <p>The latest RSPO internal audit was done in 04/05/2016 for PT Saudara Sejati Luhur.</p> <p>Visiting Agent Report No.KPM/VA/FULL 01-16 by Liu Ah Cai, dated 22-25/02/2016. A number of comments were made related to palm circle, mised Clidemia on palm trunks, noxious weeds have started to spread, monkey damage, progress on planting beneficial plant is slow.</p> <p>Research and Development Visit Report No.KPM/R&amp;D – P&amp;D/01-2016 by R&amp;D Albertus Prasetyadi dated 10-11/05/2016. The visit highlighted the importance of host plant (70%), rat control by barn owl and control over ganoderma infestation: between 01-04/2016 there was 4,542 palms infested Ganoderma sp., control performed for 3,052 palms completed and 1,490 palms on progress.</p> <p>Program by management, a number of blocks have a sign board indicating best management for plantation. The sign board informing FFB production, productivity per Ha, weed control, pest census, fertilizer regime, etc.</p> <p>Gunung Melayu Satu POM:            Schedule and Implementation of Preventive Maintenances Gunung Melayu Satu POM period 01-05/2016 for are evident. The maintenance scheduled for daily, weekly, monthly maintenance of loading ramp station (FFB conveyor, chain, scrapper, electro motor); sterilizer station (discharge conveyor, strainer compressor, sterlizier door packing); thresing station (EFB conveyor, bearing, shaft, joints, bunch crusher, EFB press knife); press station (digester, screw press, sand trap tank, vibrating screen, crude oil tank, crude oil pump, clean oil tanks); clarification station (oil pump, v-belt, steam inject); ripple mill station (ripple mill, destoner, nut polishing drum, cake breaker conveyor, dust cyclone, hydrocyclone, kernel silo); engine room (turbine, power generators, boilers, feed water tank); water treatment station (clarifier tank, water tanks, sand filter, water pumps); POME station (circulation pump, land application pump, aerator, robot pump); biogas plant.</p> <p>Record of maintenance in engine room, exciter station was checked on 15/04/2016 and 19/04/2016 (week III 04/2016) and replacement of oil filter (250 hours), fuel filter (500 hours) on 19/04/2016.</p>	Yes

	<b>Criterion / Indicator</b>	<b>Assessment Findings</b>	<b>Compliance</b>
4.1.3	<p>Records of monitoring and any actions taken shall be maintained and available, as appropriate.</p> <p>- Minor compliance –</p>	<p>It is a routine that the estate and mill management prepare monthly reports and send to the company's head office for monitoring purpose as well. All field inspection results are recorded in Monthly Repor.</p> <p>Visiting Agronomy and Visiting Engineer reports are available, it was noted that correction action was done.</p> <p>Visiting Agent Report No.KPM/VA/FULL 01-16 by Liu Ah Cai, dated 22-25/02/2016. A number of comments were made related to palm circle, mised Clidemia on palm trunks, noxious weeds have started to spread, monkey damage, progress on planting beneficial plant is slow.</p> <p>Research and Development Visit Report No.KPM/R&amp;D – P&amp;D/01-2016 by R&amp;D Albertus Prasetyadi dated 10-11/05/2016. The visit highlighted the importance of host plant (70%), rat control by barn owl and control over ganoderma infestation: between 01-04/2016 4,542 palms infested Ganoderma sp., control performed for 3,052 palms completed and 1,490 palms on progress.</p> <p>Program by management, a number of blocks have a sign board indicating best management for plantation. The sign board informing FFB production, productivity per Ha, weed control, pest census, fertilizer regime, etc.</p> <p>Gunung Melayu Satu POM:            Visiting Engineer Report No.01-14 dated 21/10/2014. A number of issues highlighted related to boiler operation – action by coordination with vendor in 12/2014;</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
4.1.4	<p>The mill shall record the origins of all third-party sourced Fresh Fruit Bunches (FFB).</p> <p>- Major compliance -</p>	<p>The record of FFB from outgrower receipt is recorded in "Laporan Harian PKS" and "Rekap TBS Besar dan Kecil".</p> <p>FFB received from local suppliers period January – April 2016, are:</p> <ol style="list-style-type: none"> <li>1. On behalf of Kiswanto, Dusun VII</li> <li>2. On behalf of Sudarwadi, Gunung Melayu Village</li> <li>3. On behalf of dedy Faithful, Batu Anam Village, District of Rahuning I</li> <li>4. On behalf of Tugino, Plantations Gunung Melayu Village</li> <li>5. On behalf Ramli, Plantations Gunung Melayu Village</li> <li>6. On behalf of Riswandi, Batu Anam Village, District of Rahuning I</li> </ol> <p>The cooperation agreement between company and local supplier is recorded in the "Surat Pernyataan" dated 11<sup>th</sup> March 2016. Pricing is determined by meknisme market FFB and set every day and recorded in the pricing of TBS Gunung Melayu Mill.</p> <p>Pricing mechanisms for FFB:</p> <ol style="list-style-type: none"> <li>1. The yield FFB</li> <li>2. The yield Kernel</li> <li>3. The price of CPO and Kernel</li> </ol> <p>Pricing for FFB:            (CPO Price + Price Kernel) – Processing Services Cost</p>	Yes
<p><b>Criterion 4.2</b>            Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.</p>			
4.2.1	<p>There shall be evidence that good agriculture practices, as contained in Standard Operating Procedures (SOPs), are followed to manage soil fertility to a level that ensures optimal and sustained yield, where possible.</p> <p>- Minor compliance –</p>	<p>The company has established procedure soil fertility in "SOP AA-APM-OP-1100.09. R1" - SOP Pemupukan, consist of type and recommendation of fertilizer for immature and mature areas, cycle, dosage and when fertilizer is applied.</p> <p>To maintain soil fertility by placing palm frond above ground level (L shape) and empty bunch application.</p>	Yes



Criterion / Indicator		Assessment Findings	Compliance
4.2.2	Records of fertiliser inputs shall be maintained.  - Minor compliance –	The company each year will develop fertilizer recommendations and recorded in Recommendation Fertilization KPM 2016 and the realization of fertilization in 2015 had completed 100%. Recommended fertilizer in 2016 has been implemented: 1. NPK 12-12-17-2: 158,238 kg (dose: 1,75-2 kg/palm) 2. ZA: 182,128 kg (dose: 2-2,5 kg/ palm) 3. Kieserite: 86,800 kg, (dose: 1 kg/ palm) 4. HGFB: 8,474 kg, (dose: 0,1-0,2 kg/ palm) 5. CuSO <sub>4</sub> : 7,847 kg, (dose: 0,100 kg/ palm)	Yes
4.2.3	There shall be evidence of periodic tissue and soil sampling to monitor changes in nutrient status.  - Minor compliance –	Pulau Maria Estate: Foliar Analysis Report by PT Nusa Pusaka Kencana Analytical and QC Laboratory. Sample: Analysis report No.053/INT/R&D/JUN/L/15 date of sampling 04/2015, analysis of 41 samples from block I06e, I06g, J06e, J06f, J06g, J06h, J06d, I08a, etc. The foliar analysis being consideration for fertilizer recommendation 2016.  Soil Analysis done in 12/2012 by R&D Asian Agri Group. The predominant soil type is Typic hapludults, Typic edoaquepts, which comes from alluvium and receipt volcanic material. There is no peat soil in Pulau Maria Estate.	Yes

Criterion / Indicator	Assessment Findings	Compliance
<p>4.2.4</p> <p>A nutrient recycling strategy shall be in place, and may include use of Empty Fruit Bunches (EFB), Palm Oil Mill Effluent (POME), and palm residues after replanting.</p> <p>- Minor compliance -</p>	<p>Realization of Program empty bunch fertilization, up to May 2016:            Division 1: 923,660 kg; Division 2: 1,076,800 kg; Division 3: 1,086,150 kg</p> <p>The palm oil mill effluent utilized as soil nutrient through land application. The POME application in Pulau Maria Estate based on Keputusan Bupati Asahan No.660.1/0639/LH/2015 tentang Pemberian Izin Land Aplikasi Limbah Cair (Land Application) PT. Saudara Sejati Luhur (PMKS GM I) Desa Batu Anam Kecamatan Rahuning Kabupaten Asahan – Sumatera Utara” dated 20/05/2015 – valid for five (5) years. The land application approved for ±100 Ha, maximum BOD 5,000 mg/liters.</p> <p>Effluent Monitoring has been done by “Balai Teknik Kesehatan Lingkungan dan Pengendalian Penyakit (BTKLPP) Kelas I Medan, Kementerian Kesehatan RI” on 03/03/2016, No.1802/K/AL/04/2016, the following test results:</p> <ol style="list-style-type: none"> <li>1. BOD: 4,744.68 mg/L</li> <li>2. COD: 9,123.28 mg/L</li> <li>3. pH: 7.43</li> </ol> <p>The implementation of Palm Oil Mill Effluent (POME) into the plantation and monitoring wells was reported in March 2016, to the Kepala kantor Lingkungan Hidup Kabupaten Asahan dated 01/04/2016 No.057/MI-PGS/Ext/04/2016. Comparison effluent per CPO of 2.46 m<sup>3</sup>/ton CPO produced.</p> <p>Land application for Pulau Maria Estate for 110 Ha in nine (9) blocks, comprise of 402 lines and 8,842 flat beds. Sampled application: in block J02a, 29.71 Ha, application in 05/2016 was 21.05 Ha with 10,420 m<sup>3</sup>. In block J03g, 5.3 Ha; application in 01/2015 was 5.26 Ha with 2,921 m<sup>3</sup>.</p>	<p>Yes</p>
<p><b>Criterion 4.3</b>            Practices minimise and control erosion and degradation of soils.</p>		
<p>4.3.1</p> <p>Maps of any fragile soils shall be available.</p> <p>- Major compliance -</p>	<p>Pulau Maria Estate:            Company demonstrated Peta Sebaran Jenis Tanah, showing the predominant soil type are Typic hapludults and Typic endoaquepts, mineral soil. The limitation identified was nutrition retention and nutrition availability, steep slope and texture. From the map, the suitable area (S2) 1,129 Ha (58%), suitable area (S3) 303 Ha (15%), suitable area (N1) 529 Ha (27%).</p>	<p>Yes</p>

Criterion / Indicator		Assessment Findings	Compliance
4.3.2	A management strategy shall be in place for plantings on slopes above a certain limit (this needs to be soil and climate specific).  - Minor compliance –	In procedure no. AA-SOP-OP-1100-05.R1 "Konservasi Tanah dan Air" has determined strategy control erosion particular in slope area, such as: 0 – 5o , 6 – 12o , 13 -20o , and more than 20o, The company has applied silt pit, L shape stacking frond and terracing in slope area to reduce erosion  The realization of soil and water conservation work are: 1. Maintenance of terraces, realization up to 04/2016 along the 23,599 meters. 2. Maintenance "Tapak Kuda" individul platform, realization up to 04/2016 along the 1,395 units.	Yes
4.3.3	A road maintenance programme shall be in place.  - Minor compliance –	Road maintenance program and progress was made and recorded in " Program dan Realisasi Prasarana 2016". Road maintenance period January - April 2016 carried out by several methods: 1. Manual: the along 20,457 meters 2. Mechanically using Grader: along the 6,001 meters 3. Hardening by using gravel roads: along 49,660 meters and 873,630 m <sup>3</sup> gravel.	Yes
4.3.4	Subsidence of peat soils shall be minimised and monitored. A documented water and ground cover management programme shall be in place.  - Major compliance –	N/A (Mineral soil)	Yes
4.3.5	Drainability assessments shall be required prior to replanting on peat to determine the longterm viability of the necessary drainage for oil palm growing.  - Minor compliance –	N/A (Mineral soil)	Yes
4.3.6	A management strategy shall be in place for other fragile and problem soils (e.g. sandy, low organic matter, acid sulphate soils).  - Minor compliance –	N/A (all mineral soil)	Yes
<b>Criterion 4.4</b> Practices maintain the quality and availability of surface and ground water.			

Criterion / Indicator		Assessment Findings	Compliance
4.4.1	<p>An implemented water management plan shall be in place.</p> <p>- Minor compliance –</p>	<p>Pulau Maria Estate:  Water management plan is evident. The plan explains the source of water, related permits requirement, the fertilizer bag washing, spraying activity, but not updated.  Peraturan Bupati Asahan No.12 Tahun 2011 tentang Retribusi dan Pengelolaan Air.</p> <p>The water extraction permit based on "Petikan Keputusan Bupati Asahan No.503/AT/BPPPM/1469/XI/2014 tentang Izin Pengelolaan Air Tanah" dated 11/11/2014 valid for three (3) years. The company has conducted measurement of water quality regularly and consistent, the result shown that water quality is complies with national regulation.</p> <p>Gunung Melayu Satu POM (60 tonnes FFB per hour):  Water source from surface water.</p> <p>Target for raw water intake 0.84 m3/ton FFB processed. Target for demineralization plant 0.64 m3/ton FFB processed. Target for boiler intake 0.60 m3/ton FFB processed.  As of 01-04/2016, Laporan Unit Pabrik Gunung Melayu Satu shows the raw water intake 81,974 m3; demineralization plant water intake 62,825 m3; water for boiler 59,093 m3; POME produced 44,864 m3.</p>	Yes
4.4.2	<p>Protection of water courses and wetlands, including maintaining and restoring appropriate riparian and other buffer zones (refer to national best practice and national guidelines) shall be demonstrated.</p> <p>- Major compliance -</p>	<p>The water used for domestic purposes comes from the "reservoir" then pumped into the tank and supplied to the employee residences. To maintain the water source, the company have been planted the native trees around the "reservoir" and along rivers.</p> <p>SOP for maintaining riparian zone is under SOP AA-APM-OP-1100.05. R1 "Konservasi Tanah dan Air", it is stated that at during land clearing area along the river shall be conserved.</p> <p>Based on document review "Penanaman Sempadan" and field visit to riparian zones, company have enriched the vegetation with vertiver grass, Albizia tree, bamboo tree along the riparian area.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
4.4.3	Appropriate treatment of mill effluent to required levels and regular monitoring of discharge quality, especially Biochemical Oxygen Demand (BOD), shall be in compliance with national regulations (Criteria 2.1 and 5.6).  - Minor compliance –	The company conducted monitoring POME discharge monthly and reports the results to the relevant authorities. Measurement data and monitoring of POME is discharged into the Land Application. POME quality is conducted by external laboratory “Balai teknik Kesehatan Lingkungan dan Pengendalian Penyakit (BTKLPP) Kelas I Medan”, the monitoring result seen that below 5,000 mg/ltr as regulated by “Kementerian Lingkungan Hidup no. 28 – 29, year 2003, e.g.: 1. Result testing in November 2015 is 4,521 mg/L 2. Result testing in October 2015 is 4,564 mg/L 3. Result testing in September 2015 is 4,503 mg/L 4. Result testing in August 2015 is 4,523 mg/L 5. Result testing in July 2015 is 4,562 mg/L	Yes
4.4.4	Mill water use per tonne of Fresh Fruit Bunches (FFB) (see Criterion 5.6) shall be monitored.  - Minor compliance –	The use of water for the production process contained in section Quality & Process Control. Water usage data for FFB processed (M3 / tonne of FFB), average from January – December 2015 is 224,029 MT, FFB processed (311,793 MT) or 0.72 MT/tonnes FFB	Yes
<b>Criterion 4.5</b> Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.			

Criterion / Indicator		Assessment Findings	Compliance
4.5.1	<p>Implementation of Integrated Pest Management (IPM) plans shall be monitored.</p> <p>- Major compliance -</p>	<p>The company has Integrated Pest Management and its implemented, such as:</p> <ol style="list-style-type: none"> <li>1. Planting "Beneficial Plant" such as: <i>Cassia tora</i>, <i>Antigonon leptosus</i> and <i>Tunera subulata</i> were recorded every month in the "Monitoring Host plant", e.g. planting beneficial plant from January – April 2016: <i>Cassia tora</i> 8 holes and <i>Tunera Subulata</i> 661 holes.</li> <li>2. Summary of the owl census in April 2016: the number of owl barn as much as 83 units, 12 units an active owl barn and the number of owls 14 tails. eg in afdeling I; number of owl barn as much as 26 boxes, the number of active owl barn as many as 6 with owl totaled 12 birds.</li> <li>3. Summary of the census rat attacks in April 2016: for example, afdeling 3 the attack rate of 0.8% or below the threshold (20%).</li> <li>4. Controlling Ganoderma attacks per month, May 2016: Palm attacked: 4,724 palms; fallen: 3,500 palms. Countermeasures for ganoderma control (fallen trees) with heavy equipment, backhoe loaders), according to the minutes of the RMM Plantation I on May 25-27, 2016.</li> </ol> <p>Leaf eaters census recapitulation dates 14-31/05/2016, the attack rate was still below the threshold of &lt;5 caterpillars per frond with types of caterpillars and worm bugs, control is carried out by manually (hand picking). For example in afdeling 2 level attack: 3% and afdeling 3 level attack: 1%</p> <p>Barn owl boxes data as of 04/2016: Division 1: 26 barn owl boxes, inhabited 21boxes with 8 new birds (80,77%).</p> <p>Recapitulation census rat attacks in April 2016: for example, Afdeling 3 the attack rate of 0.8% below the threshold (20%).</p>	Yes
4.5.2	<p>Training of those involved in IPM implementation shall be demonstrated.</p> <p>- Minor compliance –</p>	<p>Training is conducted by Syngenta, training certificate is available for each trainer. Representative from Pulau Maria Estate: Muhamad Hardiyanur and Suwarni.</p>	Yes
<p><b>Criterion 4.6</b>  Pesticides are used in ways that do not endanger health or the environment.</p>			

Criterion / Indicator		Assessment Findings	Compliance
4.6.1	<p>Justification of all pesticides used shall be demonstrated. The use of selective products that are specific to the target pest, weed or disease and which have minimal effect on non-target species shall be used where available.</p> <p>- Major compliance -</p>	<p>There is documented justification for all Agrochemical use determining the reason for the use of certain chemicals. There is an updated register which records products used, when required, amounts to be used and frequency of use.</p>	Yes
4.6.2	<p>Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) shall be provided.</p> <p>- Major compliance -</p>	<p>The use of pesticides and herbicides are constantly monitored, including the calculation of LD 50 and toxicity, recorded on Laporan Unit Kebun (LUK) and the last period of April 2016. List of chemical usage period of April 2016:</p> <ol style="list-style-type: none"> <li>1. Metsulindo20 WP</li> <li>2. Gramoxone</li> <li>3. Prima 20 WDG</li> <li>4. Sandoz</li> <li>5. Dipel</li> <li>6. Sevin</li> <li>7. Regent 50SC</li> </ol>	Yes
4.6.3	<p>Any use of pesticides shall be minimised as part of a plan, and in accordance with Integrated Pest Management (IPM) plans. There shall be no prophylactic use of pesticides, except in specific situations identified in national Best Practice guidelines.</p> <p>- Major compliance -</p>	<p>There is no used of prophylactic use of pesticides throughout the company.</p>	Yes

Criterion / Indicator	Assessment Findings	Compliance
<p>4.6.4 Pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat, are not used, except in specific situations identified in national Best Practice guidelines. The use of such pesticides shall be minimised and eliminated as part of a plan, and shall only be used in exceptional circumstances.</p> <p>- Minor compliance -</p>	<p>Company has committed to a reduction in the use of herbicide, It has been planned and actual use of the herbicide paraquat have decreased as shown in the list use Parqaquat years 2008 - 2016 (as of April):</p> <p>2008: 3.143 Ltr            2009: 2113 Ltr            2010: 288 Ltr            2011: 181 Ltr            2012: 240 Ltr            2013: 176 Ltr            2014: 256 Ltr            2015: 201 Ltr            2016: 76 Ltr</p> <p>IPM training is conducted regularly, e.g. IPM training on 29<sup>th</sup> August 2014, attended by 90 workers who are involved in IPM implementation. Training is conducted by Syngenta, training certificate is available for each trainer            KPM on behalf of: Muhamad Hardiyanur dan Suwarni.</p>	<p>No</p>
<p>4.6.5 Pesticides shall only be handled, used or applied by persons who have completed the necessary training and shall always be applied in accordance with the product label. Appropriate safety and application equipment shall be provided and used. All precautions attached to the products shall be properly observed, applied, and understood by workers (see Criterion 4.7).</p> <p>- Major compliance -</p>	<p>Up to date records of training are kept in each estate for the following:</p> <p>Limited pesticides (Pelatihan Pestisida terbatas)            Handling of pesticides            Integrated Pest Management Pesticide Mixers            Pesticide Sprayers            Any pesticide handlers in stores</p> <p>The training data is also maintained to show the nature and content of the training covered.</p> <p>Material Data Safety Sheets (MSDS) are obtained for all chemicals used and are available at the storage and areas of mixing</p>	<p>Yes</p>



	<b>Criterion / Indicator</b>	<b>Assessment Findings</b>	<b>Compliance</b>
4.6.6	<p>Storage of all pesticides shall be according to recognised best practices. All pesticide containers shall be properly disposed of and not used for other purposes (see Criterion 5.3).</p> <p>- Major compliance -</p>	<p>The company already had a Pesticides warehouse and pesticide containers washing and bathing places for the sprayers. Based on a field visit to the Pesticides Warehouse, it was found that:</p> <p>Permanent Buildings,            A good ventilation,            Permanent floor is cemented, the floor of the mixing of pesticides using ceramics, and equipped with a "spillage trap", eye wash shower, first aid box, PPE and Fire extinguisher are provided.</p> <p>Operation control:            MSDS are available for all types of existing pesticides            The pesticide management and safety instructions are available            A package management/ used pesticide package is available            Water wash of pesticides containers collected in "spillage trap"            The flow of waste water is channeled and stored so that it is not discharged into the environment.            The water used is used for its dilution.</p> <p>A package management / used pesticide package:            Pesticide packages were clean washed in a wash basin, then, it was dried in a provided place.            Dried packages were stored in temporary warehouse before being taken / sent by a third party who has a license.</p> <p>The company had a SOP of waste pesticide management which is SOP of hazardous waste management No. AA-KL-06-EFP.</p>	Yes
4.6.7	<p>Application of pesticides shall be by proven methods that minimise risk and impacts.</p> <p>- Minor compliance –</p>	<p>The use of pesticides by using the reduced effective dose spray area and not by the method blanket area. Spray factor used for spraying amounting to 25-30% of the dose blanket. And also pesticides used were mixed accordingly as per mixing instructions.</p> <p><b>Observation:</b>            Limited pesticide training has been conducted in 2014 for manager level and worker level. Pulau Maria Estate to provide more sprayers with limited pesticide training.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
4.6.8	<p>Pesticides shall be applied arially only where there is documented justification. Communities shall be informed of impending aerial pesticide applications with all relevant information within reasonable time prior to application.</p> <p>- Major compliance -</p>	There is no aerial application of pesticide throughout the company plantation.	Yes
4.6.9	<p>Maintenance of employee and associated smallholder knowledge and skills on pesticide handling shall be demonstrated; including provision of appropriate information materials (see Criterion 4.8).</p> <p>- Minor compliance –</p>	No scheme smallholders	Yes
4.6.10	<p>Proper disposal of waste material, according to procedures that are fully understood by workers and managers shall be demonstrated (see Criterion 5.3).</p> <p>- Minor compliance –</p>	Based on interview with workers who are handling of pesticides that they understood of disposed wmpy containers pesticides, such as: Empty chemical containers re-used only for mixing purposes, unusable are are triple rinsed, punctured and disposed to the approval collector.	Yes
4.6.11	<p>Specific annual medical surveillane for pesticide operators, and documented action to treat related health conditions, shall be demonstrated.</p> <p>- Major compliance -</p>	<p>Pulau Maria Estate:            Company provides medical check up for workers related to agrochemical and fertilizer. The test covers blood hematology (incl. cholinesterase), urine test, liver function, kidney function, and respiratory checks. The latest medical check up carried out 30/05/2016.</p> <p>Medical check up for herbicide sprayers: Mrs. Soniyah, Mrs.Idar, Mrs.Tuti, Mrs.Rustini, Mrs.Supratini, Mrs.Rusmini, Mrs.Juraida, Mrs.Sri Astuti, Mrs.Susaini.            Medical check up for fertilizer applicator 12/2015: Mrs.Kariati, Mrs.Rusmiati, Mrs.Nilam Sari, Mrs.Rohayati.</p> <p>Based on medical check up result shows no signs of intoxication on workers.            Based on worker interview and check on worker’s nail – no signs of intoxication.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
4.6.12	<p>No work with pesticides shall be undertaken by pregnant or breast-feeding women.</p> <p>- Major compliance –</p>	<p>Pulau Maria Estate:                      Pregnancy test for herbicide sprayers done once a month. The latest pregnancy test dated 09/05/2016: Mrs. Soniyah, Mrs.Idar, Mrs.Tuti, Mrs.Rustini, Mrs.Supratini, Mrs.Rusmini, Mrs.Juraida, Mrs.Sri Astuti, Mrs.Susaini.</p> <p>Pregnancy test for fertilizer applicators done once a month. The sampled pregnancy test dated 11/01/2016: Mrs.Kariati, Mrs.Rusmiati, Mrs.Nilam Sari, Mrs.Rohayati. Based on interview with female worker, its confirmed that no pregnant and/or breast-feeding involved in chemical/pesticides, they are transferred to other duties.</p>	Yes
<p><b>Criterion 4.7</b>                      An occupational health and safety plan is documented, effectively communicated and implemented.</p> <p><i>Specific Guidance for 4.7.7: The National Interpretation will define the metrics for LTA. For countries where there are no national interpretations, the growers will determine their own metrics.</i></p>			

	<b>Criterion / Indicator</b>	<b>Assessment Findings</b>	<b>Compliance</b>
4.7.1	<p>A health and safety policy shall be in place. A health and safety plan covering all activities shall be documented and implemented, and its effectiveness monitored.</p> <p>- Major compliance -</p>	<p>An Occupational Health and Safety Policy has been established and in place, issued and signed by the Managing Director dated 01/12/2014. Point 3. Committed to implement and maintain occupational health and safety management system in compliance with national and international applicable regulation. Point 5. Integrating social, environmental, food security, occupational health and safety issues into operational activities, adopting best technology available, and maintain trained manpower, with skills, and motivated to improve performance through continuous improvement program.</p> <p>Health and Safety Procedures are available. Sampled: "Standard Operating Procedure Alat Pelindung Diri" on personal protective equipment No.AA-SOP-OP-101.3-R0 dated 14/08/2013. "Prosedur Pengendalian Kebakaran di Pabrik, Kantor dan perumahan" for fire mitigation No.AA-KL-15-EP dated 01/12/2010.</p> <p>Pulau Maria Estate:  Health and safety program as in "Program management K3 PT Saudara Sejati Luhur – Kebun Pulau Maria 2016" approved in 02/03/2016 is evident. The health and safety program covers road maintenance monitoring, provide PPE for high risk worker, emergency infrastructure checklist, medical check up for workers and provision of first aid kit, safety committee meeting, provide relevant training and communicating the health and safety policies.  Inspection checklist for of PPE used by harvester in Pulau Maria Estate period 01-04/2016 evident. "Monitoring Pemakaian Alat Pelindung Diri Panen A" period 01/2016, for 13 harvesters – wore safety shoes, goggle and helmet.</p> <p>"Monitoring Pemakaian Alat Pelindung Diri HPT" period 03/2016 for 17 pest and disease observers. List of fire extinguishers and hydrant points and distribution are evident, dated 04/01/2016. Gunung Melayu Satu POM have 28 fire extinguishers active in mill premise. There are seven hydrant points in Gunung Melayu Satu POM.</p> <p>First aid kit inspection checklists are not effective.</p> <p>PPE provided to workers: 21 maskers, 21 pair hand gloves and 21 aprons for fertilizer applicator, dated 22/04/2016.</p>	Yes

	Criterion / Indicator	Assessment Findings	Compliance
		<p>Gunung Melayu Satu POM:            Health and safety program as in "Program Manajemen K3 2016 Pabrik Gunung Melayu Satu". The health and safety program covers PPE provision, mill machineries inspection, operator certification, update hazard sign and symbols, waste management, medical check up.            Program implementation:</p> <p>HSE inspection recorded under "Buku Inspeksi &amp; Saran K3", sampled findings: 09/01/2016 found worker did not wore ear plug in engine room; root cause analyzed and follow up action taken.            Company provides medical check up provided for employee working in high risk areas/activities. Medical check up performed by doctor, including hematology, urine test, thorax x-ray, audiometric test. The latest medical check up result dated 08/12/2015 for 14 employees; sample seen Mr.Katino (water treatment); Mr.Suratno (laboratory); Mr.Nurianto, Mr.Muhammad Ali, Mr.Zainal Abidin (boiler operator) – the result shows status health.</p>	

Criterion / Indicator	Assessment Findings	Compliance
<p>4.7.2 All operations where health and safety is an issue shall be risk assessed, and procedures and actions shall be documented and implemented to address the identified issues. All precautions attached to products shall be properly observed and applied to the workers.</p> <p>- Major compliance -</p>	<p>Pulau Maria Estate:  HIRADC reviewed and updated on regular basis. The latest review and revision on HIRADC dated 01/2016.  PPE provided to workers: 21 maskers, 21 pair hand gloves and 21 aprons for fertilizer applicator, dated 22/04/2016.</p> <p>Gunung Melayu Satu POM:  HIRADC for palm oil mill operation is available, latest review 14/03/2016. The risk assessment have included new hazard and risk from new station, the biogas plant, kernel crushing plant activity and location.  Company provides medical check up provided for employee working in high risk areas/activities. Medical check up performed by doctor, including hematology, urine test, thorax x-ray, audiometric test. The latest medical check up result dated 08/12/2015 for 14 employees; sample seen Mr.Katino (water treatment); Mr.Suratno (laboratory); Mr.Nurianto, Mr.Muhammad Ali, Mr.Zainal Abidin (boiler operator) – the result shows status health.</p> <p>During this audit, it was found that a number of activities have not been identified and reviewed in risk assessment: Hazard Identification Risk Assessment and Determining Control/Risk Assessment for plantation operation in Pulau Maria Estate have been reviewed. The latest review and revision on HIRADC dated 01/2016. Risk Assessment has identified hazard and risk from office activities, infrastructure construction activities, warehouse and workshop related activities, harvesting and FFB loading activities, fertilizer and spraying activities. However, risk assessment have not identified hazard and risk identification from activity such as boundary poles monitoring, HCV monitoring and land application maintenance. (<b>Major NC was raised</b>)</p>	<p>No</p>

Criterion / Indicator	Assessment Findings	Compliance
<p>4.7.3</p> <p>All workers involved in the operation shall be adequately trained in safe working practices (see Criterion 4.8). Adequate and appropriate protective equipment shall be available to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, and land preparation, harvesting and, if it is used, burning.</p> <p>- Major compliance -</p>	<p>Pulau Maria Estate:</p> <p>Training Biofogger for pest and disease dated 10/03/2016, attended by nine (9) assistant. Training Hiperkes for Mrs.Retno Astika dated 11-15/06/2013. Training first aider Mrs.Retno Astika dated 05/03/2014.</p> <p>Mr.Edison Rianto Sinaga, welder, trained and certified welding, No.S.235/JL/PNK3/VI/2014 for welding class II, dated 20/06/2014. Equipped with Buku Kerja Las.</p> <p>Mr.Gilang Sukma Raga, electric technician trained with "Pembinaan Teknik Keselamatan dan Kesehatan Kerja Bidang Listrik" certified No.Ser.00307/TK3-LIST/II/2014 and licensed No.6709/TK3-LIST/II/2014-P0 dated 27/02/2014 valid until 27/02/2017.</p> <p>Training for harvester on 24/02/2016 attended by 11 harvesters.</p> <p>Training on emergency preparedness, fire: 12/05/2015 attended by eight (8) emergency response team.</p> <p>Emergency simulation was done in 11/04/2015, attended by 24 workers. The simulation have been evaluated. Result of evaluation shows workers followed procedure, participation was good, tools was ready.</p> <p>During field visit, it was seen that, the workers use PPE appropriately in all operation units, such as: operator in mill (Helmet, safety shoes, ear plug, glove, mask, and goggle for welder; in estate for spraying team,using mask, glove, goggle, apron, and boot shoes.</p> <p>Gunung Melayu Satu POM:</p> <p>Company provides training to perform safe work for mill workers.</p> <p>Training for first aid conducted on 15/09/2015, Gunung Melayu Satu POM, attended by two emergency response team.</p> <p>Trained welder under name Mr.Hendri Syahputra, Certificate Welder Competence Class II No.S.165/JL/PNK3/IV/2015 dated 21/04/2015.</p> <p>Mr.Sumardi Syam (electricity technician) trained and holds certificate "Pembinaan Teknik Keselamatan dan Kesehatan Kerja (K3) Bidang Listrik" dated 27/02/2014; license No.Ser.00306/TK3-LIST/II/2014 until 27/02/2017.</p> <p>Mr.Sugianto (Backhoe loader operator), trained and holds certificate "Pembinaan Teknik Keselamatan dan Kesehatan Kerja Pesawat Angkat dan Angkut Operator K3 Backhoe Loader" No.Ser.1788/OPK3/PAA/III/2014 dated 07/03/2014. License No.13.32854-OPK3-PAA/III/2014 valid until 07/03/2019.</p>	<p>Yes</p>

	Criterion / Indicator	Assessment Findings	Compliance
		<p>Mr.Muhammad Ali (boiler operator), trained and holds certificate "Pembinaan Teknik Keselamatan dan Kesehatan Kerja Pesawat Uap Kelas I" No.Ser.491/OPK3/ B.I/IV/2014 dated 28/04/2014; Operator license No.6231/OPK3-PUBT-B.I/IV/2014 valid until 28/04/2018. Mr.Nurianto (boiler operator), trained and holds certificate "Pembinaan Teknik Keselamatan dan Kesehatan Kerja Pesawat Uap Kelas I" No.Ser.462-OPK3-PUBT-B.I/VI/2013 dated 07/06/2013; Operator license No.462-OPK3-PUBT-B.I/VI/2013 valid until 07/06/2018</p>	
4.7.4	<p>The responsible person/persons shall be identified. There shall be records of regular meetings between the responsible person/s and workers. Concerns of all parties about health, safety and welfare shall be discussed at these meetings, and any issues raised shall be recorded.</p> <p>- Major compliance -</p>	<p>Pulau Maria Estate:            Mr.Julvandi Purba, certified safety officer as per "Sertifikat Ahli Keselamatan dan Kesehatan Kerja" No.Ser.13.7686/AK3/U/VI/2014 dated 27/06/2014. Appointment as safety officer as per "Keputusan Menteri Tenaga Kerja dan Transmigrasi RI No.KEP.7006/M/DJPPK/VI/2014 tentang Penunjukan Ahli Keselamatan dan Kesehatan Kerja Umum" dated 27/06/2014 – valid for three (3) years. Holds license No.13975/PK3/AJ/12/2014/P0 valid until 27/06/2017.</p> <p>Health and Safety Committee approved by manpower office, as per "Surat Keputusan Kepala Dinas Tenaga Kerja Kabupaten Asahan No.2564/IV-DTK/2015 tentang Pengesahan Susunan Panitia Pembina Keselamatan dan Kesehatan Kerja (P2K3) di Perusahaan PT Saudara Sejati Luhur – Kebun Pulau Maria" dated 13/07/2015. The committee chaired by Mr.Alber Butar-butar.</p> <p>Health and Safety meeting for Gunung Melayu Dua POM was carried out three monthly. Safety meeting dated 14/03/2016. The meeting discussing health and safety event, basic fire training plan, medical check up for workers, review on regulations relevant to health and safety.</p> <p>Health and safety performance report period 01-03/2016 No.103/MI-PGS/Ext/05/2016 has been submitted to Dinas Tenaga Kerja Kabupaten Asahan on 12/05/2016, received by Dinas Tenaga Kerja Kabupaten Asahan on 31/05/2016.</p> <p>Accident investigation "Rekaman Kecelakaan Kerja" dated 02/05/2016 for welding activity in workshop, causing 2 mandays lost time.</p>	Yes



Criterion / Indicator	Assessment Findings	Compliance
	<p>Gunung Melayu Satu POM:            Mr.Yuslin Alven Valentino, certified safety officer as per Sertifikat Ahli Keselamatan dan Kesehatan Kerja No.Ser.13.10503/AK3/U/XI/2014 dated 14/11/2014. Appointment as safety officer as per Keputusan Menteri Tenaga Kerja dan Transmigrasi RI No.KEP.9497/M/DJPPK/XI/2014 tentang Penunjukan Ahli Keselamatan dan Kesehatan Kerja Umum dated 14/11/2014 – valid for three (3) years.</p> <p>Health and Safety Committee approved by manpower office, as per "Surat Keputusan Kepala Dinas Tenaga Kerja Kabupaten Asahan No.4052/IV-DTK/2014 tentang Pengesahan Susunan Panitia Pembina Keselamatan dan Kesehatan Kerja (P2K3) di Perusahaan PT Gunung Melayu PMKS Gunung Melayu Dua" dated 08/09/2014. The committee chaired by Mr.Ngatiman.</p> <p>Health and Safety meeting for Gunung Melayu Satu POM was carried out three monthly. Safety meeting dated 15/04/2016 attended by 18 personnel, discussing health and safety performance period 01-03/2016; inspection findings; accident reports; PPE provision, etc. Accident report stated period 01-03/2016 first aid 1 case with 1 days lost time, and seven (7) near miss report. Followed up action.</p> <p>Health and safety performance period 01-03/2016 has been reported to Dinas Tenaga Kerja Kabupaten Asahan No.PGD/EXT/K3/2016 on 03/04/2016. The report including general information, health and safety committee structure, committee's activity and accident report – 1 accident on 07/03/2016 on workshop mechanic.</p>	

Criterion / Indicator	Assessment Findings	Compliance
<p>4.7.5 Accident and emergency procedures shall exist and instructions shall be clearly understood by all workers. Accident procedures shall be available in the appropriate language of the workforce. Assigned operatives trained in First Aid should be present in both field and other operations, and first aid equipment shall be available at worksites. Records of all accidents shall be kept and periodically reviewed.</p> <p>- Minor compliance –</p>	<p>Accidents and emergency procedures no. AA-EMS-446-PR (operation control), AA-EMS-447-PR (Emergency preparedness), AA-EMS-001-FM (Emergency plan), AA-EMS-003-FM (Emergency incident), and AA-EMS-004-FM (Emergency incident Reporting).</p> <p>Those procedures is socialized and available in notice board in site, during interviewed with workers, it was seen that they understood the emergency and accident procedures. Emergency call phone also is available in all site operation.</p> <p>Assigned trained in First Aid sighted present with First Aid Kit available in various workplace; However the content was not complete.</p> <p>Inspection of emergency equipment evident dated 05/01/2016: fire swatter, axes, hoes, shovels, rakes, backpack pumps, helmets, flashlights, respirators, hand gloves, machetes, portable water pump, hoses, communication radio, first aid kit, GPS. All found in ready-to-use condition.</p> <p>Training on emergency preparedness, fire: 12/05/2015 attended by eight (8) emergency response team.</p> <p>Emergency simulation was done in 11/04/2015, attended by 24 workers. The simulation have been evaluated. Result of evaluation shows workers followed procedure, participation was good, tools was ready.</p> <p>Records of accidents are available, one (1) case of first aid in 22/01/2016; one (1) case of first aid in 03/02/2016 and one (1) medical aid 17/02/2016; one (1) case of first aid in 19/03/2016; one (1) case of first aid in 06/04/2016 and one (1) medical aid in 20/04/2016;</p> <p>Gunung Melayu Dua POM:  Records of accidents are available. In 2016, four (4) accidents recorded in "Rekaman Kecelakaan Kerja", with relation to maintenance and housekeeping activities. Safety officer has identifying root cause analysis and proposed corrective action.  Emergency response simulation conducted on 15/05/2015 where all mill workers participated in. Simulation scenario, attendance list/tally and simulation evaluation are evident. Based on evaluation, tools needed: extra shovel.</p> <p>During audit, it was found that insufficient evidence management appointed first aid officer with first aider license – Petugas berlisensi P3K and Fertilizer applicator mandor in Division II, block J07d did not bring first aid kit <b>(Minor NC was raised)</b></p> <p>1. First aid kit in Pulau Maria Estate's workshop only consist of iodine and aquades.</p>	<p>No</p>

Criterion / Indicator	Assessment Findings	Compliance
<p>4.7.6 All workers shall be provided with medical care, and covered by accident insurance.</p> <p>- Minor compliance –</p>	<p>Pulau Maria Estate:            General Medical Check Up is done every six mounth, last done in 04/2016 by 58 employees. Harvester MCU was performed on 11/01/2016 and 04/04/2016 attended by 117 harvesters.</p> <p>Gunung Melayu Satu POM:            Company provides medical check up provided for employee working in high risk areas/activities. Medical check up performed by doctor, including hematology, urine test, thorax x-ray, audiometric test. The latest medical check up result dated 08/12/2015 for 14 employees; sample seen Mr.Katino (water treatment); Mr.Suratno (laboratory); Mr.Nurianto, Mr.Muhammad Ali, Mr.Zainal Abidin (boiler operator) – the result shows status health.</p> <p>BPJS Ketenagakerjaan payment period of April 2016 as many as 153 employees with the Program JKK, JHT and JKM.            Payment of dues BPJS Kesehatan period of April 2016, as many as 224 employees.            Based on the list of employees and payroll period April 2016:            BHL: 231 People and SKU: 156 people.</p> <p>Based on document review upon payment BPJS Kesehatan and Ketenagakerjaan, audit team found information 153 temporary and SKU - Harian workers have been covered with BPJS Ketenagakerjaan and 224 workers have been covered with BPJS Kesehatan; out of 387 temporary workers and SKU Harian in Pulau Maria estate. The rests of temporary workers have not covered with BPJS Kesehatan and Ketenagakerjaan.            Also found Medical checkup for Genset Operator (Irwansyah) in Gunung Melayu I mill has not performed in 2015 <b>(Minor NC was raised)</b></p>	<p>No</p>

Criterion / Indicator		Assessment Findings	Compliance
4.7.7	Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics.  - Minor compliance –	Pulau Maria Estate: Incident log indicated 77 days calculated as lost time in 2015. Near miss log indicated 17 cases. Near miss have been followed up. 2016: Records of accidents are available, one (1) case of first aid in 22/01/2016; one (1) case of first aid in 03/02/2016 and one (1) medical aid 17/02/2016; one (1) case of first aid in 19/03/2016; one (1) case of first aid in 06/04/2016 and one (1) medical aid in 20/04/2016;  Gunung Melayu Satu POM: Accident report stated period 01-03/2016 first aid 1 case with 1 days lost time, and seven (7) near miss report. Followed up action.	Yes
<b>Criterion 4.8</b>			
All staff, workers, smallholders and contract workers are appropriately trained.			
4.8.1	A formal training programme shall be in place that covers all aspects of the RSPO Principles and Criteria, and that includes regular assessments of training needs and documentation of the programme.  - Major compliance –	The company has its own training institution assigned to arrange its training programmes. The training is created annually. "Kalender Pelatihan Tahun 2016" Training programs in 2016, suc as: 1. Sustainableity awarness training for RSPO, ISPO and ISSC 2. Traceability and mass balance 3. HCV Awarness 4. Penanganan limbah B3 dan bahan kimia 5. Pelatihan dasar-dasar amdal 6. Basic Fire 7. Health and safety 8. First Aider 9. First aider PPGD and P3K 10. Training for Operator Pesawat Uap 11. Training for Operator Pesawat Angkat Angkut 12. Training for Juru Las 13. Training for Electrical Technician 14. Training Mass Balance	Yes
4.8.2	Records of training for each employee shall be maintained.  - Minor compliance –	Training records consist of the certificates, attendances and training materials were kept in the individual operating units, e.g. training record for Mr. EPS, Mr. JP. Training refresh first aider / PPGD dated 15 September 2015 followed by 1,002 employees, etc.	Yes

Criterion / Indicator	Assessment Findings	Compliance
<b>PRINCIPLE 5: ENVIRONMENTAL RESPONSIBILITY AND CONSERVATION OF NATURAL RESOURCES AND BIODIVERSITY</b>		
Criterion 5.1 Aspects of plantation and mill management, including replanting, that have environmental impacts are identified, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.		
5.1.1 An environmental impact assessment (EIA) shall be documented.  - Major compliance -	The company has identified environmental aspects and effects that being well-documented. The identification covered all activities/processes/ products/wastes in every piece of work.  The AMDAL is approved by Ministry of Agriculture as approval letter no. 220/687/B/IV/1994, dated 18 <sup>th</sup> April 1994.  Revised UKL – UPL due to increasing capacity for Gunung Melayu I Mill from 30 tonnes FFB/hour become 60 tonnes FFB/hour, KCP 200 tonnes/day and Biogas Plant.	Yes
5.1.2 Where the identification of impacts requires changes in current practices, in order to mitigate negative effects, a timetable for change shall be developed and implemented within a comprehensive management plan. The management plan shall identify the responsible person/persons.  - Minor compliance –	The company has Environmental of Management and Monitoring (RKL-RPL) to mitigate negative impact which submit to the governemnt reguler everey 6 month, the last report Semester II (July – December 2015).	Yes
5.1.3 This plan shall incorporate a monitoring protocol, adaptive to operational changes, which shall be implemented to monitor the effectiveness of the mitigation measures. The plan shall be reviewed as a minimum every two years to reflect the results of monitoring and where there are operational changes that may have positive and negative environmental impacts.  - Minor compliance –	The company has Environmental of Management and Monitoring (RKL-RPL) to mitigate negative impact which submit to the governemnt reguler everey 6 month, the last report Semester II (July – December 2015).	Yes

Criterion / Indicator	Assessment Findings	Compliance
<p><b>Criterion 5.2</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.</p>		
<p>5.2.1</p> <p>Information shall be collated in a High Conservation Value (HCV) assessment that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors).</p> <p>- Major compliance -</p>	<p>Company has conducted the HCV identification in coordination with "Fakultas Kehutanan Institut Pertanian Bogor" back in 2013, under "Laporan Final Kajian Penuh Identifikasi dan Analisis Keberadaan High Conservation Value di Areal PT Saudara Sejati Luhur – Pulau Maria Estate, Provinsi Sumatera Utara". The HCV assessment conducted based on "Panduan Kawasan Bernilai Konservasi Tinggi di Indonesia", issued by Konsorsium Revisi HCV Toolkit Indonesia dated 12/07/2008.</p> <p>The HCV identification team consist of: Team leader: Dr. Ir. Nyoto Santoso, MS (RSPO HCV Assessor and HCVRNI member); Environmental service expert: Ir. A. Faizal Siregar, Msi (RSPO HCV Assessor and HCVRNI member); Vegetation expert: Eko Adhiyanto, S.Hut (RSPO HCV Assessor and HCVRNI member); Wildlife expert: Sutopo S.Hut. (RSPO HCV Assessor and HCVRNI member); Social-economic-cultural expert: Rae Birumbo (RSPO HCV Assessor and HCVRNI member); GIS: Arif Prasetyo, S.Hut (RSPO HCV Assessor and HCVRNI member).</p> <p>The HCV identification carried out with public stakeholder consultation with surrounding communities on 22-24/04/2013 in Desa Batu Anam. The HCV Identification report has been peer reviewed by Mr.Dr.Jarwadi Budi Hernowo (RSPO HCV Assessor and HCVRNI member) on 01/2014. The total HCV identified in Sentral Estate was 17.77 Ha, consist of HCV 4.1 (16.74 Ha) and HCV 6 (1.03 Ha).</p> <p>The HCV identification document has explained the general condition of landscape surrounding company's plantation: there is no protected forest/ecosystem that feasible for wildlife to maintain its viability. Therefore no recommendation for wildlife corridor.</p>	<p>Yes</p>

Criterion / Indicator		Assessment Findings	Compliance
5.2.2	<p>Where rare, threatened or endangered (RTE) species, or HCVs, are present or are affected by plantation or mill operations, appropriate measures that are expected to maintain and/or enhance them shall be implemented through a management plan.</p> <p>- Major compliance -</p>	<p>Based on HCV Identification Report, 2014 shows in area of Pulau Maria Estate, found 2 types of mammal, 23 types of bird, 3 types of reptile. Based on CITES, there are 3 species under Appendix II: 2 types of bird and 1 type of reptile. No wildlife found in the plantation categorized under IUCN.</p> <p>Based on document verification upon "Laporan hasil monitoring" period 07-12/2015 shows in the area of Pulau Maria Estate, monitoring team identified 2 types of mammal, 13 types of bird and 1 type of reptil. No threatened species.</p> <p>Based on field verification, company has demonstrated effort for management and monitoring of HCV area. For example, Monitoring of plant and animal on 6 monthly basis, planting trees and vertifer grass on river buffer zone in 2016.</p> <p>Company also installed identity signboard and warning signboard on the field.</p>	Yes
5.2.3	<p>There shall be a programme to regularly educate the workforce about the status of these RTE species, and appropriate disciplinary measures shall be instigated in accordance with company rules and national law if any individual working for the company is found to capture, harm, collect or kill these species.</p> <p>- Minor compliance –</p>	<p>Company has demonstrate consistency in providing communication and HCV management training, carried out on 02/02/2016 and attended by 28 participants, field supervisor level.</p> <p>Based on interview with worker representative and field workers – workers have understand protection of plant and animal. The workers also aware of company policy prohibits hunting, raising and killing protected animal.</p>	Yes
5.2.4	<p>Where a management plan has been created there shall be ongoing monitoring:</p> <ul style="list-style-type: none"> <li>• The status of HCV and RTE species that are affected by plantation or mill operations shall be documented and reported;</li> <li>• Outcomes of monitoring shall be fed back into the management plan.</li> </ul> <p>- Minor compliance –</p>	<p>Based on field verification, company has demonstrated effort for management and monitoring of HCV area. For example, Monitoring of plant and animal on 6 monthly basis, planting trees and vertifer grass on river buffer zone in 2016.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
5.2.5	Where HCV set-asides with existing rights of local communities have been identified, there shall be evidence of a negotiated agreement that optimally safeguards both the HCVs and these rights.  - Minor compliance -	All HCV and conservation areas within the company areas.	Yes
<b>Criterion 5.3</b>			
Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.			
5.3.1	All waste products and sources of pollution shall be identified and documented.  - Major compliance -	Waste products have been identified and documented under the "Evaluasi Aspek-Dampak Lingkungan" (Environmental Aspect impacts). This document is updated once a year. PT Gunung Melayu has a waste management plan, identifying type and source of waste and the disposal plan. PT Gunung Melayu prepared a procedure to handle hazardous waste titled "Prosedur Penanganan Limbah B3" No.AA-KL-06-EFP explains methods to collecting the waste, recording in balance and disposal through licensed third party transporter.  The company store hazardous waste in temporary storage with permit, The hazardous waste is sent to the registered collector/transporter which approved by Environmental Ministry, namely PT Shali Riau Lestari.	Yes
5.3.2	All chemicals and their containers shall be disposed of responsibly.  - Major compliance -	OHS for handling and application of pesticides included in procedure "Penanganan Limbah" no. AA-KL-06-EFP.  Record of handover to registered hazardous storage "Catatan Serah-Terima Limbah B3" No.02/KPM/B3/5/2016 from Pulau Maria Estate to Gunung Melayu Satu POM, consist of: 2 drums and 6 jerry cans used oil; 0.5 drum used filters; 4 gunny bags plastic jerry can herbicide; 9 gunny bags plastic bottle Metsulindo; 8 gunny bags plastic bottle Kenrane. The handover dated 28/05/2016.	Yes



Criterion / Indicator		Assessment Findings	Compliance
5.3.3	<p>A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented.</p> <p>- Minor compliance -</p>	<p>Mekanisme Pengelolaan Sampah PT Saudara Sejati Luhur Kebun Pulau Maria. The waste management plan indicating segregation of organic and in-organic waste, sourced from worker housing, office, warehouse, etc. The organic waste then composted. In-organic waste in form of plastic, metal, fiber, etc. being sent to landfill or being sold to collector.</p> <p>The mechanism have been disseminated to workers on 07/05/2016, attended by 28 workers.</p> <p>Domestic waste management requires serious attention. Based on visit to housing complex "Seng", audit team found waste disposed off into sewer and housing backyard. The management of landfill was poor, organic and anorganic waste mixed and piled up. Auditor also observed used motorcycle lubricant container disposed off into landfill <b>(Minor NC was raised)</b></p>	No
<p><b>Criterion 5.4</b>            Efficiency of fossil fuel use and the use of renewable energy is optimised.</p>			
5.4.1	<p>A plan for improving efficiency of the use of fossil fuels and to optimise renewable energy shall be in place and monitored.</p> <p>- Minor compliance -</p>	<p>All energy used in both mills is monitored and recorded under document of "Pemakaian Energi 2015". Fossil fuel records are maintained and trends shown. Energy use records include accurate measurements of renewable energy use per tonne of FFB processed. Company already maximise the renewable energy use. All the shell and fibre is consumed internally as boiler fuel.</p> <p>Fossil fuel usage is recorded for operational purpose, including the efficiency analysis.</p> <p>Renewable energy in 2015:            Fibre: 30,196 ton            Shell: 8,518 ton            Fossil Fuel: 41,117 litres            Electrical produce:            Steam turbin: 7,155,408 kWh (98.6 %)            Genset: 100,071 kWh (1.4%)</p>	Yes
<p><b>Criterion 5.5</b>            Use of fire for preparing land or replanting is avoided, except in specific situations as identified in the ASEAN guidelines or other regional best practice.</p>			
5.5.1	<p>There shall be no land preparation by burning, other than in specific situations as identified in the 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions.</p> <p>- Major compliance -</p>	<p>List of fire extinguishers and hydrant points and distribution are evident, dated 04/01/2016. Gunung Melayu Satu POM have 28 fire extinguishers active in mill premise. There are seven hydrant points in Gunung Melayu Satu POM.</p> <p>First aid kit inspection checklists are not effective.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
5.5.2	Where fire has been used for preparing land for replanting, there shall be evidence of prior approval of the controlled burning as specified in 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions.  - Minor compliance -	PT Saudara Sejati Luhur – Pulau Maria Estate have developed an early warning system, to monitor the risk of fire. The system "Sistem Peringkat Bahaya Kebakaran 1 & 2 PT Saudara Sejati Luhur". The monitoring system calculating the field condition, ignition risk, potential drought and smoke, fire handling, fire fighting difficulty, weather index. Patrol report indicating any fire incident. Sampled: Saturday, 25/05/2016 – patrol to block J06h, J06g, J06f and J06e – no fire incident	Yes
<b>Criterion 5.6</b>			
Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.			
5.6.1	An assessment of all polluting activities shall be conducted, including gaseous emissions; particulate/soot emissions and effluent (see Criterion 4.4).  - Major compliance -	The company has conducted assessment of polluting activities as documented in "Mitigasi GRK"	Yes
5.6.2	Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plans to reduce or minimise them implemented.  - Major compliance -	Identification of pollutant and GHG, such as: usage of anorganic fertilizer, pesticide, fossil fuel usage, peat land, and POME.  The company also has minimized pollutant and GHG through using EFB as organic fertilizer, implementing IPM to reduce pesticides usage, using fibre and sell for boiler, etc.	Yes

Criterion / Indicator	Assessment Findings	Compliance												
<p>5.6.3 A monitoring system shall be in place, with regular reporting on progress for these significant pollutants and emissions from estate and mill operations, using appropriate tools.</p> <p>- Minor compliance -</p>	<p>The company has prepared a strategy in effort to reduce and mitigate pollution and emission. Monitoring of pollution and emission quality for plantation has been planned and implemented, e.g. air quality ambient for boiler and Genset, water quality test for river (upstream and downstream), effluent water quality, noise, etc, e.g.:</p> <ol style="list-style-type: none"> <li>1. Ambient / Air Quality for Genset 1 dan 2, certificate monitoring result no. 218/BLH.SU-UPT.LL/VI/2014, dated 16<sup>th</sup> June 2014, result of emission for SO<sub>2</sub>, NO<sub>2</sub>, CO dan total particulate comply with Kepmen LH no. 13/2009.</li> <li>2. Vehicles emission, certificate monitoring result no. 213/BLH. SU-UPT.LL/VI/2014, dated 6<sup>th</sup> June 2014, result of emission comply with Kepmen LH no. 5/2006</li> <li>3. Ambient / Air Quality for Boiler 1, 2 and 3, certificate monitoring result no. 217/BLH.SU-UPT.LL/VI/2014, dated 16<sup>th</sup> June 2014, , result of emission, CO No<sub>2</sub>, NH<sub>3</sub>, HCl, Cl<sub>2</sub>, opasitas dan partikulat is comply with Kepmen LH no. 07 tahun 2007.</li> <li>4. Monitoring noise level and vibration in Genset 1 dan 2, certificate monitoring result no. 221/BLH.SU-UPT.LL/E/VI/2014, dated 16<sup>th</sup> June 2014. Parameter is comply with Kepmen LH No. 13/2009.</li> <li>5. POME monitoring is conducted monthly and result monitoring seen that no BOD level more than 5,000 mg/L as regulated Permen LH No. KEP-51/MENLH/10/1995.</li> </ol> <p>Based on review of result of all parameters is comply with the Environmental Ministry Regulation and Health Ministry regulation.</p> <p>The company also has monitoring of GHG using RSPO Palm Toolkits:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Description</th> <th>2015</th> <th>2016</th> </tr> </thead> <tbody> <tr> <td>Total Field Emissions</td> <td style="text-align: center;">2,959</td> <td style="text-align: center;">2,773</td> </tr> <tr> <td>Total mill emission</td> <td style="text-align: center;">1,478</td> <td style="text-align: center;">-38,247</td> </tr> <tr> <td>tCO<sub>2</sub>e/t product (CPO/PK)</td> <td style="text-align: center;">0.30</td> <td style="text-align: center;">-0.29</td> </tr> </tbody> </table>	Description	2015	2016	Total Field Emissions	2,959	2,773	Total mill emission	1,478	-38,247	tCO <sub>2</sub> e/t product (CPO/PK)	0.30	-0.29	<p>Yes</p>
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<b>PRINCIPLE 6: RESPONSIBLE CONSIDERATION OF EMPLOYEES AND OF INDIVIDUALS AND COMMUNITIES AFFECTED BY GROWERS AND MILLERS</b>														

Criterion / Indicator		Assessment Findings	Compliance
<b>Criterion 6.1</b>			
Aspects of plantation and mill management that have social impacts, including replanting, 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 continual improvement.			
6.1.1	A social impact assessment (SIA) including records of meetings shall be documented.  - Major compliance -	Social Impact Assessment was conducted as documented in "Study Evaluasi Lingkungan" which covering social impact assessment. This SEL has been approved by Ministry Agriculture no. 220/687/B/IV/1994, dated 18 <sup>th</sup> April 1994.	Yes
6.1.2	There shall be evidence that the assessment has been done with the participation of affected parties.  - Major compliance -	The process was involving various stakeholders including impact on plasma development. During the process for the document and social impact management actively involving community participation through interview and stakeholders meeting	Yes
6.1.3	Plans for avoidance or mitigation of negative impacts and promotion of the positive ones, and monitoring of impacts identified, shall be developed in consultation with the affected parties, documented and timetabled, including responsibilities for implementation.  - Major compliance -	Within the SEIA document, the negative and positive impact of oil palm development has been explained. The environmental management and monitoring plan document has lined out effort that company should carry out in order to minimize negative impact and promote positive impact from oil palm development.  The SEIA document has explained the recommendation that could be done by company to minimize negative impact and promote positive impact from social impact management	Yes
6.1.4	The plans shall be reviewed as a minimum once every two years and updated as necessary, in those cases where the review has concluded that changes should be made to current practices. There shall be evidence that the review includes the participation of affected parties.  - Minor compliance -	No any changes of practices since SEL approved, however the company reported social impact regularly through the RKL – RPL every six month to the government.	Yes
6.1.5	Particular attention shall be paid to the impacts of smallholder schemes (where the plantation includes such a scheme).  - Minor compliance -	No scheme smallholders managed by company.	Yes

Criterion / Indicator		Assessment Findings	Compliance
<b>Criterion 6.2</b>			
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	Consultation and communication procedures shall be documented.  - Major compliance -	Company has developed a communication procedure under "Mekanisme Penanganan Permintaan Informasi Stakeholder "(No. SOP; AA-GL-5008.1-R1) dated 22 <sup>nd</sup> August 2011, which explains the company responses against all information request sent by stakeholders including response time of 14 working days after information request accepted.	Yes
6.2.2	A management official responsible for these issues shall be nominated.  - Minor compliance -	The company has appointed officers responsible to carried out communication and consultation with local communities is Public Relations Department.	Yes
6.2.3	A list of stakeholders, records of all communication, including confirmation of receipt and that effort are made to ensure understanding by affected parties, and records of actions taken in response to input from stakeholders, shall be maintained.  - Minor compliance -	List stakeholders is available and records of stakeholders' communication and consultation were being documeted into "Buku Masuk".	Yes
<b>Criterion 6.3</b>			
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	The system, open to all affected parties, shall resolve disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants and whistleblowers, where requested.  - Major compliance -	Company has established a mechanism to handle complaint from external party, as written in "Mekanisme Penanganan Keluhan" – complaint handling mechanism (Doc. No.SOP AA-GL-5005-RO 01) while complaint from internal regulated under "Mekanisme Penyampaian Keluhan dan Penyelesaian Keluhan Karyawan" – Employee' complaint and resolution mechanism (Doc. No.SOP-AA-HR-3008-RO 05). These mechanisms has been communicated to external parties and disseminated to PT IIS employees. Based on interview with local communities, Gender committee leader and worker union leader; they understood the procedure and mechanism to communicating complaint and/or grievance to company.	Yes
6.3.2	Documentation of both the process by which a dispute was resolved and the outcome shall be available.  - Major compliance -	Workers and stakeholder grievance recorded in the log book "Monitoring Keluhan Karyawan". Sample: On 06/04/2016 there was damage in the housing employees (the bathroom floor was broken and the bathroom door was broken) has been followed up/repaired on 13/04/2016.	Yes

Criterion / Indicator		Assessment Findings	Compliance
<b>Criterion 6.4</b>			
Any negotiations concerning compensation for loss of legal, customary or user rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions..			
6.4.1	A procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, shall be in place.  - Major compliance –	Mechanism to identify and calculate fair compensation or loss of legal or customary rights to land set out in the standard operating procedure (SOP) No. AA-GL-5003-1-R1, dated 5 <sup>th</sup> December 2009 and has undergone first revisions on 22 <sup>nd</sup> August 2011. The mechanism described is similar to conflict resolution procedures involving community representatives and others stakeholders.  There is no negotiation/compensation payment currently. The company has settled all land compensation since at the beginning of land preparation process	Yes
6.4.2	A procedure for calculating and distributing fair compensation (monetary or otherwise) shall be established and implemented, monitored and evaluated in a participatory way, and corrective actions taken as a result of this evaluation. This procedure shall take into account: gender differences in the power to claim rights, ownership and access to land; differences of transmigrants and long-established communities; and differences in ethnic groups' proof of legal versus communal ownership of land.  - Minor compliance –	Mechanism to identify and calculate fair compensation or loss of legal or customary rights to land set out in the standard operating procedure (SOP) No. AA-GL-5003-1-R1 dated 5 <sup>th</sup> December 2009 and has undergone first revisions on 22 <sup>nd</sup> August 2011.	Yes
6.4.3	The process and outcome of any negotiated agreements and compensation claims shall be documented, with evidence of the participation of affected parties, and made publicly available.  - Major compliance –	No any land compensation due to no customary land and/or local community land rights within the company area	Yes
<b>Criterion 6.5</b>			
Pay and conditions for employees and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.			

Criterion / Indicator		Assessment Findings	Compliance
6.5.1	Documentation of pay and conditions shall be available.  - Major compliance -	The company determines minimum wages based on the Government regulation every year, the minimum wages in 2014 as regulated in "Surat Keputusan Gubernur Sumatera Utara No.188.44/200/KPTS/Tahun 2016", dated 30/12/2015 for Agriculture sector in Asahan District was sets at Rp.2,183,280/month  Based on review of payments slip, there is no worker paid below minimum wages, e.g. payment slip for Mr. T in March 2016 was Rp.2,183,280; Mr. F.A was received Rp.2,183,280. The employees also get benefit rice allowance 15 kg and additional rice allowance for their wife and children.	Yes
6.5.2	Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc.) shall be available in the languages understood by the workers or explained carefully to them by a management official.  - Major compliance -	Worker Agreement (PKB) between company and labor union is referred in working regulation 2015-2017, Worker Agreement was registered onto "Dirjen Pembinaan Hubungan Industrial dan Jaminan Sosial Tenaga Kerja No.88/Pdf.77/PKB/VI/2015", dated 18/06/2015.  Based on document review, it was noted that term and condition, such as working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc, are covered in PKB and contracts which have been signed by all workers.	Yes
6.5.3	Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, where no such public facilities are available or accessible.  - Minor compliance -	The company has prepared facilities for their workers, such as: <ol style="list-style-type: none"> <li>1. Housing (Type B: 1 unit), Type C (4 units), Type D (12 units), and type E (210 units).</li> <li>2. Elementary and kindergarden (2 units)</li> <li>3. Polyclinic (1 units)</li> <li>4. Mosque (2 units)</li> <li>5. Church (1 unit)</li> <li>6. Creche (2 units)</li> <li>7. School bus (1 units)</li> <li>8. Sport facilities</li> <li>9. Etc.</li> </ol>	Yes
6.5.4	Growers and millers shall make demonstrable efforts to monitor and improve workers' access to adequate, sufficient and affordable food.  - Minor compliance -	The company has minimarket which managed by the cooperative and traditional market is nearby surrounding company area, mostly goods needed by employees is provided by the minimarket.	Yes

Criterion / Indicator		Assessment Findings	Compliance
<b>Criterion 6.6</b>			
The employer respects the rights of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.			
6.6.1	A published statement in local languages recognising freedom of association shall be available.  - Major compliance –	Freedom of association policy is written in Bahasa Indonesia, so that all employees can understand.  This policy has been informed to all employees and being placed into public area easlily accessed.	Yes
6.6.2	Minutes of meetings with main trade unions or workers representatives shall be documented.  - Minor compliance –	Meeting between company management with labour union (SP. PP-SPSI) in 19/02/2016, attended by 30 representatives of PUK SPSI, minutes of meeting and attendance list is available.  Meeting with management was done on 4 monthly base. Last performed at Gunung Melayu I Mill on 01/2016: BHL wage increase in accordance with collective agreements.	Yes
<b>Criterion 6.7</b>			
Children are not employed or exploited.			
6.7.1	There shall be documentary evidence that minimum age requirements are met.  - Major compliance –	The company has own policed signed by management on November 26th that stated that: It is not allowed all children to work in every activities/processes in company.  Based on document review of list of workers, interview with workers and obervation during field visit, it was no found workers hired under 18 years.	Yes
<b>Criterion 6.8</b>			
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	A publicly available equal opportunities policy including identification of relevant/affected groups in the local environment shall be documented.  - Major compliance –	The company has policy "Pemberian kesempatan yang sama", 2012 stated that: treat all employees equally and fairly in terms of recruitment, assessment, condition and working environment as well as ethnics, grades/levels, citizenship, religios views, impairments, gender, sexual orientation, unios membership, political affiliation and or age.	Yes
6.8.2	Evidence shall be provided that employees and groups including local communities, women, and migrant workers have not been discriminated against.  - Major compliance –	Interviews of male and female workers confirmed that the company anti-discrimination policy was strictly enforced. They were not aware of any cases of discrimination, e.g. document review of salary payment did not find any evidence of discrimination	Yes



Criterion / Indicator		Assessment Findings	Compliance
6.8.3	<p>It shall be demonstrated that recruitment selection, hiring and promotion are based on skills, capabilities, qualities, and medical fitness necessary for the jobs available.</p> <p>- Minor compliance –</p>	<p>The company has procedure hiring workers regulated that hiring and promotion of workers based on skill, work experiences, and job evaluation.</p> <p>The company is conduct performance evaluation of workers annually.</p>	Yes
<p><b>Criterion 6.9</b>            There is no harassment or abuse in the work place, and reproductive rights are protected.</p>			
6.9.1	<p>A policy to prevent sexual and all other forms of harassment and violence shall be implemented and communicated to all levels of the workforce.</p> <p>- Major compliance –</p>	<p>The company has implemented policy on prevention of sexual harassment and violence against women, the policy is prominently displayed on notice boards at the Mills and the Estates muster areas. Interviews of female staff, workers and union representatives confirmed that the company implemented the sexual harassment policy.</p>	Yes
6.9.2	<p>A policy to protect the reproductive rights of all, especially of women, shall be implemented and communicated to all levels of the workforce.</p> <p>- Major compliance –</p>	<p>As it is found in company policy that's signed by Managing Director, dated 26<sup>th</sup> November 2012 and on one part of the policies stated that: "To prevent any sexual or physical abuses happen to women as well as to protect their reproductive rights".</p> <p>There is a gender committee actively meets and discussing general agenda and other issue related to handling sexual harassment, dissemination of sexual harassment prevention. Based on interview with Gender Committee, company has implemented the protection of women reproductive rights, in form of maternal leave, period leave, and regular pregnancy check for female sprayers and strictly prohibit pregnant and/or breastfeeding female worker applying pesticides.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
6.9.3	<p>A specific grievance mechanism which respects anonymity and protects complainants where requested shall be established, implemented, and communicated to all levels of the workforce.</p> <p>- Minor compliance -</p>	<p>Pulau Maria Estate            Standard Operating Procedure No. SOP: XX-HR-308.5-RO; Revision: 0, Desember 11<sup>th</sup> 2009:            Employees complaints: submission and settlement</p> <p>Mechanism for complaints management where it needs to protect its confidentiality for complaint submitter was found in company policy's draft as in one of points of this policies stated that:</p> <p>"To provide appropriate information for those who inquiry it and to proted its confidentiality for whistleblower cases in accordance to law regarding environmental and social issue, food safety, health and safety work, so that it enables them to more participate to the decision making processes for improving company's performance.</p> <p>Based on interview with Gender Committee unit Pulau Maria Estate, shows that the gender committee has not understood the specific grievance mechanism for sexual harassment case; including protection of complainant. Furthermore, the gender committee does not have any working program <b>(Minor NC was raised)</b></p>	No
<p><b>Criterion 6.10</b>            Growers and millers deal fairly and transparently with smallholders and other local businesses.</p>			
6.10.1	<p>Current and past prices paid for Fresh Fruit Bunches (FFB) shall be publicly available.</p> <p>- Minor compliance -</p>	<p>The company has displayed the FFB price in Mill's notice board and smallholders able to access the FFB price by phone.</p>	Yes
6.10.2	<p>Evidence shall be available that growers/millers have explained FFB pricing, and pricing mechanisms for FFB and inputs/services shall be documented (where these are under the control of the mill or plantation)</p> <p>- Major compliance -</p>	<p>The company has provided explanation on the FFB pricing formula and based on interview with smallholders, they understood of FFB pricing mechanism and no complaint was noted regarding FFB price.</p>	Yes
6.10.3	<p>Evidence shall be available that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent.</p> <p>- Minor compliance -</p>	<p>Based on document review that agreement between company and local contractors confirmed that contract is made fairly, legal and transparent, e.g. "Surat Perintah Kerja" behalf on CV Mitra Adi Semesta to work 'hoard land' in the area loading ramp, SPK/work agreement No.209/MM-AAS/EXT/05/15, dated 11<sup>th</sup> May 2015.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
6.10.4	Agreed payments shall be made in a timely manner.  - Minor compliance -	Evidence of payment was reviewed and it was seen paid timely manner, e.g. Payment for bus school rental to Mrs. E in August 2015 was Rp. 5,250,000 and payment for contractor CV Mitra Adi Semesta in March 2016 was Rp. 45,000,000.	Yes
<b>Criterion 6.11</b> Growers and millers contribute to local sustainable development where appropriate			
6.11.1	Contributions to local development that are based on the results of consultation with local communities shall be demonstrated.  - Minor compliance –	Local contribution is detailed in CSR, consist of Business Partnership, Economy Development, Education, Health & Donation, e.g.: 1. Assistance for the feast of the village of Batu Anam, on June 2015; 2. Assistance for the feast of the village of Batu Anam, on July 2015; 3. Extension self-cultivation techniques to farmers, in December 2015; 4. Renovation of houses in the village of Gonting Malaha, in March, 2015.	Yes
6.11.2	Where there are scheme smallholders, there shall be evidence that efforts and/or resources have been allocated to improve smallholder productivity.  - Minor compliance –	No scheme smallholders.	Yes
<b>Criterion 6.12</b> No forms of forced or trafficked labour are used.			
6.12.1	There shall be evidence that no forms of forced or trafficked labour are used.  - Major compliance -	No any form or trafficked labour was noted during assessment.	Yes
6.12.2	Where applicable, it shall be demonstrated that no contract substitution has occurred.  - Major compliance –	Based on document review and interview with workers and labour union, confirmed that no contract substitution was noted.	Yes

Criterion / Indicator		Assessment Findings	Compliance
6.12.3	<p>Where temporary or migrant workers are employed, a special labour policy and procedures shall be established and implemented.</p> <p>- Minor compliance -</p>	The agreement for temporary workers is available and signed by workers. There is no migrant worker.	Yes
<b>Criterion 6.13</b>			
<b>Growers and millers respect human rights</b>			
6.13.1	<p>A policy to respect human rights shall be documented and communicated to all levels of the workforce and operations (see Criteria 1.2 and 2.1).</p> <p>- Major compliance -</p>	<p>The company has established human rights policy, 2012; it has been communicated to the workforce.</p> <p>Company has a Company Policy, acknowledged by Managing Director on 01/12/2014 stating that company respects human rights by: "treat all employee in fair manner, in terms of recruitment, appraisal and representation without discrimination against tribe, caste, nationality, religion, disability, gender, sexual orientation, worker union, political affiliation and/or age".</p> <p>The company has communicated this policy. The company policy is available on notice boards. Company conducted dissemination sessions: In Aek Tarum Estate, date 09/04/2016 attended by 27 workers.</p> <p>Based on interview with worker union committee and gender committee stating that there was no indication of human right violation.</p> <p>Mill: The last socialisation performed in Mill on February 2016 attended by 45 employees.</p>	Yes
<b>PRINCIPLE 7: RESPONSIBLE DEVELOPMENT OF NEW PLANTINGS</b>			
<b>(N/A – No any new planting)</b>			
<i>The company has started replanting in 2003, no any new planting area/developing area since November 2005.</i>			
<b>PRINCIPLE 8: COMMITMENT TO CONTINUAL IMPROVEMENT IN KEY AREAS OF ACTIVITY</b>			
<b>Criterion 8.1</b>			
Growers and millers regularly monitor and review their activities, and develop and implement action plans that allow demonstrable continual improvement in key operations.			

	<b>Criterion / Indicator</b>	<b>Assessment Findings</b>	<b>Compliance</b>
8.1.1	<p>The action plan for continual improvement shall be implemented, based on a consideration of the main social and environmental impacts and opportunities of the grower/mill, and shall include a range of Indicators covered by these Principles and Criteria.</p> <p>As a minimum, these shall include, but are not necessarily be limited to:</p> <ul style="list-style-type: none"> <li>• Reduction in use of pesticides (Criterion 4.6);</li> <li>• Environmental impacts (Criteria 4.3, 5.1 and 5.2);</li> <li>• Waste reduction (Criterion 5.3);</li> <li>• Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8);</li> <li>• Social impacts (Criterion 6.1);</li> <li>• Optimising the yield of the supply base;</li> </ul> <p>- Major compliance -</p>	<p>A continuous improvement plan has been prepared and internal audit conducted to identify environmental and social activities, such as:</p> <ol style="list-style-type: none"> <li>1. Applied EFB ashes as fertilizer, fibre and shell are burned in boiler for electricity.</li> <li>2. Planting beneficial plant for natural predator.</li> <li>3. CSR program</li> <li>4. Reserve HCV areas</li> <li>5. etc.</li> </ol>	Yes

**Appendix "B"**  
**Time Bound Plan**

<b>Name of Mill</b>	<b>Address</b>	<b>Time bound for certification</b>	<b>Status as of May 2015</b>
Buatan I	Delik & Pangkalan Kerinci Village, Bunut Langgam District, Pelalawan Regency, Riau	2010	Certified on 16 September 2010
Buatan II	Delik & Pangkalan Kerinci Village, Bunut Langgam District, Pelalawan Regency, Riau	2010	Certified on 16 September 2010
Ukui I	Ukui Village, Ukui District, Pelalawan Regency, Riau	2010	Certified on 1 March 2011
Ukui II	Ukui Village, Ukui District, Pelalawan Regency, Riau	2010	Certified on 1 March 2011
Tungkal Ulu	Pulau Pauh / Penyabungan / Merlung Village, Tungkal Ulu District, Tanjung Jabung Regency, Jambi	2011	Certified on 15 August 2012
Muara Bulian	Singoan / Bukit Sari / Bulian Jaya Village, Muara Bulian / Pelayung District, Batang Hari Regency, Jambi	2011	Certified on 28 August 2012
Topaz	Petapahan Village, Tapung District, Kampar Regency, Riau	2013	Certified on 30 March 2015
Taman Raja	Lubuk Bernai / Kampung Baru / Pelabuhan Dagang / Pematang Pauh Village, Tungkal Ulu District, Tanjung Jabung Regency, Jambi	2013	Certified on 20 February 2015
Segati	Langkan / Penarikan / Tambak / Soto Village, Langgam District, Pelalawan Regency, Riau	2014	Main Audit in December 2014.
Tanah Datar	Tanah Datar Petatal Village, Talawi District, Asahan Regency, North Sumatera	Brought Forward from 2015 to 2013	Main Audit in February 2014. Finalize Report by Peer Review
Aek Nabara	S1-S3 / Sukadame Village, Bilah Hulu / Kota Pinang District, Labuhan Batu Regency, North Sumatera	Brought Forward from 2015 to 2013	Certified on 6 March 2015
Teluk Panjie	Teluk Panjie Village, Kampung Rakyat District, Labuhan Batu Regency, North Sumatera	Brought Forward from 2015 to 2013	Certified on 21 April 2015
Peranap	Simelinyang / Pauh Ranap / Sengkilo Village, Peranap District, Indragiri Hulu Regency, Riau	Brought Forward from 2016 to 2013	Certified on 7 January 2015
Bungo Tebo	Tuo Sumai / Sungai Rambai Village, PWK Sumai / Tebo Ulu District, Bungo Tebo Regency, Jambi	2016	Main Audit in December 2014.
Tanjung Selamat	Kampung Padang Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatera	2017	Certified in May 2015.
Gunung Melayu I	Rahuning Village, Bandar Pulau District, Asahan Regency, North Sumatera	2017	Main Audit in December 2014.

Gunung Melayu II	GontingMahalaVillage, Bandar Pulau District, Asahan Regency, North Sumatra	2017	Main Audit in December 2014.
Negri Lama I	Negri Lama Seberang Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatra	Brought Forward from 2018 to 2013	Certified on 6 April 2015
Negri Lama II	Negri Lama Seberang Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatra	2018	-
Name of Plantation	Address	Time bound for certification	Status as of March 2015
Buatan	Delik & Pangkalan Kerinci Village, Bunut Langgam District, Pelalawan Regency, Riau	2010	Certified on 16 September 2010
Ukui & Soga	Ukui Village, Ukui District, Pelalawan Regency, Riau	2011	Certified on 1 March 2011
Buatan (Plasma)	Kerinci Kanan, Pangkalan Kerinci, Dayun Village, Siak & Pelalawan Regency, Riau	2011	Certified on 13 March 2012
Ukui (Plasma)	Ukui & Lubuk Batu Jaya District, Pelalawan & Inhu Regency, Riau	Brought forward from 2012 to 2011	Certified on 11 June 2012
Tungkal Ulu	Pulau Pauh/Penyabungan/Merlung Village, Tungkal Ulu District, Tanjung Jabung Regency, Jambi	2011	Certified on 15 August 2012
Muara Bulian	Singoan/Bukit Sari/ Bulian Jaya Village, Muara Bulian/Pemayung District, Batang Hari Regency, Jambi	2011	Certified on 28 August 2012
Buatan (KKPA)	Kerinci Kanan, Pangkalan Kerinci, Dayun District, Siak & Pelalawan Regency, Riau	2012	Certified on 17 January 2013
Tungkal Ulu (Plasma)	Renah Mendalo, Merlung, Muara Papalik District, Tanjung Jabung Barat Regency, Jambi	2012	Certified on 11 July 2013
Muara Bulian (Plasma)	Maro Sebo Iilir District, Batanghari Regency, Jambi	2012	Certified on 12 July 2013
Muara Bulian (KKPA)	Maro Sebo Iilir District, Batanghari Regency, Jambi	2012	Certified on 12 July 2013
Topaz & Seed Garden	Petapahan Village, Tapung District, Kampar Regency, Riau	2013	Certified on 30 March 2015
Taman Raja & Badang	Lubuk Bernai / Kampung Baru / Pelabuhan Dagang / Pematang Pauh Village, Tungkal Ulu District, Tanjung Jabung Regency, Jambi	2013	Certified on 20 February 2015
Segati	Langkan / Penarikan / Tambak / Sotol Village, Langgam District, Pelalawan Regency, Riau	2014	Public Notification conduct in October 2014. Main Audit in Dec 2014
Penarikan & Gondai	Pangkalan Sarik / Baru Village, Langgam / Siak Hulu District, Pelalawan / Kampar Regency, Riau	2014	Main Audit in December 2014

Penarikan (KKPA)	Pangkalan Sarik / Baru Village, Langgam / Siak Hulu District, Pelalawan / Kampar Regency, Riau	2014	Moved to 2016
Gunung Sahilan (KKPA)	Gunung Sahilan Village, Lipat Kain District, Pelalawan Regency, Riau	2014	Moved to 2016
Bahilang	Bahilang Village, Tebing Tinggi District, Serdang Bedagai Regency, North Sumatra	Brought Forward from 2015 to 2013	Public Notification conduct in December 2013. Main Audit in Feb 2014
Tanah Datar	Tanah Datar Petatal Village, Talawi District, Asahan Regency, North Sumatra	Brought Forward from 2015 to 2013	Public Notification conduct in December 2013. Main Audit in Feb 2014
Aek Nabara	S1-S3 / Sukadame Village, Bilah Hulu / Kota Pinang District, Labuhan Batu Regency, North Sumatra	Brought Forward from 2015 to 2013	Certified on 6 March 2015
Teluk Panjie	Teluk Panjie Village, Kampung Rakyat District, Labuhan Batu Regency, North Sumatra	Brought Forward from 2015 to 2013	Certified on 21 April 2015
Peranap	Simelinyang / Pauh Ranap / Sengkilo Village, Peranap District, Indragiri Hulu Regency, Riau	Brought Forward from 2016 to 2013	Certified on 7 January 2015
Bungo Tebo	Tuo Sumai / Sungai Rambai Village, PWK Sumai / Tebo Ulu District, Bungo Tebo Regency, Jambi	Brought Forward from 2016 to 2014	Public Notification conduct in October 2014. Main Audit in Dec 2014
Peranap (Plasma)	Simelinyang / Pauh Ranap / Sengkilo Village, Peranap District, Indragiri Hulu Regency, Riau	2016	-
Bungo Tebo (Plasma)	Tuo Sumai / Sungai Rambai Village, PWK Sumai / Tebo Ulu District, Bungo Tebo Regency, Jambi	2016	-
Tanjung Selamat	Kampung Padang Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatra	Brought Forward from 2017 to 2014	Public Notification conduct in October 2014. Main Audit in Dec 2014
Pangkalan	Sennah Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatra	Brought Forward from 2017 to 2014	Public Notification conduct in October 2014. Main Audit in Dec 2014
Sentral & Batu Anam	Gonting Mahala Village, Bandar Pulau District, Asahan Regency, North Sumatra	Brought Forward from 2017 to 2014	Public Notification conduct in October 2014. Main Audit in Dec 2014
Pulau Maria	Rahuning Village, Bandar Pulau District, Asahan Regency, North Sumatra	Brought Forward from 2017 to 2014	Public Notification conduct in October 2014. Main Audit in Dec 2014
Negri Lama	Negri Lama Seberang Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatra	Brought Forward from 2018 to 2013	Certified on 6 April 2015
Aek Kuo	Aek Korsik Village, Aek Natas District, Labuhan Batu Regency, North Sumatra	Brought Forward from 2016 to 2013	Certified on 6 April 2015



**Appendix "C"**  
**RSPO Certificate Details**

**PT. Saudara Sejati Luhur**

Jl. MH. Thamrin No. 31  
 Jakarta 10230  
 INDONESIA  
 Website:

Registered Activities: Palm Oil Mill which produced CPO and PK

RSPO membership No. 1-0022-06-000-00, dated 05<sup>th</sup> February 2006

Certificate Number : SPO 620755  
 Date of Certificate : 07/09/2015  
 End of certificate : 06/09/2020

Applicable Standards: RSPO Principles & Criteria, Generic Standard 2013 **and RSPO SCCS, 2014**  
**Supply Chain Certification requirement for CPO Mills, Module E - Mass Balance**

<b>Gunung Melayu I Palm Oil Mill and Supply Base</b>					
Location Address		Desa Rahuning, Kec Bandar Pulau, Kabupaten Asahan, Prov. Sumatera Utara, Indonesia			
GPS Location		9° 35' 52.2" E - 02° 47' 27.6" N			
CPO Tonnage Total		76,800 MT			
PK Tonnage Total		17,500 MT			
CPO Claimed for Certification		13,456 MT			
PK Claimed for Certification		2,797 MT			
Own estates FFB Tonnage		52,771 MT			
Scheme Smallholder FFB Tonnage		- MT			
Non-company Suppliers FFB Tonnage *)		- MT			
Estates	Production Area		Other use (ha)	Certified Area / Total land lease (ha)	Annual FFB Production (mt)
	Mature (ha)	Immature (ha)			
Pulau Maria	2,063	0	239	2,302	52,771

**Appendix "D"**  
**Assessment Plan**

Date	Time	Subjects	HR	PS	NM	EW
			PRSP LA	PRSP- OHS/EMS	PRSP- SA	PRSP- OHS/EMS
Tuesday, 07/06/2016	08.30 – 12.00	Document Review: Gunung Melayu I Mill	√			
		Field Visit: Pulau Maria Estate Landfill, housing complex, Storage, workshop, diesel tanks, clinic, etc		√		
		Field Visit: Pulau Maria Estate Boundary stones, HCV areas, riparian zone, road maintenance, etc. and interview with local communities.			√	
		Field Visit: Pulau Maria Estate Herbicide application programmes, harvesting, fertilising operations, terracing, Barn owl, beneficial plant, etc (including interview with sprayer team and harvester).				√
	12.00 – 14.00	Lunch				
	14.00 – 17.00	Document Review: Gunung Melayu I Mill	√			
		Document Review: Pulau Maria Estate		√		√
	Stakeholder interview: Labour union, Gender committee, local contractors, NGO, etc			√		
Wed, 08/06/2016	08.00 – 12.00	Document Review: Gunung Melayu I Mill	√		√	
		Field Visit: Gunung Melayu I Mill Clinic, PPE, safe working environment, walk ways, signs, EFB. POME treatment, emissions, diesel tanks, fire extinguishers, first aiders and boxes, workshop, storage,		√		
		Field Visit: Gunung Melayu I Mill Worker and staff interviews (OSH, contract, salary), housing complex, etc				√
	12.00 – 14.00	Lunch				
	14.00 – 15.00	Document Review: Gunung Melayu I Mill	√	√	√	√
	15.00 – 15.30	Preparing Closing Meeting Report	√	√	√	√
	15.30 – 16.00	Closing Meeting	√	√	√	√
	16.00 – 21.00	Trip Estate – Medan by Car (arranged by Asian Agri)	√	√	√	√
		Stay overnight in Medan	√	√	√	√

Date	Time	Subjects	HR	PS	NM	EW
			PRSP0 LA	PRSP0- OHS/EMS	PRSP0- SA	PRSP0- OHS/EMS
Thursday, 09/06/2016	05.20 – 07.45	Flight Medan – Jakarta (GA 181)	√	√	√	√

HR: Haeruddin Tahir, PS: Pratama Sedayu, NM: Nanang Mualib, EW: Edi Widodo

***Appendix "E"***  
***Stakeholder Contacted***

No.	Institution
1	Badan Lingkungan Hidup Kabupaten Asahan <i>(Environmental Department of Asahan Regency)</i>
2	Dinas Tenaga Kerja Kabupaten Asahan <i>(Manpower Department of Asahan Regency)</i>
3	Kantor Pertanahan Kabupaten Asahan <i>(Land Office of Asahan Regency)</i>
4	Dinas Perkebunan dan Kehutanan Kabupaten Asahan <i>(Plantation and Forestry Departement)</i>
5	Ketua Kelompok Tani Tangkisan Meriam dan Ketua LSM Observasi (Desa Batu Anam)
6	Tokoh Masyarakat dan Kepala Desa Sidomulyo dan Desa Gonting Malaha
7	Pengurus Komite Gender/Gender committee
8	Pengurus Serikat Pekerja Serikat Pekerja <i>(Labour Union of PT. Saudara Sejati Luhur)</i>

**Appendix "F"**  
**RSPO SCCS, 2014 – FOR CPO Mills (MODULE E): MASS BALANCE**

Criterion E.1. Definition			
	Requirement	Evidence	Compliance
E.1.1	Certification for CPO mills is necessary to verify the volumes of certified and uncertified FFB entering the mill and volume sales of RSPO certified producers. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. In that scenario, the mill can claim only the volume of oil palm products produced from processing of the certified FFB as MB.	Based on procedure "Traceability" no. AA-MPM-OP-1400.17-R4 updated 23 <sup>rd</sup> April 2015 and "Book Keeping" no. AA-MPM-OP-1400.18-R4 updated 23 <sup>rd</sup> April 2015 described that FFB received from certified areas will be marked "Sustainable FFB" and FFB from non certified area is marked as "Non certified FFB" and only claim as "MB" in supply chain model.	Yes

Criterion E.2. Explanation															
	Requirement	Evidence	Compliance												
E.2.1	The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the CB in the public summary of the P&C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced should then be recorded in each subsequent annual surveillance report.	<p>The projection of CPO and PK product from Gunung Melayu II POM is recorded by CB in the public summary report and RSPO certificate. CB has been submitted to the RSPO E-trace Gunung Melayu II POM the projection of FFB, CPO and PK production.</p> <p>The projection of production in E-trace and actual as below:</p> <table border="1" style="margin-left: 20px;"> <thead> <tr> <th>Description</th> <th>Projection in 2015</th> <th>Actual in 2015</th> </tr> </thead> <tbody> <tr> <td>FFB</td> <td>53,839</td> <td>47215</td> </tr> <tr> <td>CPO</td> <td>13,460</td> <td>11,926</td> </tr> <tr> <td>PK</td> <td>2,391</td> <td>2,432</td> </tr> </tbody> </table> <p>During this assessment, the actual of production CPO and PK is reorded in daily, monthly and yearly basis.</p>	Description	Projection in 2015	Actual in 2015	FFB	53,839	47215	CPO	13,460	11,926	PK	2,391	2,432	Yes
Description	Projection in 2015	Actual in 2015													
FFB	53,839	47215													
CPO	13,460	11,926													
PK	2,391	2,432													
E.2.2	The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).	The company has registered and projected volume and sold out of product is registered in e-trace.	Yes												

Criterion E.3. Documented procedures			
	Requirement	Evidence	Compliance
E.3.1	The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:		
	a) Complete and up to date	The premise has implemented a supply	Yes

	procedures covering the implementation of all the elements in these requirements	chain and traceability procedure under "Traceability" no. AA-MPM-OP-1400.17-R4 and "Book Keeping" no. AA-MPM-OP-1400.18-R4, updated 23 <sup>rd</sup> April 2015  The procedure explains in all aspects of supply chain and traceability scope in Gunung Melayu POM, starting from FFB harvesting, FFB delivery to Palm Oil Mill; FFB receiving and processing in Palm Oil Mill, CPO and PK production and reporting; CPO and PK dispatch from Palm Oil Mill and receiving in storage tank for export, Shipping instruction and preparation, CPO stock balancing post-shipping.	
	b) The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site procedures for the implementation of this standard.	Based on Prosedur "Traceability" no. AA-MPM-OP-1400.17-R4, updated 23 <sup>rd</sup> April 2015, the company has appointed the responsible person for handling supply chain along their supply chain is Mill Manager.  Based on interview with Mill Manager, he has knowledge how supply chain procedures implemented, he was worked in Asian Agri Mill for more than 2 years which managed RSPO certified mill.	Yes
E.3.2	The site shall have documented procedures for receiving and processing certified and non-certified FFBs.	Supply chain and traceability procedure under "Traceability" no. AA-MPM-OP-1400.17-R4 and "Book Keeping" no. AA-MPM-OP-1400.18-R4, updated 23 <sup>rd</sup> April 2015	Yes

<b>Criterion E.4. Purchasing and goods in</b>			
	<b>Requirement</b>	<b>Evidence</b>	<b>Compliance</b>
E.4.1	The site shall verify and document the tonnage and sources of certified and the tonnage of non-certified FFBs received.	Sample taken:  FFB Received: Own certified estate (Sentral Estate) 1. Surat Pengantar (Delivery Order of FFB from Field): <ul style="list-style-type: none"> <li>- SP. No: 015891.</li> <li>- Date: 27/02/2016</li> <li>- Truck: BK 8822 VN</li> <li>- Quantity: 570 bunches</li> <li>- Sustainable Product.</li> </ul> 2. Wight Bridge: <ul style="list-style-type: none"> <li>- Ticket No.: PGDA116201491</li> <li>- Date: 27/02/2016</li> <li>- Origin: Sentral Estate</li> <li>- Quantity: 5,690 kg</li> <li>- RSPO Certified</li> <li>- SP. No. 015891</li> </ul> Own certified estate (Batu Anam Estate) 1. Surat Pengantar (Delivery Order of FFB	Yes

		<p>from Field):</p> <ul style="list-style-type: none"> <li>- SP. No: 000031</li> <li>- Date: 06/02/2016</li> <li>- Truck: BM 8093 TK</li> <li>- Quantity: 453 bunches</li> <li>- Sustainable Product.</li> </ul> <p>2. Wight Bridge:</p> <ul style="list-style-type: none"> <li>- Ticket No.: PGDA1100350</li> <li>- Date: 06/02/2016</li> <li>- Origin: Batu Anam Estate</li> <li>- Quantity: 7,060 kg</li> <li>- RSPO Certified</li> <li>- SP. No. 000031</li> </ul> <p>FFB from supplier as non certified product  Sample taken:  Incoming FFB From Supplier ASL 2 on 06<sup>th</sup>  February 2016:</p> <ul style="list-style-type: none"> <li>- Ticket No.: PGDA51610224</li> <li>- Date: 06/02/2016</li> <li>- Origin: Supplier ASL 2</li> <li>- Quantity: 5,582 kg</li> <li>- Non certified Product.</li> </ul>	
E.4.2	The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.	This has been regulated in procedure "Book Keeping" no. AA-MPM-OP-1400.18-R4, updated 23 <sup>rd</sup> April 2015, 6.5. "Head of Environment and sustainability akan memberikan informasi kepada Badan Sertifikasi jika ada proyeksi produksi melebihi target".	Yes

<b>Criterion E.5. Record keeping</b>			
	<b>Requirement</b>	<b>Evidence</b>	<b>Compliance</b>
E.5.1	a. The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis.	<p>The company has documented FFB certified and non-certified received based, CPO and PK produced and CPO/PK despatch both claimed as certified and non non certified three monthly basis as documented in "CPO/PK Production and sales balance".</p> <p>Sampel taken: 3 monthly basis report (January – March 2016)</p>	Yes
	b. All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO.	<p>FFB received, CPO/PK produced and CPO/PK despatch is recorded in daily basis (Processing daily Report), monthly report (Production and Despatch Report), 3 monthly basis (CPO/PK Production and sales balance"</p> <p>Delivered CPO Certified Product: No CPO certified product was sold this year.</p> <p>Delivered CPO as "Non Certified Product":</p> <ul style="list-style-type: none"> <li>- Ticket no.: PGDC116200142</li> <li>- Origin: PMKS Gunung Melayu II</li> </ul>	Yes

		<ul style="list-style-type: none"> <li>- Name of product: Crude Palm Oil</li> <li>- Receiver: PT. Sinar Mas Agro Resources</li> <li>- Date: 23/02/2016</li> <li>- Quantity: 27,730 kg</li> <li>- CPO: Non Certified</li> </ul> <p>Delivered PK Certified Product:</p> <ul style="list-style-type: none"> <li>- SP no.: PGDC216200115</li> <li>- Origin: PMKS Gunung Melayu II</li> <li>- Name of product: Palm Kernel</li> <li>- Receiver: PT. Saudara Sejati Luhur</li> <li>- Date: 27/02/2016</li> <li>- Quantity: 7,110 kg</li> <li>- PK Certified RSPO – Mass Balance</li> </ul> <p>Delivered PK as "Non Certified Product":</p> <ul style="list-style-type: none"> <li>- Ticket no.: PGDC21620115</li> <li>- Origin: PMKS Gunung Melayu II</li> <li>- Name of product: Palm kernel</li> <li>- Receiver: PT. Saudara Sejati Luhur</li> <li>- Date: 23/02/2016</li> <li>- Quantity: 6,260 kg</li> <li>- PK: Non Certified</li> </ul>	
	<p>c. The site can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three months. However, a site is allowed to sell short.(ie product can be sold before it is in stock.)</p>	<p>Based on review 3 monthly baisi, no any delivery mass balance from negative stock.</p>	<p style="text-align: center;">Yes</p>
<p>E.5.2</p>	<p>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.</p>	<p>No outsourcing</p>	<p style="text-align: center;">N/A</p>

Appendix "G"  
 Location Map of PT. Saudara Sejati Luhur

Figure 1. Location of PT. Saudara Sejati Luhur in Indonesia

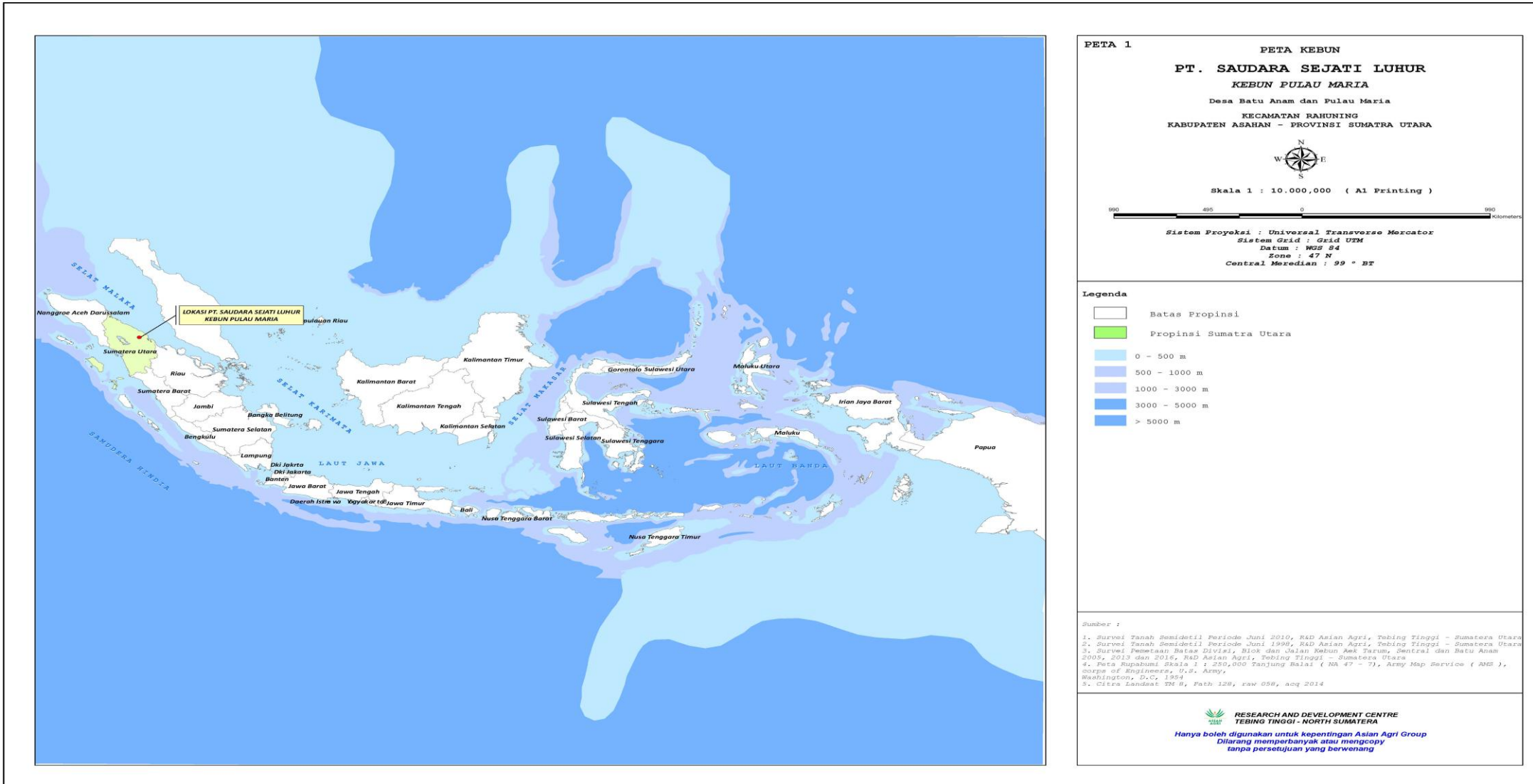




Figure 2. Location of PT. Saudara Sejati Luhur in North Sumatera Province, Indonesia.

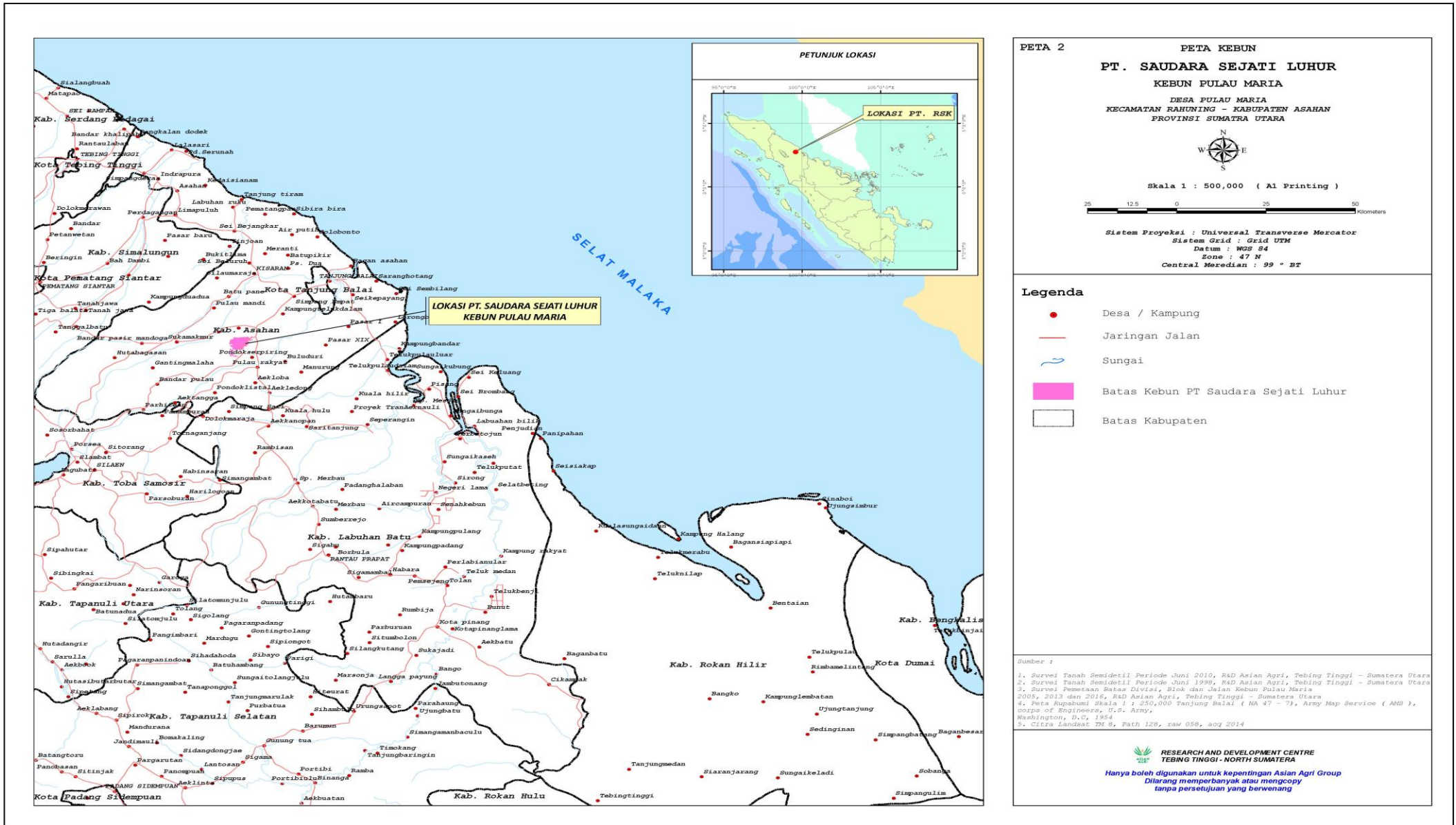
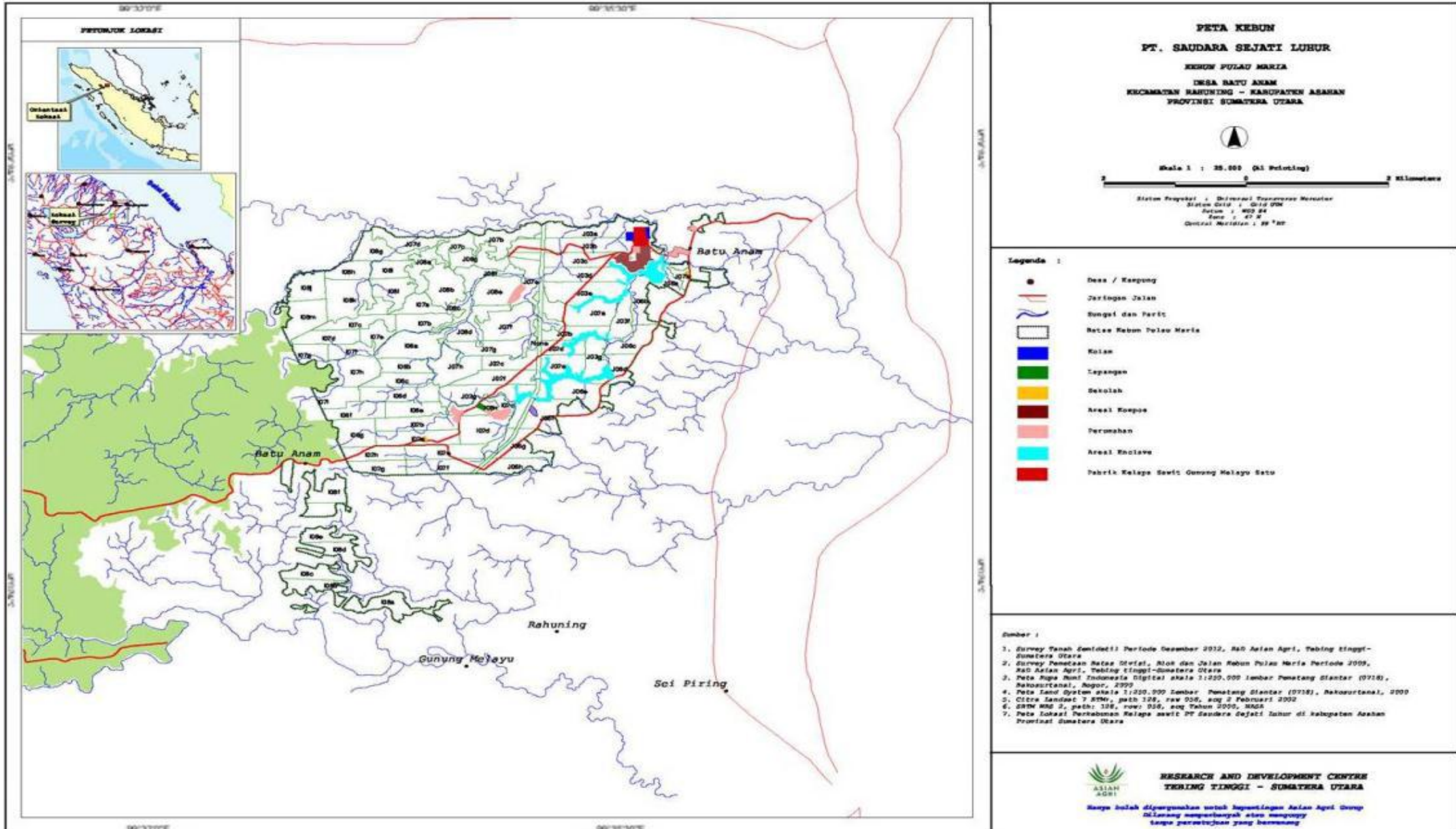


Figure 3. Location of PT. Saudara Sejati Luhur and neighbouring entities



***Appendix "H"***  
***Abbreviation used***

AMDAL	Analisis Mengenai Dampak Lingkungan (Social and Environmental Impact Assessment)
BOD	Biological Oxygen Demand
BPN	Badan Pertahanan Nasional (National Land Authority)
BSI	British Standard Institution
CPO	Crude Palm Oil
CSR	Corporate Social Responsibility
EFB	Empty Fruit Bunch
FFB	Fresh Fruit Bunch
GPS	Global Positioning System
HCV	High Conservation Value
HGU	Hak Guna Usaha (Land) title for commercial use
IPM	Integrated Pest Management
ISO	International Standards Organisation
ISPO	Indonesia Sustainable Palm Oil
ISCC	International Carbon Certification System
IUP	Izin Usaha Perkebunan (Plantation Licence)
KER	Kernel Extract Ratio
MB	Mass Balance
OER	Oil Extract Ratio
P2K3	Panitia Pembina Kesehatan dan Keselamatan Kerja
P3K	Pertolongan Pertama Pada Kecelakaan
PK	Palm Kernel
PKO	Palm Kernel Oil
PKB	Perjanjian Kerja Bersama (Worker Agreement)
POM	Palm Oil Mill
PPE	Personal Protective Equipment
PT	Perseroan Terbatas (Limited Company)
RKL	Rencana Pengelolaan Lingkungan (Environmental Management Plan)
RPL	Rencana Pemantauan Lingkungan (Environmental Monitoring Plan)
RSPO	Rountable Sustainable Palm Oil
SEIA	Social & Environmental Impact Assessment
SIA	Social Impact Assessment
SCCS	Supply Chain Certification System
SOP	Standard Operation Procedure
SSL	Saudara Sejati Luhur