

RSPO – INITIAL ASSESSMENT**PT. GUNUNG MELAYU**
GUNUNG MELAYU II PALM OIL MILL AND ITS SUPPLY BASE**Office:**

Jl MH Thamrin No 31 Jakarta 10230

Location:Desa Gonting Malaha, Kecamatan Bandar Pulau, Kabupaten Asahan, North Sumatera
Province, Indonesia

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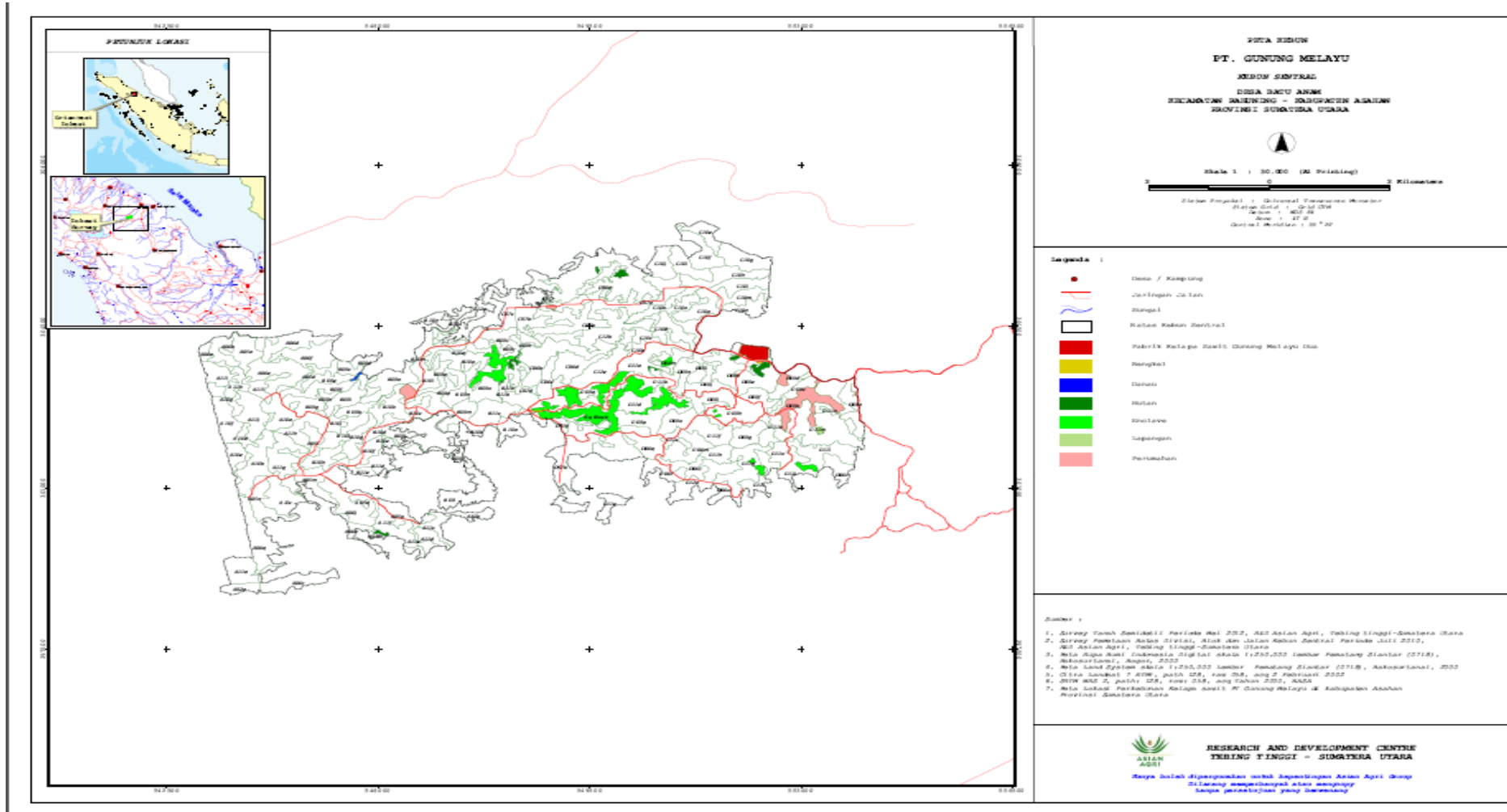
Section 1 Scope of the Certification Assessment

| 1.1. Company Details | | | |
|--------------------------------------|---|------------------|-------------------------------------|
| RSPO Membership Number | 1-0022-06-000-00 | Date | 05 th February 2006 |
| Company Name | PT. Gunung Melayu | | |
| Address | Head Office: Jl MH Thamrin No 31 Jakarta 10330 Location: Gonting Mahala Village, Bandar Pulau District, Asahan Regency, North Sumatera Province, Indonesia | | |
| Subsidiary of (if applicable) | PT Inti Indosawit Subur | | |
| Contact Name | Ms. Asrini Subrata | | |
| Website | www.asianagri.com | E-mail | <i>Asrini_subrata@asianagri.com</i> |
| Telephone | +62-21 2301119 | Facsimile | +62-21 2301120 |

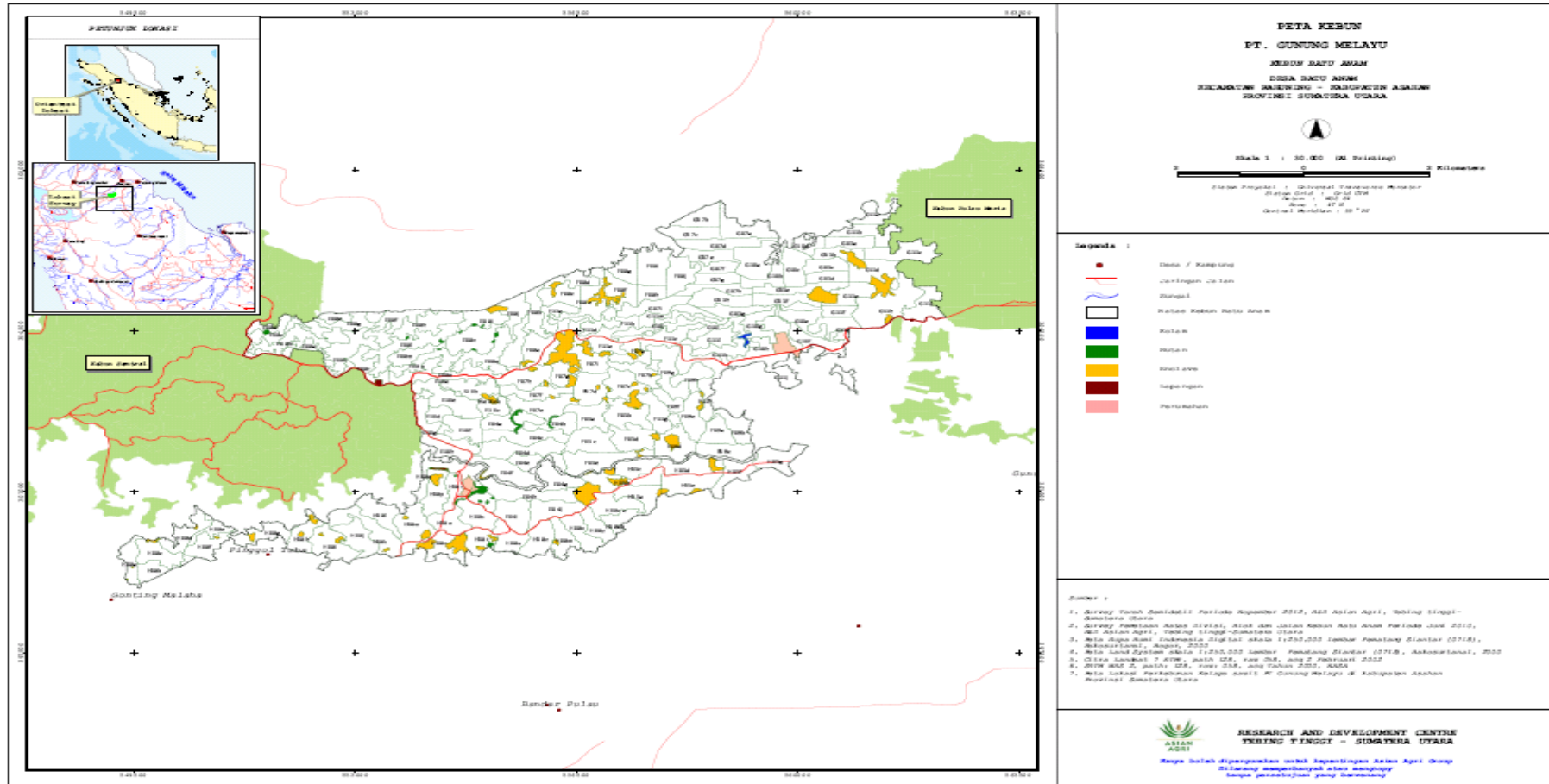
| 1.2. Certification Information | | | |
|------------------------------------|---|------------------------------|--------------------|
| Certificate Number | SPO 620707 | Date | - |
| Scope of Certification | Production of CPO and PK of PT. Gunung Melayu (Gunung Melayu II Palm Oil Mill) and its supply base, namely Sentral Estate and Batu Anam Estate. Mill capacity of Gunung Melayu II POM is 30 tonnes FFB/hour. | | |
| Other Certifications | | | |
| Certificate Number | Standard(s) | Certificate Issued by | Expiry Date |
| ID05/65250 | ISO 14001 | SGS Indonesia | 10 June 2017 |
| EU-ISCC-Cert-DE100-20141456 | ISCC | SGS Indonesia | 07.07.2015 |
| EU-ISCC-Cert-DE100-20141682 | ISCC | SGS Indonesia | 09.09.2015 |

| 1.3. Location(s) of Mill & Supply Bases | | | |
|---|---|----------------------------|---------------------------|
| Name (Mill / Supply Base) | Location [Map Reference #] | GPS | |
| | | Longitude | Latitude |
| Gunung Melayu II Mill | Gonting Mahala Village, Bandar Pulau District, Asahan Regency, North Sumatera Province, Indonesia | 99° 28' 11" E | 02° 44' 58" N |
| Batu Anam Estate | Gonting Mahala Village, Bandar Pulau District, Asahan Regency, North Sumatera Province, Indonesia | 99°26'35" E - 99°33'34" E | 02°42'12" N - 02°46'54" N |
| Sentral Estate | Gonting Mahala Village, Bandar Pulau District, Asahan Regency, North Sumatera Province, Indonesia | 99°23'12" E - 99°29' 10" E | 02°42'05" N - 02°46'32" N |

Map 1. Location of Sentral Estate with neighbouring entities



Map 1. Location of Batu Anam Estate with neighbouring entities



| 1.4. Progress Againsts Time Bound Plan | | | |
|---|---|-------------------------------------|---|
| Name of Mill | Address | Time bound for certification | Status as of May 2015 |
| 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 | Gonting Mahala Village, Bandar Pulau District, Asahan Regency, North Sumatera | 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 Ilir District, Batanghari Regency, Jambi | 2012 | Certified on 12 July 2013 |
| Muara Bulian (KKPA) | Maro Sebo Ilir 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 |
| Pangkatan | 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 |

1.5. Description of Supply Base

| Estate | Mature (ha) | Immature (ha) | Total Planted (ha) | Infrastructure & others (ha) | Total Hectarage | % of Planted |
|-----------|-------------|---------------|--------------------|------------------------------|-----------------|--------------|
| Batu Anam | 4,403 | 0 | 4,403 | 764 | 5,167 | 85.21 |
| Sentral | 3,095 | 870 | 3,965 | 1,282 | 5,247 | 75.57 |
| Total | 7,498 | 870 | 8,368 | 2,051 | 10,414 | |

1.6. Plantings & Cycle

| Estate | Age (Years) | | | | | Tonnage / Year | | |
|--------------|-------------|--------|---------|---------|-------|------------------|---------------|-----------------|
| | 0 - 3 | 4 - 10 | 11 - 20 | 21 - 25 | Total | Estimated (2014) | Actual (2014) | Forecast (2015) |
| Batu Anam | 0 | 4,212 | 191 | 0 | 4,403 | - | - | 87,133 |
| Sentral | 870 | 2,731 | 351 | 13 | 3,965 | - | - | 52,709 |
| Total | 870 | 6,943 | 542 | 13 | 8,368 | - | - | 139,842 |

1.7. Certified Tonnage (tonnes)

| Mill | Estimated (2014) | | | Actual (2014) | | | Forecast (2015) | | |
|------------------|------------------|-----|----|---------------|-----|----|-----------------|--------|-------|
| | FFB | CPO | PK | FFB | CPO | PK | FFB | CPO | PK |
| Gunung Melayu II | - | - | - | - | - | - | 139,842 | 32,918 | 6,195 |

Note: Projection OER (23.54 %) and KER (4.43 %)

Section 2 Assessment Process

2.1. Certification Body

Certification Body:

PT BSI Group Indonesia

Accreditation Certificate No. RSPO- ACC– 019

Menara Bidakara 2

17th Floor, Unit 5

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Komplek Bidakara, Pancoran

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2.2. Assessment Methodology

The approach to the audit was to treat each mill and its supply base as an RSPO Certification Unit. The mill was audited together with the plantations of its supply base. A range of environmental and social factors were covered. These included 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, review of documentation and monitoring data. Checklists was used to guide the collection of information. The comments made by external stakeholders were also taken into account in the assessment.

The Initial Certification Audit was conducted on 11, 12, 13, 15 and 18 December 2014 for Gunung Melayu II Mill and sampled estate are all estates as supply base, namely Batu Anam and Sentral Estate.

The methodology for collection of information from stakeholders is public announcement in RSPO website on 11th November 2014 within 30 days prior audit conducted and during audit, the auditors also conducted stakeholder meeting with the local government, local communities, labour union, gender committee, workers, and managements.

2.3. Assessment Conclusion

Three Major nonconformities, 2 Minor Non Conformities and 4 observations that were identified during this initial assessment. All Major NCs were closed out and Minor Nonconformities will be verified during next surveillance assessment.

The auditors conclude that Gunung Melayu POM and its supply base is comply with the RSPO certification system and RSPO standard and recommend awarding the RSPO certificate for Gunung Melayu II POM and its supply base.

2.4. Assessment Program

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

| Name (Mill / Supply Base) | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|-----------------------------|--------|--------|--------|--------|--------|
| GUNUNG MELAYU II POM | X | X | X | X | X |
| Batu Anam | X | X | X | X | X |
| Sentral | X | X | X | X | X |

Tentative Date of Next Visit: 01/03/2016

Total No. of Mandays: 8 Mandays

2.5. Assessment Team:

Haeruddin – Assessor (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.

Nanang Muallib - 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.

Wahyu – Auditor

He holds a degree in Machine Engineering from Indonesian University on 2002. He completed the ISO 9001, ISO 14001, and OHSAS 18001 Lead Auditor. During this assessment, he assessed on Enviromental and OHS.

Reviewer:

This summary report was reviewed by Mr. Sabar Kembaren (Internal Reviewer) and Mr. Ganapathy (External Reviewer).

Section 3 Assessment Findings

3.1 Details of audit results

| Criterion / Indicator | Assessment Findings | Compliance |
|---|--|--|
| PRINCIPLE 1: COMMITMENT TO TRANSPARENCY | | |
| Criterion 1.1: Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSP0 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 RSP0 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 22nd 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 12th September 2014 that covered:</p> <ul style="list-style-type: none"> a. Legal Documents <ul style="list-style-type: none"> 1. a copy of SK HGU (Land Title) 2. a copy of AMDAL (Social and Environmental Impact Assessment) b. Environment Documents <ul style="list-style-type: none"> 1. Waste management plans 2. Report of waste water 3. Report of water management 4. Report of river water quality 5. Report of air quality. 6. Report of RKL (Environmental Management Plan) – RPL (Environmental Monitoring Plan). 7. Report of Hazardous Waste c. Social Activity Documents d. Employment Documents <ul style="list-style-type: none"> 1. Jamsostek 2. HSE management programmes |
| | | Yes |

| Criterion / Indicator | | Assessment Findings | Compliance |
|--|---|--|------------|
| 1.1.2 | Records of requests for information and responses shall be maintained. - Major compliance - | Request Information and response from Stakeholder has been documented into a log book "Surat Masuk", there were noted 13 request information and others from Stakeholder in 2014, e.g. from FSP-SPSI no. 465/SOSEK/PC FSP.PP-AS/VII/2014, dated 5 th July 2014 regarding loan for the workers. All request information and others has been responded timely manner. | |
| Criterion 1.2: Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes. | | | |
| 1.2.1 | Publicly available documents shall include, but are not necessarily limited to: <ul style="list-style-type: none"> • Land titles/user rights (Criterion 2.2); • Occupational health and safety plans (Criterion 4.7); • Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8); • HCV documentation (Criteria 5.2 and 7.3); • Pollution prevention and reduction plans (Criterion 5.6); • Details of complaints and grievances (Criterion 6.3); • Negotiation procedures (Criterion 6.4); • Continual improvement plans (Criterion 8.1); • Public summary of certification assessment report; • Human Rights Policy (Criterion 6.13). - Major compliance – | 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. All documents refer to the ratified International Regulation, National Regulation and local regulation, e.g. OHS documents refer to the Act 1, year 1970. | Yes |

| Criterion / Indicator | | Assessment Findings | Compliance |
|--|--|--|------------|
| Criterion 1.3: 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 26th 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> | Yes |
| PRINCIPLE 2: COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS | | | |
| Criterion 2.1 There is compliance with all applicable local, national and ratified international laws and regulations. | | | |

| Criterion / Indicator | | Assessment Findings | Compliance |
|-----------------------|--|---|------------|
| 2.1.1 | <p>Evidence of compliance with relevant legal requirements shall be available.</p> <p>- Major compliance –</p> | <p>All legal requirement comply with the regulations and laws, including those related to land status, occupational health and safety, environmental, labour, agricultural practice, and mill operation. such as:</p> <ol style="list-style-type: none"> 1. Hak Guna Usaha (HGU)/Land title No. 6/HGU/DA/1971 dated 25 June 1971 (10,535.2 ha), issued by Menteri Dalam Negeri cq. Dirjen Agraria (State Ministry Republic of Indonesia, cq. Director General of Land Authority. 2. Renewal Hak Guna Usaha (HGU)/Land title no. 20/HGU/BPN/2001 dated 7 August 2001 from BPN (National land Authority Republic of Indonesia) with total area 10.891 ha and its revised SK Kepala BPN No. 20/HGU/BPN/2001/A/28 dated 19 December 2001 with total area 10.427,773 ha. 3. Renewal Hak Guna Usaha (HGU)/Land title no. No. 1 Tahun 2004 dated 23 March 2004 with "Surat Ukur" No. 01/Genting Malaha/2004, dated 21 April 2004 with total area 10.414,331 ha, valid until 31 December 2026. 4. Izin usaha Perkebunan (IUP) – Operational Business Permit no. 405/T/Pertanian/1996, dated 03 July 1996 FROM 'BKPM"with total area 10,535.2 ha and mill capacity 37.800 MT CPO/year and 8.500 MT PK/year. 5. Renewal IUP from "Direktur Jenderal Bina Produksi Perkebunan, Agriculture Ministry no. HK.350/434/Dj.Bun.5/VI/2001, dated 11 June 2001 with total area 10.535,2 ha and mill capacity 30 tonnes FFB/hour. | Yes |

| Criterion / Indicator | | Assessment Findings | Compliance |
|-----------------------|--|---|------------|
| | | <p>6. AMDAL (SEIA) documents approved by "Komisi Pusat Amdal Departemen Pertanian", no. RC.220/687/B/IV/1994, dated 18 April 1994,</p> <p>7. Surface water usage permit from "Kepala Badan Pelayanan Perijinan Terpadu Prov. Sumatera Utara" No. 610/74/BPPTSU/2/12.1/X/2012, dated 24th October 2012, valid until 24th October 2015 and Ground Water usage permit from Bupati Asahan no. 503/AT/BPPPM/0713/V/2013, dated 01st May 2013, valid until 01st May 2016.</p> <p>8. Temporary hazardous waste store permit from Bupati Asahan no. 660.1/0595/LH /2014, dated 21st July 2014.</p> <p>9. Izin Land Aplikasi (LA permit) from "Bupati Asahan" no.03/LH/IV/2010, dated 19th April 2010.</p> <p>10. Machinery permit in Mill is available.</p> <p>11. The company has established fire mitigation officer as described in organizational chart "Struktur Organisasi Personil Tanggap Darurat" approved by Kepala Dinas Tenaga Kerja Kabupaten Asahan no. 4234/IV-DTK/2014, dated 19th September 2014 for estates and no. 4052/IV-DTK/2014, dated 8th September 2014 for Mill.</p> <p>12. Others permits are available and it has been verified during audit.</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 on 20 th June 2014. | Yes |
| 2.1.3 | <p>A mechanism for ensuring compliance shall be implemented.</p> <p>- Minor compliance –</p> | List of laws are available and being evaluated regularly, last updated on 20 th June 2014, e.g. evaluation of Permentan no. 98/Permentan/OT.140/9/2013. | Yes |

| 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 th December 2009. The procedure explains the stages for evaluation applicable legal requirements, person in charge for evaluation and ensures implementation of such requirement. | Yes |
| Criterion 2.2 | | | |
| The right to use the land is demonstrated, and is not legitimately contested by local people who can demonstrate that they have legal, customary or user rights. | | | |
| 2.2.1 | 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 point 1 – 5. | Yes |
| 2.2.2 | Legal boundaries shall be clearly demarcated and visibly maintained. - Minor compliance – | The company carried out monitoring of boundary pegs on regular basis. Maps of boundaries identified the position of boundary pegs, however during field visit in Sentral Estate (Block A92a) and Batu Anam Estate, it was found that the company did not maintain boundary stones as regulated in "SK HGU and Sertifikat HGU", and it was seen no marking in the boundary stones as mentioned in "Peta Bidang Tanah No. 004, year 2001, dated 26 November 2001. (Minor NC was raised) | No |
| 2.2.3 | 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). - Minor compliance – | 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. | Yes |

| Criterion / Indicator | | Assessment Findings | Compliance |
|---|--|---|------------|
| 2.2.4 | 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. - Major compliance – | 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 rigths within the company areas. | Yes |
| 2.2.5 | 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). - Minor compliance – | No any land dispute was noted. | Yes |
| 2.2.6 | 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. - Major compliance - | No any land dispute was noted. | Yes |
| Criterion 2.3 | | | |
| 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 | 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). - Major compliance – | The Company has Hak Guna Usaha (HGU)/Land title, there are no customary land or legal rights within the company's HGU. | Yes |

| Criterion / Indicator | | Assessment Findings | Compliance |
|-----------------------|---|--|------------|
| 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> <p>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;</p> <p>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;</p> <p>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.</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 |
| 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 compliance - | 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 rigths within the company areas. | Yes |
| PRINCIPLE 3: COMMITMENT TO LONG-TERM ECONOMIC AND FINANCIAL VIABILITY | | | |
| 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 - | A business plan is available in place, covering FFB production projected, OER, KER and cost projection in estates, however, however cost production per ton CPO and forecast prices are not available. (Major NC raised) | No |
| 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 – | Replanting telah dilakukan sejak tahun 2003, dengan perincian tahun tanam sbb: 2003 (191 ha), 2004 (326 ha), 2005 (424 ha), 2007 (502 ha), 2008 (1,659), 2009 (221 ha), 2010 (503 ha), 2011 (577 ha) = 4,403 ha. | Yes |

| Criterion / Indicator | Assessment Findings | Compliance |
|--|--|------------|
| PRINCIPLE 4: USE OF APPROPRIATE BEST PRACTICES BY GROWERS AND MILLERS | | |
| Criterion 4.1 Operating procedures are appropriately documented, consistently implemented and monitored. | | |
| 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. R1 (Seedling). 2. SOP AA-APM-OP-1100.02. R1 (SOP of Land Preparation). 3. SOP AA-APM-OP-1100.03. R1 (SOP of Roads & Bridges Construction and Maintenance). 4. SOP AA-APM-OP-1100.05. R1 (Soil & Water Conservation) 5. SOP AA-APM-OP-1100.06. R1 (Planting Legium Cover Crops) 6. SOP AA-APM-OP-1100.07-R1, last revision no. 02/HP/MEMO/FEB/13, (Planting). 7. SOP AA-APM-OP-1100.08. R1 (Weeding control) 8. SOP AA-APM-OP-1100.09. R1 (Fertilization) 9. SOP AA-APM-OP-1100.10. R1 (Pests & Disease Control) 10. SOP AA-APM-OP-1100.11. R1 (Pesticide Control) 11. SOP AA-APM-OP-1100.14. R1 (Census) 12. SOP AA-APM-OP-1100.18. R1 (Harvesting) 13. SOP AA-APM-OP-1100.19. R1 (FFB Transport) SOP of the processing in PKS from FFB Receiving up to despatch of CPK / PK (SOP AA-MPM-OP-1400.03-RI till SOP AA-MPM-OP-1400.14-RI) | Yes |
| 4.1.2 A mechanism to check consistent implementation of procedures shall be in place. - Minor compliance - | The company conducted an internal audit by R & D Department at least once in a year. The last internal audit was conducted by R & D on March 21 st – 24 th May 2014. | Yes |

| Criterion / Indicator | | Assessment Findings | Compliance |
|--|---|--|------------|
| 4.1.3 | Records of monitoring and any actions taken shall be maintained and available, as appropriate. - Minor compliance – | 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 Report. Visiting Agronomy and Visiting Engineer reports are available, it was noted that correction action was done. | Yes |
| 4.1.4 | The mill shall record the origins of all third-party sourced Fresh Fruit Bunches (FFB). - Major compliance - | The record of FFB from outgrower receipt is recorded in "Laporan Harian PKS". | Yes |
| Criterion 4.2 | | | |
| Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield. | | | |
| 4.2.1 | 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. - Minor compliance – | 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. | Yes |
| 4.2.2 | Records of fertiliser inputs shall be maintained. - Minor compliance – | The company updated its fertilization report as it is being recorded in "Buku Kegiatan Mandor" and "Rekaman Pemupukan-2014", e.g. applied fertilizer type MOP in block G11j 9,011 kg for 6,007 palm tree or 1.50 kg/palm tree where the recommendation was 1.50 kg/palm tree. | Yes |
| 4.2.3 | There shall be evidence of periodic tissue and soil sampling to monitor changes in nutrient status. - Minor compliance – | The company has done leaf and soil analysis regularly for basic fertilizer recommendation. Leaf analysis is conducted annually, the last analysis was conducted in 2013 by PT. NPKAI & QC Laboratory. Soil analysis is conducted every 6 years, the last soil analysis in November 2012 by "Research and Development Department". | Yes |

| Criterion / Indicator | | Assessment Findings | Compliance |
|--|---|--|------------|
| 4.2.4 | A nutrient recycling strategy shall be in place, and may include use of Empty Fruit Bunches (EFB), Palm Oil Mill Effluent (POME), and palm residues after replanting. - Minor compliance – | The company applied EFB to increase the soil fertility, e.g. applied 187 tonnes EFB in Block F08c (13 ha = 1,253 palm tree). Total EFB applied from January up to November 2014 is 31,000 tonnes. The company also applied POME in Land Application (LA), e.g. applied POME in Block E08g (75 ha). | Yes |
| Criterion 4.3 Practices minimise and control erosion and degradation of soils. | | | |
| 4.3.1 | Maps of any fragile soils shall be available. - Major compliance - | No fragile soil (all mineral soil) | Yes |
| 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 “Konservasi Tanah dan Air” has determined strategy control erosion particular in slope area, such as: 0 – 5°, 6 – 12°, 13 -20°, and more than 20°, The company has applied silt pit, L shape stacking frond and terracing in slope area to reduce erosion. | Yes |
| 4.3.3 | A road maintenance programme shall be in place. - Minor compliance – | Road maintenance program and progress was made in recorded in “Roads Grading Monitoring”. e.g. roads maintenance program and progres up to November 2014 is 520,23 km. | 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 |

| Criterion / Indicator | | Assessment Findings | Compliance |
|---|--|---|------------|
| 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 |
| Criterion 4.4 | | | |
| Practices maintain the quality and availability of surface and ground water. | | | |
| 4.4.1 | An implemented water management plan shall be in place. - Minor compliance – | The company has established water management plan, consist of management water supply for domestic, water consumption and measurement of water quality. The company has conducted measurement of water quality regularly and consistent, the result shown that water quality is complies with national regulation. | Yes |
| 4.4.2 | 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. - Major compliance - | 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. 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. | Yes |

| Criterion / Indicator | | Assessment Findings | Compliance |
|--|--|--|------------|
| 4.4.3 | <p>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).</p> <p>- Minor compliance –</p> | <p>The company conducted monitoring POME discharge periodically and reports the results to the relevant authorities. Measurement data and monitoring of POME is discharged into the Land Application, e.g.</p> <ol style="list-style-type: none"> 1. Certificate of Analysis, 11/BLH.SU-UP.LL/C/I/2014, dated on 4th February 2014. 2. Certificate of Analysis, No. 1269/K/AL/04/2014, dated 4th April 2014 3. Certificate of Analysis, No. 07993/CLACAH, dated on October 3rd 2014 by Sucofindo 4. Certificate of Analysis, No. 1785/K/AL/05/2014, dated 7th May 2014 5. Certificate of Analysis, No. 492/BLH.SU-UPT.LL/VI/2014,, dated 16th June 2014 <p>Based on these test results of BOD parameters are still below the quality standard in accordance PERMEN-LH No. KEP-51 / MENLH / 10/1995, and PP No. 82, year 2001 for LA below 5,000 mg/L). The BOD level in effluent is monitored monthly.</p> | Yes |
| 4.4.4 | <p>Mill water use per tonne of Fresh Fruit Bunches (FFB) (see Criterion 5.6) shall be monitored.</p> <p>- Minor compliance –</p> | <p>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 in the last three months is 1.31 M3 / Tonnes FFB.</p> | Yes |
| <p>Criterion 4.5 Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.</p> | | | |

| Criterion / Indicator | | Assessment Findings | Compliance |
|---|--|---|------------|
| 4.5.1 | Implementation of Integrated Pest Management (IPM) plans shall be monitored. - Major compliance - | The company has Integrated Pest Management and its implemented, such as: 1. Planting "Beneficial Plant" such as: Cassia cobanensis, Antigonon leptosus and Tunera subulata were recorded every month in the "Monitoring Host plant", e.g. planting Cassia cobanensis 37 holes and Tunera Subulata 90 holes in Afdeling I in September 2014. 2. Barn owl census every month, e.g. report in July 2014 in Afdeling V. number of barn owl in batu Anam estate up to November 2014 is 43 unit and Sentral estate is 47 unit. 3. Rat census is conducted every month, e.g. July 2014 in in Block F011A (no found rat attack). 4. Ganoderma census conducted every month, e.g. census in August 2014, it was found 2 palm trees was attack Ganoderma. | Yes |
| 4.5.2 | Training of those involved in IPM implementation shall be demonstrated. - Minor compliance - | IPM training is conducted regularly, e.g. IPM training on 29 th August 2014, attended by 90 workers who are involved in IPM implementation. Training is conducted by Biotis, training certificate is available for each trainer | Yes |
| Criterion 4.6 | | | |
| Pesticides are used in ways that do not endanger health or the environment. | | | |
| 4.6.1 | 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. - Major compliance - | 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. | Yes |
| 4.6.2 | 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. - Major compliance - | List of used pesticides is available, however no record of amount of active ingredient of pesticide applied in plantation. (Major NC was raised) | No |

| Criterion / Indicator | | Assessment Findings | Compliance |
|-----------------------|--|--|------------|
| 4.6.3 | 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. - Major compliance - | There is no used of prophylactic use of pesticides throughout the company | Yes |
| 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. - Minor compliance - | The company not use pesticides categories class IA and 1B, only using pesticides with active ingredient Paraquat Dichloride, the record shown that Paraquat usage is decline significantly in a few years and it was verified during audit. The record shown paraquat usage in 2012 (2,006 liter), 2013 (1,059 liter) and 2014 up to November 2014 (133 liter) in batu Anam estate and also noted Paraquat usage in 2012 (2,982 liter, 2013 (320.4 liter) and 2014 (124.6 liter) in Sentral estate. | Yes |
| 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). - Major compliance - | Up to date records of training are kept in each estate for the following: <ul style="list-style-type: none"> - Limited pesticides (Pelatihan Pestisida terbatas) - Handling of pesticides - Integrated Pest Management Pesticide Mixers - Pesticide Sprayers - Any pesticide handlers in stores <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> | Yes |

| Criterion / Indicator | | Assessment Findings | Compliance |
|-----------------------|--|---|------------|
| 4.6.6 | 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). - Major compliance - | <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> <ul style="list-style-type: none"> - 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. - PPE room <p>Operation control:</p> <ul style="list-style-type: none"> - 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>A package management / used pesticide package:</p> <ul style="list-style-type: none"> - 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. | Yes |
| | | <p>The company had a SOP of waste pesticide management which is SOP of hazardous waste management No. AA-KL-06-EFP.</p> <p>The company disposed their hazardous waste, included empty container pesticides to the approval company (PT. Elmusonsetindo Nusaindah), e.g. delivered used rags 1 drums, used accu 5 pcs, contaminated goods 1 drums on 21st June 2014</p> | Yes |

| Criterion / Indicator | | Assessment Findings | Compliance |
|-----------------------|--|--|------------|
| 4.6.7 | Application of pesticides shall be by proven methods that minimise risk and impacts. - Minor compliance – | It was found pesticides mixing tank is unlock and unattended in Sentral estate. (Minor NC was raised) | No |
| 4.6.8 | Pesticides shall be applied aerially 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. - Major compliance - | There is no aerial application of pesticide throughout the company plantation | Yes |
| 4.6.9 | 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). - Minor compliance – | No scheme smallholders | Yes |
| 4.6.10 | Proper disposal of waste material, according to procedures that are fully understood by workers and managers shall be demonstrated (see Criterion 5.3). - Minor compliance – | 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 | Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, shall be demonstrated. - Major compliance - | The company has conducted annual medical surveillance for pesticides operators twice a year, the last MCU on 26 April 2014, e.g. Mrs. H, Mrs. M, and Mrs. LS (Spraying team) Based on result of MCU and recommendation from docter, it was found that no abnormal result. | Yes |

| Criterion / Indicator | | Assessment Findings | Compliance |
|---|--|--|------------|
| 4.6.12 | No work with pesticides shall be undertaken by pregnant or breast-feeding women. - Major compliance – | 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. | Yes |
| <p>Criterion 4.7 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> | | | |

| Criterion / Indicator | | Assessment Findings | Compliance |
|-----------------------|---|--|------------|
| 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>The Company has health and safety policy that is written in in the Company's policy, signed by the Managing Director of the Company on 26th November 2012.</p> <p>The policy has been communicated to all employess and displayed in public area in estates and mill.</p> <p>The company has conducted Risk Assessment related to health and safety work. The results of analysis were written into risk analysis document (HIRADC).</p> <p>Risk assessment method used is quantitative and qualitative method which is the multiplication of severity with the level of possibility. The company has set matrix multiplication result, which is subsequently determined from the matrix level / quality risk is divided into five (5) categories: extreme, high, moderate, low and negletible</p> <p>For activities/processes that have risk levels of moderate and low, the company will perform operation control, monitoring and as well as to provide an appropriate personal protective equipment (PPE).</p> <p>The company has made a health and safety programs that were written into Management Program documents.</p> <p>However, some of area in Gunung Melayu POM, it were found:</p> <ol style="list-style-type: none"> 1. Road access to the POME is unsafe. 2. Eye-wash is not easy to reach due to impeded other things in the chemical storage. 3. There are fire extinguishers in under pressure condition and no checking-list in LA area. 4. No found fire extinguisher in Hazardous waste storage (TPS Limbah B3) <p>(Major NC was raised)</p> | No |

| Criterion / Indicator | | Assessment Findings | Compliance |
|-----------------------|--|---|------------|
| 4.7.2 | <p>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>As a precaution of disease and accidents, the company has set operation control by making procedures, providing appropriate training, provides adequate PPE to all relevant employees.</p> <p>The company also monitored the effectiveness of its implementation in the field.</p> <p>Engineering control was implemented to prevent hearing loss, e.g. install noise reduction agent and administrative by erected signboard of noise area.</p> | Yes |

| | Criterion / Indicator | Assessment Findings | Compliance |
|-------|--|---|------------|
| 4.7.3 | <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>The workers received training related OHS, e.g.</p> <ol style="list-style-type: none"> 1. Limited pesticides handling training on 29th August 2014, attended 93 workers.. 2. Basic fire training was conducted on 09th June 2014, attended 50 workers. 3. Basic safety training was conducted on 24th July 2014, attended 52 workers. 4. First Aids training was conducted on 11th October 2014, attended 78 workers. 5. Boiler chemical training was conducted on 4th June 2014, attended by laboratory's staff. <p>Tarining is documented in "Rekaman Pelatihan".</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, e.g. mask, glove, goggle, apron, and boot shoes.</p> <p>Based on documents review that all operators have trained and had "SIO – Operator license), e.g. Mr. Mahyudi (Tractor operator) no. 13.2180-OPK3-PAA/V/2013, valid until 7th June 2018, OHS for handling and application of pesticides included in procedure "Penanganan Limbah" no. AA-KL-06-EFP.</p> <p>The company also has conducted audiometric test for their workers, e.g. Mr. MS, the result of audiometric test is normal condition</p> | Yes |

| Criterion / Indicator | | Assessment Findings | Compliance |
|-----------------------|--|---|------------|
| 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>The responsible person of OHS is documented in organizational chart Panitia Pembina Kesehatan dan keselamatan kerja (P2K3). Meeting between company and P2K3 members is conducted regularly.</p> <p>Meeting is reported every 3 month to the Government, meeting is discussed previous OHS program, accident record and corrective action was taken, safety inspection, OHS inspection, etc.</p> <p>Organizational chart (P2K3) has been approved by "Kepala Dinas Tenaga Kerja Kabupaten Asahan" no. 4234/IV-DTK/2014, dated 19th September 2014 for Estate and no. 4052/IV-DTK/2014, dated 8th September 2014.</p> | Yes |
| 4.7.5 | <p>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.</p> <p>Records of accidents were found well-kept and presented to the board during the monthly notice board.</p> | Yes |
| 4.7.6 | <p>All workers shall be provided with medical care, and covered by accident insurance.</p> <p>- Minor compliance –</p> | <p>The company has provided clinic for all workers and its covered also by Social Insurance, namely Jamsostek (BPJS).</p> | Yes |

| Criterion / Indicator | | Assessment Findings | Compliance |
|--|---|--|------------|
| 4.7.7 | Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics. - Minor compliance – | The company maintained all of the records regarding the works accident included nearmiss and lost time accident (LTA) in some documents, such as: <ul style="list-style-type: none"> a. Incident Log; contains the victim data, employees grade, works, incident information (time, date, month, year, and location), part of bodies injured, incident description, actions taken, incident categories, numbers of absences and etc. b. Incident Report; contains summary dari incident log, recaped every month. The incident report for January – November 2014, as follows: <ul style="list-style-type: none"> - Fatality: 0 (nil) - Permanent disable: 0 (nil) - Lost Time Incident: 3 incident - Fire: 0 (nil) - Properties Damage: 4 times - Medical Aids: 12 cases - First Aid: 51 cases c. Nearmiss Log; contains names, areas, dates, reporter, incident description, causes, categories, preventive actions, PIC, targets and prevetive actions status. d. Nearmiss Report; contains summary of Nearmiss Log recaped every month. The nearmiss report of Plantation B for January – November 2014. | Yes |
| Criterion 4.8 All staff, workers, smallholders and contract workers are appropriately trained. | | | |

| Criterion / Indicator | | Assessment Findings | Compliance |
|--|---|---|------------|
| 4.8.1 | <p>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.</p> <p>- Major compliance –</p> | <p>The company has its own training institution assigned to arrange its training programmes. The training is created annually.</p> <p>Training programs in 2014, such as:</p> <ul style="list-style-type: none"> - Sustainability Awareness training for RSPO, ISPO and ISSC - HCV Training. - Basic Safety/K3. - Basic Fire. - First Aider. - OHS for herbicides and chemical handling. - Integrated Pest Management. - Managerial technical in AA Learning institute. <p>Training progress in 2014 was conducted based on training program.</p> <p>Training programs in 2015 will be developed in January 2015.</p> | Yes |
| 4.8.2 | <p>Records of training for each employee shall be maintained.</p> <p>- Minor compliance –</p> | <p>Training records consist of the certificates, attendances and training materials were kept in the individual operating units, e.g. training record for Mr. S (Mill operator), Mr M.S (Mill Operator) Mr. M (Tractor operator). etc.</p> | Yes |
| PRINCIPLE 5: ENVIRONMENTAL RESPONSIBILITY AND CONSERVATION OF NATURAL RESOURCES AND BIODIVERSITY | | | |
| <p>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.</p> | | | |
| 5.1.1 | <p>An environmental impact assessment (EIA) shall be documented.</p> <p>- Major compliance -</p> | <p>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.</p> <p>The AMDAL is approved by Ministry of Agriculture as approval letter no. 220/687/B/IV/1994, dated 18th April 1994 .</p> | Yes |

| Criterion / Indicator | | Assessment Findings | Compliance |
|--|--|--|------------|
| 5.1.2 | <p>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.</p> <p>- Minor compliance –</p> | No any changes of SEIA documents | Yes |
| 5.1.3 | <p>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.</p> <p>- Minor compliance –</p> | Company has prepared report on Environmental Management and Monitoring implementation (Laporan RKL-RPL) and sent reports every 6 month to Government Authority, e.g RKL-RPL report semester I 2014 (Period January - June 2014), acceptance letter by officer as evidence, | Yes |
| <p>Criterion 5.2 The status of rare, threatened or endangered species and other High Conservation Value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and operations managed to best ensure that they are maintained and/or enhanced.</p> | | | |

| Criterion / Indicator | | Assessment Findings | Compliance |
|-----------------------|--|--|------------|
| 5.2.1 | Information shall be collated in a High Conservation Value (HCV) assessment that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). - Major compliance - | Identification of HCV in Sentral Estate by consultant "Bogor Agriculture University – IPB" in April 2014. Total HCV areas was identified in Sentral estate is 80.50 ha, consist of HCV 1.2 (47.66 ha), HCV 4.1 (32.16 ha) and HCV 6 (0.685 ha) and in Batu Anam Estate was conducted in 2012, HCV areas was identified is 119.85 ha, consist of HCV 1.3, 4.1, 5 and 6. HCV Identification is conducted based on Indonesian Toolkit – 2008 The company also has done monitoring of HCV et least 6 months, the last monitoring "period January – June 2014". | Yes |
| 5.2.2 | 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. - Major compliance - | The company has made "Conservation Management Plan" to manage and to monitor of RTE's. There was found RTEs as per PP No. 7, year 1999, such as: Elang Brontok ((Nisaetus cirrhatus), Elang Ular Bido (Spilornis cheela), Elang tikus (Elanus caeruleus), and Elang Hitam (Ictinaetus malayensis). | Yes |
| 5.2.3 | 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. - Minor compliance – | The company conduct socialization of HCV regularly to the workforce and local communities surrounding company, e.g. training to workforce on 24 April 2014, attended 36 workers and socialization for local communities was conducted on 28 August 2014, attended 22 local communities representative. No any workforce capture, harm, collects and kills the RTEs species found during audit. | Yes |

| Criterion / Indicator | | Assessment Findings | Compliance |
|--|---|---|------------|
| 5.2.4 | <p>Where a management plan has been created there shall be ongoing monitoring:</p> <ul style="list-style-type: none"> The status of HCV and RTE species that are affected by plantation or mill operations shall be documented and reported; Outcomes of monitoring shall be fed back into the management plan. <p>- Minor compliance –</p> | The company has conducted monitoring of HCV, i.e. monitoring of wild animal / RTEs every six months, e.g. report of RTEs monitoring in January – June 2014. | Yes |
| 5.2.5 | <p>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.</p> <p>- Minor compliance –</p> | All HCV and conservation areas within the company areas. | Yes |
| Criterion 5.3 | | | |
| Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner. | | | |
| 5.3.1 | <p>All waste products and sources of pollution shall be identified and documented.</p> <p>- Major compliance –</p> | The company has identified waste of product and source of pollutions then documented it into "Identifikasi Aspek dan Dampak Lingkungan" | Yes |

| Criterion / Indicator | | Assessment Findings | Compliance |
|---|--|--|------------|
| 5.3.2 | All chemicals and their containers shall be disposed of responsibly. - Major compliance - | The company store hazardous waste in temporary storage with permit and disposed the hazardous waste to the registered collector (PT. Elmusonsentindo), e.g. on 21 st june 2014, Contaminated goods (1 drum), used accu (5 buah), Used Rags (1 drum) The hazardous waste also is recorded in storage and balancing stock is monitored regularly., e.g. hazardous waste stock in September 2014: used gloves (20 pcs) used accu (1 pcs), used lamp (6 pcs), used filter (3 pcs), used mask masker (3 pcs) and used oil (5 litres). | Yes |
| 5.3.3 | A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented. - Minor compliance – | Waste management plan is documented in “Rencana pengelolaan Limbah”. Waste management consists of medical waste, domestic waste, and hazardous waste to reduce pollution into the environment. Hazardous and medical waste is disposed to the register collector, while domestic waste disposed to the landfill, organic and anorganic waste is separated in linesite, organic waste to the landfill and some of anorganic waste is collected for re-cycle. | Yes |
| Criterion 5.4 Efficiency of fossil fuel use and the use of renewable energy is optimised. | | | |
| 5.4.1 | A plan for improving efficiency of the use of fossil fuels and to optimise renewable energy shall be in place and monitored. - Minor compliance – | All energy used in both mills is monitored and recorded under document of “ <i>Pemakaian Energi 2014</i> ” . 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. Fossil fuel usage is recorded for operational purpose, including the efficiency analysis. | Yes |
| Criterion 5.5 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. | | | |

| Criterion / Indicator | | Assessment Findings | Compliance |
|--|--|---|------------|
| 5.5.1 | 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. - Major compliance - | No open burning was noted during field visit and interviewed with local communities and workers | Yes |
| 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 - | No any open burning was noted for land preparation | Yes |
| Criterion 5.6 | | | |
| 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 |
|---|---|---|------------|
| 5.6.3 | <p>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"> 1. Ambient / Air Quality for Genset 1 dan 2, certificate monitoring result no. 153/BLH.SU-UPT.LL/VI/2014, dated 16th June 2014, result of emission for SO₂, NO₂, CO dan total particle is comply with Kepmen LH no. 13/2009. 2. Ambient / Air Quality for Boiler 1 dan 2, certificate monitoring result no. 52/BLH.SU-UPT.LL/VI/2014, dated 16th June 2014, , result of emission, CO No₂, NH₃, HCl, Cl₂, opasitas dan partikulat is comply with Kepmen LH no. 07 tahun 2007, 3. Monitoring noise level and vibration in Genset 1 dan 2, certificate monitoring result no 185/BLH.SU-UPT.LL/VI/2014, dated 13th June 2014. Parameter is comply with Kepmen LH No. 13/2009 and in Engine Room, Kernel dan Sterilizer station no 167/ BLH.SU-UPT.LL/VI/2014, dated 16th June 2014, all parameters is comply with Permenaker nomor 13/MEN/X/2011. <p>Based on review of result of all parameters is comply with the Environmental Ministry Regulation and Health Ministry regulation.</p> | Yes |
| PRINCIPLE 6: RESPONSIBLE CONSIDERATION OF EMPLOYEES AND OF INDIVIDUALS AND COMMUNITIES AFFECTED BY GROWERS AND MILLERS | | | |

| Criterion / Indicator | | Assessment Findings | Compliance |
|--|---|---|------------|
| Criterion 6.1 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 th 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 |

| Criterion / Indicator | | Assessment Findings | Compliance |
|---|--|---|------------|
| 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 6.2 There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties. | | | |
| 6.2.1 | 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 nd 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 efforts 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 |
| Criterion 6.3 There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties. | | | |

| Criterion / Indicator | | Assessment Findings | Compliance |
|--|--|---|------------|
| 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 - | Company is recording each complaint and response provided in the Logbook. | Yes |
| Criterion 6.4 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 – | <p>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 5th December 2009 and has undergone first revisions on 22nd August 2011. The mechanism described is similar to conflict resolution procedures involving community representatives and others stakeholders.</p> <p>There is no negotiation/compensation payment currently. The company has settled all land compensation since at the beginning of land preparation process</p> | Yes |

| Criterion / Indicator | | Assessment Findings | Compliance |
|--|--|--|------------|
| 6.4.2 | <p>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.</p> <p>- Minor compliance –</p> | <p>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 5th December 2009 and has undergone first revisions on 22nd August 2011.</p> | Yes |
| 6.4.3 | <p>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.</p> <p>- Major compliance –</p> | <p>No any land compensation due to no customary land and/or local community land rights within the company area</p> | Yes |
| <p>Criterion 6.5 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.</p> | | | |
| 6.5.1 | <p>Documentation of pay and conditions shall be available.</p> <p>- Major compliance -</p> | <p>The company determines minimum wages based on the Government regulation every year, the minimum wages in 2014 as regulated in "Surat keputusan Gubernur of North Sumatera no. 188.44/941/KPTS/Tahun 2013, dated 12th d December 2013 for Agriculture sector in Asahan District is Rp. 1,728,000,-/month</p> <p>Based on review of payments slip, there is no worker paid below minimum wages, e.g. payment slip for Mr. S in August 2014 is Rp. 1,785,600 plus rice allowance 15 kg and additional rice allowance for their wife and children.</p> | Yes |

| Criterion / Indicator | | Assessment Findings | Compliance |
|-----------------------|---|--|------------|
| 6.5.2 | <p>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.</p> <p>- Major compliance -</p> | <p>Worker Agreement (PKB) between company and labour union is referred in working regulation, Worker Agreement was registered by Dirjen Pembinaan Hubungan Industrial dan Jaminan Sosial Tenaga Kerja No. Kep.191/PHIJSK-PKKAD/PKB/XII/2012, dated 17th December 2012 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.</p> | Yes |
| 6.5.3 | <p>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.</p> <p>- Minor compliance –</p> | <p>The company has prepared facilities for their workers, such as:</p> <ul style="list-style-type: none"> - Housing (Type B: 2 unit), Type CM (2 unit), Type C (1 Unit), Type D (10 unit), type D1 (44 unit), type E1 (374 Unit), Long house (8 unit) in Sentral estate and type B/CM (1 unit) type C (4 units) type D (5 unit), type E (14 units), type E (130 units) in Batu Anam Estate. - Elementary and kindergarden (2 units) - Polyclinic (2 units) - Mosque (4 units) - Church (1 unit) - Creche (3 units) - School bus (4 units) - Ambulance (1 unit) - Sport facilities - Etc. | Yes |
| 6.5.4 | <p>Growers and millers shall make demonstrable efforts to monitor and improve workers' access to adequate, sufficient and affordable food.</p> <p>- Minor compliance –</p> | <p>The traditional market is available surrounding company area, the workers able to access the market and company also prepared transport to local market.</p> | Yes |

| Criterion / Indicator | | Assessment Findings | Compliance |
|---|--|---|------------|
| Criterion 6.6 | | | |
| 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 22 th February 2013, attended by 26 representatives of PUK SPSI, minutes of meeting and attendance list is available | Yes |
| Criterion 6.7 | | | |
| 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 |
| Criterion 6.8 | | | |
| Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited. | | | |
| 6.8.1 | 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 |

| Criterion / Indicator | | Assessment Findings | Compliance |
|---|---|--|------------|
| 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 |
| 6.8.3 | It shall be demonstrated that recruitment selection, hiring and promotion are based on skills, capabilities, qualities, and medical fitness necessary for the jobs available. - Minor compliance – | The company has procedure hiring workers regulated that hiring and promotion of workers based on skill, work experiences, and job evaluation. The company is conduct performance evaluation of workers annually. | Yes |
| Criterion 6.9 | | | |
| There is no harassment or abuse in the work place, and reproductive rights are protected. | | | |
| 6.9.1 | A policy to prevent sexual and all other forms of harassment and violence shall be implemented and communicated to all levels of the workforce. - Major compliance – | 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. | Yes |

| Criterion / Indicator | | Assessment Findings | Compliance |
|---|--|--|------------|
| 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 26th 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.</p> <p>Based on interview with Gender Committee, company has implemented the protection of women reproductive rights, in form of maternal leave, period leave, regular pregnancy check for female sprayers and strictly prohibit pregnant and/or breastfeeding female worker applying pesticides.</p> | Yes |
| 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>Standard Operating Procedure, No. SOP: XX-HR-308.5-RO; Revision: 0, Desember 11th 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> | Yes |
| Criterion 6.10 | | | |
| Growers and millers deal fairly and transparently with smallholders and other local businesses. | | | |
| 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 |

| Criterion / Indicator | | Assessment Findings | Compliance |
|---|---|--|------------|
| 6.10.2 | 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) - Major compliance - | 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. | Yes |
| 6.10.3 | Evidence shall be available that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent. - Minor compliance - | Based on document review that agreement between company and local contractors confirmed that contract is made fairly, legal and transparent, e.g. SPK no. 001/E1KSN/04/14, dated 14 th April 2014 with Mrs. E (School bus rental) and SPK no. 759/MM/AAS/EXT/12/13, dated 02 nd December 2013 with PT. DAC (Bridge construction) | Yes |
| 6.10.4 | Agreed payments shall be made in a timely manner. - Minor compliance - | Evidence of payment is reviewed and it was seen paid timely manner, e.g. Payment for bus school rental to Mrs. E in August 2014 is Rp. 3,918,367 and payment for contractor PT. DAC in December 2013 is Rp. 365,478,984. | Yes |
| Criterion 6.11 | | | |
| 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. | 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 |
| Criterion 6.12 | | | |
| No forms of forced or trafficked labour are used. | | | |

| Criterion / Indicator | | Assessment Findings | Compliance |
|--|---|--|------------|
| 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 |
| 6.12.3 | Where temporary or migrant workers are employed, a special labour policy and procedures shall be established and implemented. - Minor compliance - | The agreement for temporary workers is available and signed by workers. There is no migrant worker. | Yes |
| Criterion 6.13 | | | |
| Growers and millers respect human rights | | | |
| 6.13.1 | 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). - Major compliance - | The company has established human rights policy, 2012, its has been communicated to the workforce. | Yes |
| PRINCIPLE 7: RESPONSIBLE DEVELOPMENT OF NEW PLANTINGS (N/A – No any new planting) | | | |
| PRINCIPLE 8: COMMITMENT TO CONTINUAL IMPROVEMENT IN KEY AREAS OF ACTIVITY | | | |
| Criterion 8.1 Growers and millers regularly monitor and review their activities, and develop and implement action plans that allow demonstrable continual improvement in key operations. | | | |

| Criterion / Indicator | | Assessment Findings | Compliance |
|-----------------------|--|---|------------|
| 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"> • Reduction in use of pesticides (Criterion 4.6); • Environmental impacts (Criteria 4.3, 5.1 and 5.2); • Waste reduction (Criterion 5.3); • Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8); • Social impacts (Criterion 6.1); • Optimising the yield of the supply base; <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> <ul style="list-style-type: none"> - Applied EFB ashes as fertilizer, fibre and shell are burned in boiler for electricity. - Planting beneficial plant for natural predator. - CSR program - Reserve HCV areas - etc. | Yes |

3.2. Details of findings

3.2.1. Review of Previous Assessment Finding (Not Applicable)

3.2.2. Positive Finding

| Positive Findings | |
|-------------------|--|
| No. | Description |
| 1 | The company conserving waterfall within the company areas. |
| 2 | |

3.2.3. Issues raised by stakeholders

During stakeholder interviews, the BSI auditor has contacted and interview stakeholders as listed below:

| No. | Name | Institution |
|-----|-----------------------------------|---|
| 1 | Mr. AI, SH | BPN Kab. Asahan (National Land Authority – District of Asahan) |
| 2 | Mr. S, SP | Dinas Kehutanan dan Perkebunan Kab. Asahan (Forestry and Plantation Department of Asahan District) |
| 3 | Mr. SR | Kantor Lingkungan Hidup, Kab. Asahan (Environmental Department of Asahan District) |
| 4 | Mr. A | Dinas Tenaga Kerja dan Transmigrasi kab. Asahan (Manpower and Transmigration Department of Asahan District) |
| 5. | Mr. HM, | Village Head of G. Malaha |
| 6. | Mr. H | Village Head of Batu Anam |
| 7. | Mr. MN, Mr. K | Local Community Leaders |
| 8. | Mr. Z | Koramil (Local Army –Head) |
| 9. | Mr. PS | Kapolsek (Local Police Head) |
| 10. | Mrs. NW, Mrs. K, and Mrs, Sn | Spraying Team |
| 11. | Mr. Bs, Mr. Sk, Mr. SK and Mr. Sg | Harvester Team |

| Issues raised by Stakeholders | | | |
|-------------------------------|--|------------------|------------------|
| No. | Stakeholder comments | Company Response | Auditor Finding |
| 1 | The company has paid salary for their workers same or higher than minimum wages as regulated by Government | Positive comment | Comment accepted |
| 2 | The company provide social – Health insurance (Jamsostek/BPJS), medical surveillance, and operator licensing for their workers | Positive comment | Comment accepted |
| 3 | No any reported labour dispute, child labour and sexual harassment. | Positive comment | Comment accepted |
| 4 | So far, no land dispute was noted | Positive comment | Comment accepted |

3.2.4. Non Conformities and observation were raised during this initial assessment
3.2.4.1. Major Non Conformities

| Ref | Area/Process | Clause |
|---------------------|---|----------------------------------|
| 1128964M1 | PRINCIPLE 3: COMMITMENT TO LONG-TERM ECONOMIC AND FINANCIAL VIABILITY | RSPO P & C, 2013 - Indicator 3.1 |
| Scope | SPO 620707 | |
| Details: | There is an implemented management plan that aims to achieve long-term economic and financial viability. | |
| Requirements: | Gunung Melayu II POM has budget for 6 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. | |
| Objective Evidence: | Budget Plan of Gunung Melayu II POM | |
| Action | The company has updated budget plan for 6 years (2014 -2019) covering FFB projection received, projection of CPO and PK (OER and KER), included cost production and price of CPO. This Major NC has been closed out on 20 th April 2015 | |
| Closed? | Yes | |

| Ref | Area/Process | Clause |
|---------------------|--|-----------------------------------|
| 1128964M2 | PRINCIPLE 4: USE OF APPROPRIATE BEST PRACTICES BY GROWERS AND MILLERS | RSPO P & C 2013 - Indicator 4.6.2 |
| Scope | SPO 620707 | |
| Details: | No record of amount of active ingredient of pesticide applied in plantation. | |
| Requirements: | 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. | |
| Objective Evidence: | Record of pesticides | |
| Action | 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 Kenrane 288EC in October 2014 (ai. Floroksipir -1-MHE) 97.3 liter (a.i. 288 gr/litres) or 28 litres active ingredient was applied for 4,403 ha and number applicant 16 /295 Mandays (0.0063 gr/ha) or (1.75 gr/applicant) and applied Metsulindo (ai. Metil Metsulfuron) 6.02 kg (ai. 20%) or 1.2 kg active ingredient was applied (0.000274 kg/ha) or 0.075 kg/number applicant). This Major NC has been closed out on 20 th April 2015 | |
| Closed? | Yes | |

| Ref | Area/Process | Clause |
|-----------|---|-----------------------------------|
| 1128964M3 | PRINCIPLE 4: USE OF APPROPRIATE BEST PRACTICES BY GROWERS AND MILLERS | RSPO P & C 2013 - Indikator 4.7.1 |
| Scope | SPO 620707 | |
| Details: | During field visit in Gunung Melayu II POM, it were found: | |

| | |
|---------------------|--|
| | <ol style="list-style-type: none"> 1. Road access to the POME is unsafe. 2. Eye-wash is not easy to reach due to impeded other things in the chemical storage. 3. There are fire extinguishers in under pressure condition and no checking-list in LA area. 4. No found fire extinguisher in Hazardous waste storage (TPS Limbah B3) |
| Requirements: | 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. |
| Objective Evidence: | Field visit |
| Action | Based on field visit, the company has maintain road access to the POME with save condition and replaced fire extinguisher nearby effluent flow meter and hazardous waste storage and its completed monitoring checklist, also eye-wash easy to reach. This Major NC has been closed out on 20 th April 2015 |
| Closed | Yes |

3.2.4.2. Minor non Conformities

| Ref | Area/Process | Clause |
|---------------------|--|-----------------------------------|
| 1128964N2 | PRINCIPLE 2: COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS | RSPO P & C 2013 - Indicator 2.2.2 |
| Scope | SPO 620707 | |
| Details: | Based on field visit in Sentral Estate (Block A92a) and Batu Anam Estate, it was found that the company did not maintain boundary stones as regulated in "SK HGU and Sertifikat HGU", and it was seen no marking in the boundary stones as mentioned in "Peta Bidang Tanah No. 004, year 2001, dated 26 November 2001. | |
| Requirements: | Legal boundaries shall be clearly demarcated and visibly maintained. | |
| Objective Evidence: | SK. HGU, Sertifikat HGU and Peta Bidang Tanah. | |

| Ref | Area/Process | Clause |
|---------------------|--|-----------------------------------|
| 1128964N1 | PRINCIPLE 4: USE OF APPROPRIATE BEST PRACTICES BY GROWERS AND MILLERS | RSPO P & C 2013 - Indicator 4.6.7 |
| Scope | SPO 620707 | |
| Details: | It was found pesticides mixing tank is unlock and unattended in Sentral estate | |
| Requirements: | Application of pesticides shall be by proven methods that minimise risk and impacts. | |
| Objective Evidence: | Field visit in chemical storage in Sentral estate | |

3.2.4.3. Observation

| Type | Area/Process | Clause |
|--------------|---|-----------------------------------|
| Observations | PRINCIPLE 4: USE OF APPROPRIATE BEST PRACTICES BY GROWERS AND MILLERS | RSPO P & C 2013 - Indicator 4.3.3 |
| Scope | SPO 620707 | |
| Details: | It should be consider improving road maintenance. | |

| Type | Area/Process | Clause |
|--------------|--|-----------------------------------|
| Observations | PRINCIPLE 4: USE OF APPROPRIATE BEST PRACTICES BY GROWERS AND MILLERS | RSPO P & C 2013 - Indicator 4.4.2 |
| Scope | SPO 620707 | |
| Details: | It should be consider to increase planting vetiver grass and forest trees along riparian zone in Batu Anam dan Sentral | |

| Type | Area/Process | Clause |
|--------------|--|-----------------------------------|
| Observations | PRINCIPLE 4: USE OF APPROPRIATE BEST PRACTICES BY GROWERS AND MILLERS | RSPO P 7 C 2013 - Indicator 4.7.5 |
| Scope | SPO 620707 | |
| Details: | It should be consider improving monitoring of first aid box and put on list control in each firs aid box and accessible. | |

| Type | Area/Process | Clause |
|--------------|---|------------------------------------|
| Observations | PRINCIPLE 5: ENVIRONMENTAL RESPONSIBILITY AND CONSERVATION OF NATURAL RESOURCES AND BIODIVERSITY | RSPO P & C 2013 - Indicator 5.3.3. |
| Scope | SPO 620707 | |
| Details: | It should be consider domestic waste is disposed in right way (no scattered) and put on sign board in the "TPA" (Waste final discharge) | |

3.3. Time bound plan Finding:

PT Inti Indosawit Subur demonstrates a challenging time bound plan to certify its entire mill and supply bases. Most of the palm oil mills been brought forward and audited in 2014. Audit team sees this as a strong commitment from PT Inti Indosawit Subur.

There are a number of changes noted, where KKPA Penarikan and KKPA Gunung Sahilan moved to 2016, from initial plan to be certified in 2014. PT IIS management is able to provide clear justification. PT IIS management reason was to put resources to certify company-owned estate, then only to certify the smallholders. Audit team suggest the management justification for the changes is sufficient, considering the management commitment towards RSPO certification for the entire entities.

Audit team consider the time bound plan is challenging and still relevant to their management. BSI Audit team found that the company comply with the time bound plan.

BSI is in communication with other CB performing certification for PT Inti Indosawit Subur, to understand the partial certification status. BSI assessed PT Inti Indosawit Subur against partial certification requirement and concluded that there is no unresolved significant land disputes, no replacement of primary forest or loss of HCV, no labour disputes that are not being resolved through an agreed process and no evidence of noncompliance with law noted.

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

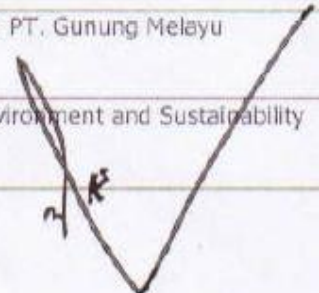
1. There are no unresolved significant land disputes.

- 2. No replacement of primary forest or loss of HCV. New land acquisition follows the RSP0 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.

3.4. Status of Non Conformities

| Reference | Category | Issued | Closed |
|-----------|----------|------------|------------|
| 1128964M1 | Major | 18/12/2014 | 20/04/2015 |
| 1128964M2 | Major | 18/12/2014 | 20/04/2015 |
| 1128964M3 | Major | 18/12/2014 | 20/04/2015 |
| 1128964N2 | Minor | 18/12/2014 | "Open" |
| 1128964N1 | Minor | 18/12/2014 | "Open" |

Section 4. Acknowledgement of Assessment Findings

| Acknowledgement of Assessment Findings | Report Prepared by |
|---|--|
| Name: Welly Pardede | Name: Haeruddin |
| Company name: PT. Gunung Melayu | Company name: PT. BSI Indonesia |
| Title: Head of Environment and Sustainability | Title: Lead Auditor |
| Signature:  | Signature:  |

Appendix "A"
RSPO Certificate Details

PT. Gunung Melayu

Jl. MH. Thamrin No. 31
 Jakarta 10330
 INDONESIA
 Website:

Registered Activities: Palm Oil Mill which produced CPO and PK

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

Certificate Number : SPO 620707
 Date of Certificate : 08 July 2015
 End of certificate : 07 July 2020

Applicable Standards: RSPO Principles & Criteria, Generic Standard 2013 **and**
RSPO SCCS, 2011 Supply Chain Certification requirement for CPO Mills, Module E Mass Balance

| Gunung Melayu II Palm Oil Mill and Supply Base | | | | | |
|---|---|---------------|----------------|--|----------------------------|
| Location Address | Desa Gonting Malaha, Kecamatan Bandar Pulau, Kabupaten Asahan, North Sumatera Province, Indonesia | | | | |
| GPS Location | 99° 28' 11,9" E - 02° 44' 56,9" N | | | | |
| CPO Tonnage Total | 46,800 MT | | | | |
| PK Tonnage Total | 9,300 MT | | | | |
| CPO Claimed for Certification | 32,198 MT | | | | |
| PK Claimed for Certification | 6,195 MT | | | | |
| Own estates FFB Tonnage | 139,842 MT | | | | |
| Scheme Smallholder FFB Tonnage | - MT | | | | |
| Non-company Suppliers FFB Tonnage *) | 70,000 MT | | | | |
| Estates | Production Area | | Other use (ha) | Certified Area / Total land lease (ha) | Annual FFB Production (mt) |
| | Mature (ha) | Immature (ha) | | | |
| Batu Anam | 4,403 | 0 | 769 | 5,172 | 87,133 |
| Sentral | 3,095 | 870 | 1,282 | 5,247 | 52,709 |
| Total | 7,498 | 870 | 2,051 | 10,419 | 139,842 |

***) Non company supplier FFB is non certified source (Excluded from certificate scope)**

Appendix "B"
Audit Plan

| AUDIT AGENDA (PT. GUNUNG MELAYU dan PT. SSL) | | | | | |
|--|---------------|--|----|----|----|
| Tanggal | Waktu/Jam | Uraian | HR | WY | NM |
| Kamis, 11/12/2014 | 15.00 – 16.00 | Opening Meeting (Pertemuan pembukaan) - Presentasi oleh klien (Presentase ringkas tentang manajemen PT. Gunung Melayu) - Presentasi oleh tim audit tentang proses audit dan ruang lingkup. | √ | √ | √ |
| Jum'at, 12/12/2014 | 08.00 – 12.00 | Field Visit: Batu Anam estate Stakeholder Meeting dengan: Tripika, Kepala Desa, Kepala Dusun dan tokoh masyarakat yang ada di sekitar Kebun. | √ | √ | √ |
| | 12.00 – 14.00 | Makan siang | | | |
| | 14.00 – 16.30 | Review dokumen : Batu Anam estate | √ | √ | |
| | | Review dokumen : Sentral estate | | | √ |
| Sabtu, 13/12/2014 | 08.00 – 12.00 | Field visit: Sentral estate | √ | | √ |
| | | Field visit: PKS Gunung Melayu II | | √ | |
| | 12.00 | Makan siang / Istirahat | | | |
| Minggu, 14/12/2014 (LIBUR) | | | | | |
| Senin, 15/12/2014 | 08.00 – 12.00 | Review Dokumen : Sentral estate | √ | | √ |
| | | Review Dokumen : PKS Gunung Melayu II | | √ | |
| | 12.00 – 14.00 | Istirahat / makan siang | | | |
| | 14.00 – 16.30 | Review Dokumen : PKS Gunung Melayu II | √ | √ | √ |
| Kamis, 18/12/2014 | 08.00 – 09.00 | Preparing closing meeting | √ | √ | √ |
| | 09.00 – 10.00 | Closing meeting | √ | √ | √ |
| | 10.00 – 15.00 | Travelling Estate – Bandara Kualanamu, Medan | √ | √ | √ |
| | 17.00 – 19.25 | Flight Medan – Jakarta (GA 191) | √ | √ | √ |

*) HR = Haeruddin

WY = Wahyu

NM = Nanang Mualib

Appendix "C"

RSPO SCCS CHECKLIST NOVEMBER, 2011 "MODULE E – MASS BALANCE"

| Criterion 1. Documented procedures. | | | |
|---|--|--|-------------------|
| The facility shall have written procedures and/or work instructions to ensure implementation of all the elements specified in these requirements. | | | |
| | Requirement | Evidence | Compliance |
| Applicable for SG and MB | | | |
| 1.1 | The facility shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following: a. Complete and up to date procedures covering the implementation of all the elements in these requirements. | <i>Gunung Melayu II mill has established Procedure of supply chain as documented in procedure no. AA-MPM-OP-1400.17-R1.</i> | Yes |
| | b. Complete and up to date records and reports that demonstrate compliance with these requirements. | <i>Record of purchasing and sales is documented in Computerized system and Supply Chain report.</i> | Yes |
| | c. 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 facilities procedures for the implementation of this standard | <i>Person in charge to handling of RSPO Supply Chain is Mill Manager and KTU as determined in SOP.</i> | Yes |
| 1.2 | The facility shall have documented procedures for receiving and processing certified and non-certified FFBs. | <i>Procedure of receiving and processing FFB certified and non certified FFB is separated by computerise system documented in AA-MPM-OP-1400.18-R0</i> | Yes |

| Criterion 2. Purchasing and goods in. | | | |
|--|---|---|-------------------|
| The facility shall ensure that RSPO certified palm oil and products are identified. | | | |
| The facility shall ensure that RSPO certified palm oil and certified products are identified. This shall include at minimum the following: | | | |
| | Requirement | Evidence | Compliance |
| Applicable for SG and MB | | | |
| 2.1 | The facility shall verify and document the volumes of certified and non-certified FFBs received | <i>FFB Certified and non-certified is separated in computerize system in weigh bridge automatically. FFB Certified is stamping "Sustainable" in Nota Hantaran (Delivery Note) and no any marking for non certified FFB.</i> | Yes |
| 2.2 | The facility shall have a mechanism in place for handling non-conforming material/ | <i>Non conformances product handling by "Berita Acara"</i> | Yes |

| | | | |
|-----|---|--|-----|
| | documents | | |
| 2.3 | The facility shall inform the BSI immediately if there is a projected overproduction. | N/A. <i>No any production of certified product yet, however if teher is a projected overproduction.</i> | N/A |

Criterion 3: Record Keeping

| | Requirement | Evidence | Compliance |
|-----|---|---|-------------------|
| 3.1 | Applicable for SG and MB: The facility shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these requirements. | <i>The company has updated and completed all records related supply chain system, such as procedure, Nota Pengantar TBS (FFB Delivery Order), Nota Timbangan (Weight Bridge), Nota pengiriman CPO and PK (CPO and PK Delivery Order) with computerize system with daily, monthly and three monthly basis.</i> | Yes |
| 3.2 | Applicable for SG and MB: Retention times for all records and reports shall be at least five (5) years. | <i>Retention time of record is 10 years as regulated in procedure no. AA-MPM-OP-1400.18-R3.</i> | Yes |
| 3.3 | Applicable only for SG: The facility shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO, PKO and palm kernel meal on a three-monthly basis. | <i>Not Applicable (NA)</i> | Yes |
| | Applicable only for MB: a) The facility shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO, PKO and palm kernel meal on a three-monthly basis. 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. c) The facility can only deliver Mass Balance sales from a positive stock. However, a facility is allowed to sell short. | <i>Certified FFB received and Certified dispatch of CPO and PK is updated daily, monthly and three monthly basis.</i> <i>Certified dispatch CPO and PK is deducted from positive balancing stock.</i> | |
| 3.4 | Applicable only for SG: The following trade names should be used and specified in relevant documents, e.g. purchase and sales contracts, e.g. *product name*/SG or Segregated. The supply chain model used should be clearly indicated. | <i>Not Applicable (NA)</i> | Yes |
| | Applicable only for MB: The following trade names should be used and specified in relevant documents, e.g. purchase and sales contracts, e.g. *product name*/MB or Mass Balance. The supply chain model used should be clearly indicated. | <i>Form of Delivery Note (Nota Hantaran and Nota Timbangan) receiving certified FFB and dispatch certified CPO/PK clearly indicated: name of product, Supply chain model used (MB), etc.</i> | |
| 3.5 | Applicable only for MB: In cases where a mill outsources activities to | <i>N/A</i> | |

| | | | |
|--|--|--|--|
| | <p>an independent 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> | | |
|--|--|--|--|

Criterion 4: Sale and goods out.

This criterion is applicable to purchase and sales invoices and associated documents.

The facility shall ensure that all sales invoices *or relevant documents*, e.g. delivery notes, shipping documents and specification documentation, issued for RSP0 certified oil palm products delivered include sufficient information, this may include the following:

| | Requirement | Evidence | Compliance |
|---------------------------------|--|--|------------|
| Applicable for SG and MB | | | |
| 4.1. | <p>The facility shall ensure that all sales invoices issued for RSP0 certified products delivered include the following information:</p> <ul style="list-style-type: none"> a. The name and address of the buyer; b. The date on which the invoice was issued; c. A description of the product, including the applicable supply chain model (Segregated or Mass balance). d. The quantity of the products delivered; e. Reference to related transport documentation. | <p><i>CPO and PK certified sales invoices/ Deliver Note (Kartu Timbangan), covering information: Name of product, date, nett weight (kg), No of Delivery Order, Supply Chain model, Number of RSP0 certificate, SP Number, name of buyer, and buyer address.</i></p> | Yes |

Criterion 5: Processing.

| | Requirement | Evidence | Compliance |
|--------------------------------|--|-----------------------------------|------------|
| Applicable only for SG: | | | |
| 5.1 | <p>The facility shall assure and verify through clear procedures and record keeping that the RSP0 certified palm oil is kept segregated from non certified material including during transport and storage and be able to demonstrate that it has taken all reasonable measures to ensure that contamination is avoided. The objective is for 100 % segregated material to be reached. The systems should guarantee the minimum standard of 95 % segregated physical material; up to 5 % contamination is allowed.</p> | <p><i>Not Applicable (NA)</i></p> | Yes |
| 5.2 | <p>The facility shall provide documented proof that the RSP0 certified palm oil can be traced back to only certified segregated material.</p> | <p><i>Not Applicable (NA)</i></p> | Yes |
| 5.3 | <p>In cases where a mill outsources activities to an independent 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 operator conforms to these</p> | <p><i>Not Applicable (NA)</i></p> | Yes |

| | | | |
|--|---|--|--|
| | requirements for segregation The crush is covered through a signed and enforceable agreement | | |
|--|---|--|--|

| Criterion 6. Training. | | | |
|---------------------------------|---|---|------------|
| | Requirement | Evidence | Compliance |
| Applicable for SG and MB | | | |
| 6.1 | The facility shall have a defined training plan, which is subject to on-going review and supported by training records. | <i>RSPO SCCS training plan for 2014 is available in place and it has been reviewed</i> | Yes |
| 6.2 | The facility shall provide the training for all staff as required to implement the requirements of the Supply Chain Certification Systems | <i>RSPO SCCS training record was conducted in February 2014, attendance list is available and training kit are available.</i> | Yes |
| 6.3 | The facility shall keep records of the training provided to staff in relation to implementation of these requirements. | <i>Record of training is maintained, such as list of attendance and training material is available, e.g. Training for Wiwik Pratiwi (Krani Timbang)</i> | Yes |

| Criterion 7. Claims. | | | |
|---------------------------------|--|---|------------|
| | Requirement | Evidence | Compliance |
| Applicable for SG and MB | | | |
| 7.1 | The facility shall only make claims regarding the use of or support of RSPO certified palm oil that are in compliance with the RSPO Guidelines for Communication and Claims. | <i>The company has not made claims outside of the RSPO rules for Communications and Claims.</i> | Yes |

Certified Mill Production in previous year

| MILL | CAPACITY | CPO (tonnes) | PK (tonnes) |
|-----------------------|--------------------|--------------|-------------|
| Gunung Melayu II Mill | 30 tonnes FFB/hour | nil | nil |

Certified FFB received Monthly in previous year

| Month | Tanjung Selamat Estate | Pangkalan Estate | Total FFB/Month |
|----------------|------------------------|------------------|-----------------|
| January 2014 | - | - | - |
| February 2014 | - | - | - |
| March 2014 | - | - | - |
| April 2014 | - | - | - |
| May 2014 | - | - | - |
| June 2014 | - | - | - |
| July 2014 | - | - | - |
| August 2014 | - | - | - |
| September 2014 | - | - | - |

| | | | |
|---------------|---|---|---|
| October 2014 | - | - | - |
| November 2014 | - | - | - |
| December 2014 | - | - | - |
| TOTAL | - | - | - |

Sales of CPO and PK certified by etrace

| No. | Date | Name of buyer | CPO (Tonnes) | PK (Tonnes) |
|------------|--------------|----------------------|---------------------|--------------------|
| 1 | - | - | - | - |
| 2 | - | - | - | - |
| | Total | | - | - |

Appendix "D"
Abbreviation used

| | |
|-------|--|
| AMDAL | Analisis Mengenai Dampak Lingkungan (Social and Environmental Impact Assessment) |
| BLH | Badan Lingkungan Hidup (Environmental Board) |
| 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 Foundation |
| ISCC | International Carbon Certification System |
| IUP | Izin Usaha Perkebunan (Plantation Licence) |
| KER | Kernel Extract Ratio |
| MB | Mass Balance |
| OER | Oil Extract Ratio |
| OHS | Occupational Health and Safety |
| P2K3 | Panitia Pembina Kesehatan dan Keselamatan Kerja |
| PK | Palm Kernel |
| 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 |