

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

Batu Anam Village, Bandar Pulau District, Asahan Regency, North Sumatera Province,
Indonesia

Location:

Gonting Malaha Village, Bandar Pulau District, Asahan Regency, 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: Batu Anam Village, Bandar Pulau District, Asahan Regency, North Sumatera Province, Indonesia 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		
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1.2. Certification Information			
Certificate Number	RSPO 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, Batu Anam Estate and Aek Tarum Estate. Aek Tarum Estate is additional estate which developed from existing estates (no additional areas) Mill capacity of Gunung Melayu II POM is 30 tonnes FFB/hour.		
Standard Referring	<ul style="list-style-type: none"> - RSPO SCCS Certification System, 2007, Rev. 2011. - RSPO P & C, Generic Standard 2013. - RSPO SCCS certification system and standard, 2014 		

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. Description of Supply Base						
Estate	Mature (ha)	Immature (ha)	Total Planted (ha)	Infrastructure & others (ha)	Total Hectarage	% of Planted
Batu Anam	3,160	0	3,160	773	3,933	86.03
Sentral	2,584	323	2,907	533	3,440	78.85
Aek Tarum*)	2,273	28	2,301	740	3,041	75.37
Total	8,017	351	8,368	2,046	10,414	80.35

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

1.4. Location(s) of Mill & Supply Bases			
Name (Mill / Supply Base)	Location [Map Reference #]	GPS	
		Longitude	Latitude
Gunung Melayu 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" - 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" - 02°46'32" N
Aek Tarum Estate	Gonting Mahala Village, Bandar Pulau District, Asahan Regency, North Sumatera Province, Indonesia	99°23'12" E - 99°33'34" E	02°42'05" - 02°46'54" N

1.5. Plantings & Cycle									
Estate	Age (Years) in Ha						Tonnage / Year		
	0 – 3*	4 – 10*	11 – 20*	21 - 25	26 - up	Total	Estimated (2015)	Actual (2015)	Forecast (2016)
I. Supply Base from own estate									
1. Batu Anam Estate	0	2,219	941	0	0	3,160	87,133	74,232	52,682
2. Sentral Estate	323	2,584	0	0	0	2,907	52,709	51,904	68,133
3. Aek Tarum	28	2,260	0	13	0	2,301			41,851
Total Certified FFB	351	7,076	941	13	0	8,368	139,842	126,136	162,666
II. Supply base from Scheme Smallholders									0.00
III. Supply Base from independent third parties/Middle man**)									40,000
TOTAL SUPPLY FFB									202,666

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

***) FFB supply from Independent third parties/middle man is non-certified sources.

1.6. Certified Tonnage (tonnes)									
Mill	Estimated (2015)			Actual (2015)			Forecast (2016)		
	FFB	CPO	PK	FFB	CPO	PK	FFB	CPO	PK
Gunung Melayu II	139,842	32,918	6,195	126,136	29,238	5,877	162,666	39,804	7,362

1.7. Actual Certified Palm Production			
MILL	Capacity	CPO (tonnes)	PK (tonnes)
Gunung Melayu II POM	30 tonnes FFB/hour	29,238	5,877

1.8. Actual Sales of certified Palm Product			
MILL	Certified CPO Sold	Certified PK Sold	Remarks
Gunung Melayu II POM	None	1,500	By E_Trace

1.9. Certified FFB received monthly in previous year (Tonnes)			
Month	Sentral Estate	Batu Anam Estate	Total FFB Certified Received
January 2015	2,298	3,966	6,264
February 2015	2,188	2,966	5,154
March 2015	3,499	3,600	7,099
April 2015	4,536	5,282	9,818
May 2015	5,052	6,913	11,965
June 2015	4,967	7,022	11,989
July 2015	4,885	8,085	12,970
August 2015	5,768	9,860	15,628
September 2015	5,297	8,401	13,698
October 2015	5,121	7,439	12,560
November 2015	3,953	6,031	9,984
December 2015	4,340	4,667	9,007
TOTAL	51,904	74,232	126,136

Section 2 Assessment Process

2.1. Certification Body:

BSI Services Malaysia Sdn Bhd,

(ASI Accreditation Number: RSPO-ACC-19)

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BSI is a leading global provider of management systems assessment and certification, with more than 60,000 certified locations and clients in over 100 countries. BSI Standards is the UK's National Standards Body. BSI provides independent, third-party certification of management systems. BSI is ASI Accredited (RSPO-ACC-19) since 31/10/2014 with accredited office located at Kuala Lumpur, Malaysia and an office at Singapore, Jakarta, Bangkok and Australia which involve in RSPO Certification Program.

Assessment Methodology, Programme, Site Visits

The objective of the assessment is to conduct a surveillance assessment and look for positive evidence to ensure the elements of the scope of certification and the requirements of the management standard are effectively addressed by the organisation's management system and that the system is demonstrating the ability to support the achievement of statutory, regulatory and contractual requirements and the organisations specified objectives, as applicable with regard to the scope of the management standard, and to confirm the on-going achievement and applicability of the forward strategic plan. Continuing Assessment (Surveillance) was conducted from 31 May 2016 – 2 June 2016.

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

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

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

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

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

housing. Separate visits were made to each of the local communities to meet with the village head and residents. Company officials were not present at any of Internal or external stakeholder interviews. A list of Stakeholders contacted is included as Appendix E.

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

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

This report was internally reviewed by Mr. Hafrihzhaz Mohd. Mokhtar (He is one of the BSI Qualified RSPO Lead Auditor and Internal Reviewer) and peer reviewer by Mohamed Hidhir

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 (12/2014)	Year 2 (05/2016)	Year 3 (05/2017)	Year 4 (05/2018)	Year 5 (05/2019)
GUNUNG MELAYU II POM	x	x	x	x	X
Batu Anam	x		x	x	
Sentral	x	x		x	x
Aek Tarum		x	x		x

Tentative Date of Next Visit: 01/05/2017

Total No. of Mandays: 9 Mandays

BSI Assessment Team comprises of:

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.

Pratama Agung Sedayu

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

Nanang 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, stakeholder consultation and smallholders.

Edy Widodo – Team Member

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

Accompanying person: None

Section 3 Assessment Findings

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

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

3.2. Progress against Time Bound Plan

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

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

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

3.3. Details of findings

During this surveillance assessment (ASA-1) there was found 1 Major NC, 3 Minor NCs were identified:

Non-Conformity		
NCR #	Description	Category (Major/Minor)
1338573M2	<p>RSPO P & C Generic Standard, 2013 - Indicator 4.7.2</p> <p>A number of activities have not been identified and reviewed in risk assessment:</p> <p>Hazard Identification Risk Assessment and Determining Control/Risk Assessment for plantation operation in Sentral Estate have been reviewed. The latest review and revision on HIRADC dated 01/2016. Risk Assessment has identified hazard and risk from office activities, infrastructure construction activities, warehouse and workshop related activities, harvesting and FFB loading activities, fertilizer and spraying activities. However, risk assessment has not identified hazard and risk identification from activity such as boundary poles monitoring, HCV monitoring and land application maintenance.</p> <p>Risk assessment for mill operation in Gunung Melayu Dua POM has been prepared. The latest review and revision on risk assessment not clear. However, risk assessment lack of hazard and risk identification from accident in month 04-05/2016: repair in sterilizer station, housekeeping in kernel station, working in capstan area.</p> <p>Corrective action: The company has updated HIRDAC in June 2016, included for boundary poles monitoring, HCV monitoring and land application in estate and updated HIRADC in sterilizer station, kernel station, capstand area and based on accident month 04/05/2016 in Mill.</p>	Major

This Major NC is closed out on 30/07/2016.		
1338573N3	RSPO P & C Generic Standard, 2013 - Indicator 2.1.3 The company has "Update List of regulation/pemenuhan peraturan perundang undangan", in January 2016, however this update has not completed for new and/or amendment of regulation, e.g. Permentan no. 11/2015 (ISPO), PP no. 27/2012, etc.	Minor
1338573N4	RSPO P & C Generic Standard, 2013 - Indicator 4.7.5 Insufficient evidence compliance against first aid officer requirements and insufficient root cause analysis for accident investigation report. Records of accidents are available. In 2016, four (4) accidents recorded in "Rekaman Kecelakaan Kerja", with relation to harvesting activities. However, the accident record was not identifying root cause analysis and proposed corrective action.	Minor
1338573N2	RSPO P & C Generic Standard, 2013 - Indicator 4.7.6 1. Based on document review upon payment BPJS Kesehatan and Ketenagakerjaan, auditor found information 140 temporary workers have been covered with BPJS Kesehatan and 155 have been covered with BPJS Ketenagakerjaan out of 472 temporary workers in Sentral Estate. Rest of temporary workers has not covered with BPJS Kesehatan and Ketenagakerjaan. 2. Company has not planned medical surveillance for all workers into health and safety program	Minor

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

Observation	
OBS #	Description
1	RSPO P & C Generic Standard, 2013 - Indicator 4.6.3 Having the preventive pest and disease control measures implemented; Sentral Estate continued to use pesticide to control Oryctes rhinoceros beetle "Data sensus Hama Penyakit TBM Sentral Estate 2016" for Oryctes infestation in oil palm 2015, stated in 01/2016 only 3 palms infested, in 02/2016 only 1 palms infested, and no palms infested in 03-04/2016. Management did the prevention by planting legume cover crop for replanting area and pick the larvae; for 32 Ha in 01/2016, 107 Ha in 02/2016, 139 Ha in 03/2016 and 139 Ha in 04/2016. In contrary with Agriculture Policy Manual, management did not conduct pheromone trap approach based on record "aplikasi pheromone trap 2016". Instead, Sentral Estate applied chemical approach by using pesticide polydor (a.i. lambda sihalotrin) to control the pest. Record "Aplikasi Polydor 2016" stated the Oryctes handling using Polydor (a.i. lambda sihalotrin) spraying covering 582 Ha (2 rotations) in 01/2016, and another each 596 Ha (2 rotations) for period 02-04/2016 – total 2,370 Ha in eight (8) rotations. The total polydor (a.i. lambda sihalotrin) used up to 04/2016 was 258.70 liters.
2	RSPO P & C Generic Standard, 2013 - Indicator 4.7.1 Hazard Identification Risk Assessment and Determining Control/Risk Assessment for Sentral Estate and Gunung Melayu Dua POM are available. Program, Objective and Target for Health and Safety for Sentral Estate and Gunung Melayu Dua are evident. However, company's health and safety program for plantation and mill lack of consideration onto risk assessment result to improve condition on high risk level activity such as: FFB loading, harvesting

	<p>activities; activities around empty bunch hopper.</p> <p>Health and safety program in Gunung Melayu Dua POM is evident. The health and safety program covers nearmiss monitoring, monthly health and safety meeting, reporting health and safety performance, safety induction, emergency response plan, operator competency, monitoring on emergency response infrastructure and tools. Management has not signed the plan.</p>
3	<p>RSPO P & C Generic Standard, 2013 - Indicator 4.7.4</p> <p>Health and Safety dated 27/01/2016 attended by 30 personnel; dated 29/02/2016 attended 24 personnel; dated 25/03/2016 attended by 16 personnel – but minutes of meeting has not been prepared.</p> <p>Health and Safety Committee approved by manpower office, as per “Surat Keputusan Kepala Dinas Tenaga Kerja Kabupaten Asahan No.4052/IV-DTK/2014 tentang Pengesahan Susunan Panitia Pembina Keselamatan dan Kesehatan Kerja (P2K3) di Perusahaan PT Gunung Melayu PMKS Gunung Melayu Dua” dated 08/09/2014. The committee chaired by Mr.Ngatiman (previous palm oil mill manager). To adjust the structure for health and safety committee for Gunung Melayu Dua POM – accommodating changes of personnel.</p>
4	<p>RSPO P & C Generic Standard, 2013 - Indicator 4.8.2</p> <p>The company need consider to completed record of training for each employees.</p>
5	<p>RSPO P & C Generic Standard 2013, Indicator 5.2.4</p> <p>The company needs to consider prevent invasive legume crops (<i>Mucuna bracteata</i>) and maintain sign board in HCV areas.</p>

Positive Findings	
PF #	Description
1	The company has made improvement in Social, Environmental and best practices to maintain comply with RSPO requirement.

Issues Raised by Stakeholders	
Issues #	Description
1	<p>Social issues:</p> <p>a. <u>Ketua Kelompok Tani Tangkisan Meriam dan Ketua LSM Observasi (Desa Batu Anam):</u></p> <ol style="list-style-type: none"> 1. “Kelompok Tani Tangkisan Meriam” coordinates 11 farmer groups, whereby the farmer members have occupied land inside HGU/land title of PT Gunung Melayu and PT Saudara Sejati Luhur (± 480 members) including “Kelompok Tani Ujung Masehi”. 2. Currently there is no conflict between farmer member and company, there has been agreement based on mediation by “Pemerintah Kabupaten Asahan”. 3. The agreement has been implemented on the ground – in form of harvesting interval and collective FFB quality check with farmer. 4. The FFB from farmer members sent into Gunung Melayu Satu and Gunung Melayu Dua POM. 5. Farmer member of “Kelompok Tani Tangkisan Meriam” claims they have existed since company operated. 6. Conducive situation have gone through long discussion involving local government. 7. Chairman of “Kelompok Tani Tangkisan Meriam” requested company to improve communication with all parties to maintain good and safe condition. <p>b. <u>Tokoh Masyarakat dan Kepala Desa Sidomulyo dan Desa Gonting Malaha:</u></p> <ol style="list-style-type: none"> 1. In general, the communication between company and village is good. 2. Company always responded every problem brought upon to company by village official or by communities. 3. Company has implemented the CSR program to local community. Company has

	<p>involved local community in preparation for CSR program – and have been communicated.</p> <ol style="list-style-type: none"> 4. Local communities has positive impact from the company operation, such as: road maintenance, road material provision, medical aid, house repair, religious house repair, provision of clean water, donation during religion festivities, etc. 5. There are occupied lands inside HGU/land title of PT Gunung Melayu. The occupied lands started from reformation era, 1997. Currently no expansion in terms of hectare area and number of farmer cultivating the land. There has been an agreement between company and KTTM. There has not been any escalation of conflict using violence. 6. Company currently prepares pilot project to improve economic wellbeing through partnership in developing independent smallholder in Desa Gonting Malaha. 7. There has been no report from communities working in the company on the practice of force labour. 8. Workers in PT Gunung Melayu paid in accordance to government regulation. 9. Communities have understands company regulation prohibits recruitment of underage worker. 10. There has been no report related to company operation against the principle of female worker protection, annual medical check-up and registration of social insurance. 11. There has been no report from communities related to company operation that was violating human rights, human trafficking, etc. 12. There once report from community related to pollution caused by company operation; however the case found no solid base. 13. There was complaint from communities related to cattle grazing inside company plantation. The current regime was to gather green fodder, instead of allow cattle roam freely inside plantation. 14. Company has utilized workforce by recruiting local community as temporary worker. <p>Management Response: Positive finding</p> <p>Auditor Team Findings: Positive finding</p>
<p style="text-align: center;">2</p>	<p>Labour issues: <u>Dinas Tenaga Kerja Kabupaten Asahan</u></p> <p>a. <u>Industrial norm:</u></p> <ol style="list-style-type: none"> 1. PT Gunung Melayu and PT Saudara Sejati Luhur has paid minimum wage as per regulation. For permanent workers based on UMSK, while for temporary workers in accordance to UMR Provinsi Sumatera Utara. 2. PT Gunung Melayu and PT Saudara Sejati Luhur have registered their employees under social, health and accident insurance BPJS Ketenagakerjaan and Kesehatan. 3. Company has prepared a manpower reporting “Wajib Laport Tenaga Kerja” on annual basis and reported to “Dinas Tenaga Kerja Kabupaten Asahan”. 4. Plantation industry categorized as worst sector in the use of female worker during night time and the use of child worker. Manpower office stated there has been no report with regards to use of child worker and/or the use of female workforce during night time – in PT Gunung Melayu and PT Saudara Sejati Luhur. 5. Company shall register all workers under BPJS Ketenagakerjaan and BPJS Kesehatan Scheme, including temporary worker. Even though manpower office understands the technical difficulties related to turnover of temporary worker. <p>b. <u>Health and Safety:</u></p> <ol style="list-style-type: none"> 1. Company has prepared health and safety structure, acknowledged by “Dinas Tenaga Kerja Kabupaten Asahan”. 2. Company has implemented provision of personal protective equipment for all employees. However, the consistency in the use by worker needs to improve. 3. PT Gunung Melayu and PT Saudara Sejati Luhur obtained recommendation on th use of hazardous substance from “Dinas Tenaga Kerja Kabupaten Asahan”

4. Company handled accident cases in good manner. The reporting and claim was completed with reports.
5. Company has regularly prepared and reported the health and safety performance report to "Dinas Tenaga Kerja Kabupaten Asahan".
6. Company has conducted regular medical check up, especially for workers on high risk station (palm oil mill) including sprayers and fertilizer applicators.
7. Heavy machinery operator, lift and carry operator, steam vessel operator has obtained operator license.
8. Company has conducted regular inspection on machinery such as steam vessel and pressure vessel as per applicable regulation.
9. Company has established bi-partite coordination body, to resolve industrial relationship dispute, prior to report on mediation by "Dinas Tenaga Kerja" or court "Pengadilan Perselisihan Hubungan Industrial". The bi-partite coordination body has been acknowledged by "Dinas Tenaga Kerja Kabupaten Asahan".
10. Company has collective work agreement "Perjanjian Kerja Bersama" for permanent worker. For temporary worker, company shall abide relevant regulation.
11. There has been no industrial relationship dispute.
12. Company has prepared infrastructure and facility for welfare: housing, clean water, electricity, medical facility, education, etc.

c. Pengurus Komite Gender

1. Gender committee has an annual work program such as regular meeting, dissemination on female worker rights to female worker, worker skill training, etc.
2. There has been no report/claim related to domestic violence and/or sexual harassment to female worker.
3. Regular meeting for central committee conducted on 3-monthly basis. Regular meeting for sub-committee conducted on monthly basis.
4. Company demonstrated commitment to protect female worker's reproductive rights by: period leave, maternal leave, specific medical check up for high risk worker every 6-months, monthly pregnancy test;
5. Gender committee has understands the mechanism for reporting on sexual harassment case – including protection complainant/whistleblower identity.
6. Communication with company is good.
7. Company provided PPE;
8. Company has provided facility for worker welfare: housing, clean water, electricity, sanitation facility, school bus, school building, medical clinic, religious house, etc.
9. Company has registered the workers in BPJS Ketenagakerjaan and BPJS Kesehatan;
10. There has been no worker demonstration against company;
11. Company paid the worker salary in accordance to relevant regulation;
12. There is no indication of human rights violation;
13. There is no indication of forced labor.

d. Pengurus Serikat Pekerja Serikat Pekerja

1. Company has fulfilled their normative obligation in terms of salary payment in accordance to regulation, religious day benefit, BPJS program, etc.
2. Worker union member/SPSI is worker from permanent worker up to staff. However in operational level, SPSI also pays attention on temporary worker's issues.
3. Temporary workers have work agreement.
4. Work performance evaluation conducted on annual basis – as consideration for evaluation, promotion, mutation, etc.
5. There is no indication of discrimination of worker.
6. Company has provided personal protective equipment for its worker.
7. Company has provided facility for worker welfare: housing, clean water, electricity, sanitation facility, school bus, school building, medical clinic, religious house, etc.
8. Company has registered the workers in BPJS Ketenagakerjaan and BPJS Kesehatan.
9. There has been no worker demonstration against company.

	<p>10. Company paid the worker salary in accordance to relevant regulation 11. There is no indication of human rights violation 12. There is no indication of forced labor 13. There is a bi-partite coordination body 14. Currently industrial dispute between employee named Mr.Anwar Lubis with company related to mutation decision. The case was in process in "Pengadilan Hubungan Industrial".</p> <p>Management Response: Positive finding</p> <p>Auditor Team Findings: Positive finding</p>
3	<p>Environmental issues: <u>Badan Lingkungan Hidup Kabupaten Asahan</u></p> <ol style="list-style-type: none"> "Kantor Lingkungan Hidup Kabupaten Asahan" conducted regular 3-monthly meeting with all company to evaluate the environmental management and monitoring performance. PT Gunung Melayu have environmental document in form of "Dokumen Studi Evaluasi Lingkungan" and have reported the environmental management and monitoring implementation on regular basis. PT Gunung Melayu has performed environmental management in good manner. Company has utilized the palm oil mill effluent into land application, obtained permit from "Badan Lingkungan Hidup Kabupaten Asahan". Company has managed the hazardous waste, obtained permit for temporary storage – in accordance with relevant regulation. Company has implemented the CSR program in good manner. There was no report from stakeholder on environmental pollution caused by plantation operation of palm oil mill operation. Inner plastic bag from fertilizer bag shall be treated and managed as hazardous waste <p>Management Response: Positive finding</p> <p>Auditor Team Findings: Positive finding</p>
4	<p>Legal issues: <u>Kantor Pertanahan Kabupaten Asahan</u></p> <ol style="list-style-type: none"> In 2015, there once a report from committee for Human Rights "Komnas HAM", related to land dispute by "Kelompok Tani Ujung Masehi" dated back 2014 and BPN have stated their availability and readiness for field visit; however it has not been conducted – because the complainant (Kelompok Tani Ujung Masehi) cannot point out the location and cannot demonstrate evidence of land ownership over the complained land. There once land dispute related to occupied land in area of PT Gunung Melayu (inside HGU). The dispute between company and communities since long period of time. However, the matter can be resolved accordingly. The latest case dated back October 2014 resolved through mediation by "Bupati Asahan". <p>Management Response: Positive finding</p> <p>Auditor Team Findings: Positive finding</p>
5	<p>Operational issues: a. <u>Dinas Perkebunan dan Kehutanan Kabupaten Asahan</u></p> <ol style="list-style-type: none"> The HGU/land title area of PT Gunung Melayu and PT Saudara Sejati Luhur – are in line with spatial planning for Kabupaten Asahan, as cultivation/plantation area. All HGU/land title area of PT Gunung Melayu and PT Saudara Sejati Luhur, based on "Peta penunjukan kawasan hutan provinsi Sumatera Utara" – map on forest area in Sumatera Utara – located in "Area Penggunaan Lain" non-forest area. Company has reported the plantation operation activities on regular basis to "Dinas Kehutanan dan Perkebunan Kabupaten Asahan".

	<p>4. FFB price established based on market price, and company was not bound to FFB price regulated by "Keputusan Penyusunan Harga TBS Sumatera Utara". Based on report, PT Gunung Melayu and PT Saudara Sejati Luhur have price structure better than other companies.</p> <p>5. With regards to additional processing capacity in Gunung Melayu Dua POM, currently is in process of review by "Dinas Perkebunan dan Kehutanan Kabupaten Asahan".</p> <p>a. <u>Kontraktor Lokal</u></p> <ol style="list-style-type: none"> 1. Meeting was attended by 8 sub-contractors of PT Tunas Subur – FFB Supplier Company. 2. FFB payment done once as per agreed time and price. 3. FFB price information gave by PT Tunas Subur as contract holder with PT Gunung Melayu. Price changes also informed. 4. FFB that does not meet specification returned to FFB supplier. 5. The current complaint occurred with regards to information of FFB reception during high crop season – causing high lead time for waiting in queue. 6. Contractor wanted company could facilitate shortcut road from Desa Sidomulyo to Desa Batu Anam, currently hampering FFB transportation.
	<p>Management Response: Positive finding</p>
	<p>Auditor Team Findings: Positive finding</p>

1.4. Status of nonconformities and observation previously identified.


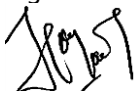
Non-Conformity		
NCR #	Description	Category (Major/Minor)
1128964N1	<p>Requirements: RSPO P & C, Generic Standard 2013 - Indicator 4.6.7 It was found pesticides mixing tank is unlock and unattended in Sentral estate.</p> <p>Action Taken: The company has taken action to ensure the all mixing areas are the lock in estates and mill.</p> <p>This Major NC has been closed on 31/05/2016</p>	Minor
1128964N2	<p>Requirements: RSPO P & C 2013 - Indicator 2.2.2 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.</p> <p>Action Taken: Based on field visit and document review "Pemeliharaan patok Batas", the company has maintained and marking boundary stones as mentioned in "Peta Bidang Tanah no. 004, year 2001. The activity including installation of boundary poles in Aek Tarum Estate block A92a/A12a, where company have installed pole No.66 – as informed in "Peta Bidang Tanah No.004".</p> <p>This Major NC has been closed on 31/05/2016</p>	Minor

Observation	
OBS #	Description

1	<p>RSPO P & C, Generic Standard – Indicator 4.3.3. It should be consider improving road maintenance.</p> <p>Action Taken: PT Gunung Melayu demonstrated the road maintenance program. Road maintenance on the ground evident, in block D11g road maintenance was current. Road condition is good, with banking.</p>
2	<p>RSPO P & C – Indicator 4.4.2 It should be consider to increase planting vetiver grass and forest trees along riparian zone in Batu Anam dan Sentral</p> <p>Action taken: Based on document review “Penanaman Sempadan” and field visit to riparian zones, company have enriched the vegetation with vertiver grass, Albizia tree, bamboo tree along the riparian area.</p>
3	<p>RSPO P & C – Indicator 4.7.5 It should be consider improving monitoring of first aid box and put on list control in each firs aid box and accessible</p> <p>Action taken: Field visit to Sentral Estate, harvesting activity in block D11i, weed spraying activity in block C10o and fertilizer application activity in block C10m found field supervisor equipped with first aid kit. The monitoring of first aid kit content through checklist is evident.</p>
4	<p>RSPO P & C – Indicator 5.3.3 It should be consider domestic waste is disposed in right way (no scattered) and put on sign board in the "TPA" (Waste final discharge)</p> <p>Action Taken: The company has socialized to their workers of awereness disposed domestic waste in right way, during field visit in estate and mill housing complex, no found domestaic waste scattered and the company also has erected sign board the final discharge domestic waste (Tempat Pembuangan Akhir - Sampah)</p>

3.5. 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	20/04/2015	31/05/2016
1128964N1	Minor	20/04/2015	31/05/2016
1338573M2	Major	31/05/2016	“open”
1338573N2	Minor	31/05/2016	“open”
1338573N3	Minor	31/05/2016	“open”
1338573N4	Minor	31/05/2016	“open”

Assessment Conclusion and Recommendation	
<p>The auditors conclude that Perlavian Palm Oil Mill and its supply base are complying with the RSPO certification system 2007, RSPO Generic Standard 2013 and RSPO SCCS 2014.</p> <p>Its recommend to extend the RSPO certificate for Gunung Melayu II Palm Oil Mill and and its supply base</p>	
Acknowledgement of Assessment Findings by PT. Gunung Melayu – Gunung Melayu II POM	Report Prepared by
Name: Mr. Welly Pardede	Name: Haeruddin
Company name: PT. Gunung Melayu	Company name: PT. BSI Indonesia
Title: Head of Environment and Sustainability	Title: Lead Auditor
Signature:  Date: 30/07/2016	Signature:  Date: 30/07/2016

Appendix "A"
Summary of Finding

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 RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.		
1.1.1 There shall be evidence that growers and millers provide adequate information on (environmental, social and/or legal) issues relevant to RSPO Criteria to relevant stakeholders for effective participation in decision making. - Minor compliance -	The company has made a mechanism for request information no.: AA-GL-5008.1-R1 dated on 22 nd August 2011. The company has owned some policies for documents created by the public relations department in the company and acknowledged by plantation manager that can be accessed by public dated 12 th September 2014 that covered: a. Legal Documents 1. a copy of SK HGU (Land Title) 2. a copy of AMDAL (Social and Environmental Impact Assessment) b. Environment Documents 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 1. Jamsostek 2. HSE management programmes	Yes
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" and response is documented in "Log Book Stakeholders – Out". There were noted 37 request information and others from Stakeholder in 2015, e.g. from Dinas Kehutanan dan Perkebunan no. 525/471, dated 28 th May 2015 related ISPO implementation. All request information and others has been responded timely manner	Yes

Criterion / Indicator	Assessment Findings	Compliance
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 1.3: Growers and millers commit to ethical conduct in all business operations and transactions.		
1.3.1 - Minor compliance -	The company has Code of ethical conduct and integrity in all operation and transaction, dated 01 st December 2014 which stated: "Berkomitmen berperilaku pada seluruh transaksi dan operasi bisnis, pelarangan seluruh bentuk korupsi, penyuapan dan penipuan dalam penggunaan dana dan sumber daya", the company has communicated this policy by Sosialization to the worker, e.g. on 9 th April 2016, attended 27 workers. The company able demonstrate that policy has been communicated effectively to all level operation of workforce.	Yes
PRINCIPLE 2: COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS		

Criterion / Indicator		Assessment Findings	Compliance
Criterion 2.1			
There is compliance with all applicable local, national and ratified international laws and regulations.			
2.1.1	Evidence of compliance with relevant legal requirements shall be available. - Major compliance –	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: 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
	<ol style="list-style-type: none"> 6. Based on overlapping with Peta Kawasan Hutan dan Perairan SK. Menhut No. 579/Menhut-II/2014, all areas of PT. Gunung Melayu is "Areal Penggunaan Lain"/Non Forest Area. 7. AMDAL (SEIA) documents approved by "Komisi Pusat Amdal Departemen Pertanian", no. RC.220/687/B/IV/1994, dated 18 April 1994, 8. 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. 9. Temporary hazardous waste store permit from Bupati Asahan no. 660.1/0595/LH /2014, dated 21st July 2014. 10. Izin Land Aplikasi (LA permit) from "Bupati Asahan" no.03/LH/IV/2010, dated 19th April 2010. 11. Pengesahan Sususnan Panitia Pembina Keselamatan dan kesehatan Kerja (P2K3) di perusahaan, approved by Dinas Tenaga Kerja Kabupaten Asahan no. 2235/IV-DTK/2016, dated 19th May 2016. 12. Machinery permit in Mill is available. 13. 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. 14. Others permits are available and it has been verified during audit. 	<p style="text-align: center;">Yes</p>

	Criterion / Indicator	Assessment Findings	Compliance
		<p>Gunung Melayu Dua POM: Mill machineries permit and inspection:</p> <p>"Akte Izin Turbin Uap Pengesahan Dinas Tenaga Kerja Kabupaten Asahan Motor Turbin Uap No.2366/16/T.Uap/IV-DTK/2005" dated 16/09/2005 for Steam turbine Shinko Kin 20 KV S/N 49978.</p> <p>"Akte Izin Bejana Uap Menteri Tenaga Kerja Kantor Wilayah Sumatera Utara No.02/H.0079.A" dated 08/07/1992 for steam vessel, back pressure vessel 110003. Latest inspection report No.0417/BU/JA/I/2015 dated 29/01/2015.</p> <p>"Izin Pemakaian Bejana Tekan dari Departemen Tenaga Kerja RI Kantor Wilayah Propinsi Sumatera Utara No.52/VI/BT-KOMP./W2/1999" dated 08/06/1999 for pressure vessel PUMA S/N 807. Latest inspection report No.0411/BT/JA/I/2015 dated 29/01/2015. Report stated the vessel condition and function is good.</p> <p>"Izin Pemakaian Bejana Tekan dari Dinas Tenaga Kerja Kabupaten Asahan No.2365/22/BT/IV.DTK/2005" dated 16/09/2005 for pressure vessel 80 liters. Latest inspection report No.0412/BT/JA/I/2015 dated 29/01/2015. Report stated the vessel condition and function is good.</p> <p>"Akte Izin Ketel Uap dari Departemen Tenaga Kerja RI Kantor Wilayah Propinsi Sumatera Utara No.02/H.0084A" dated 29/07/1992 for steam boiler S/N 1023. Latest inspection report No.0572/KU/JA/II/2016 dated 09/02/2016. Report stated the boiler furnace, piping, super heater, foundation, dust collector condition and function is good.</p> <p>"Izin Pemakaian Pesawat Angkat dan Angkut Departemen Tenaga Kerja RI Kantor Wilayah Propinsi Sumatera Utara No.445/PAA/W2/1993" dated 01/05/1993 for overhead travelling crane Demag 5,000 kg S/N 220263. Latest inspection report No.0577/PAA/JA/II/2016 dated 09/02/2016. Report stated the crane condition and function is good.</p> <p>"Izin Pengesahan Pemakaian Motor Diesel dari Departemen Tenaga Kerja Kantor Wilayah Sumatera Utara No.07/VI/PTP/W2/1999" dated 08/06/1999 for motor diesel cummins. Latest inspection report No.0575/MD/JA/II/2016 dated 09/02/2016.</p>	
2.1.2	<p>A documented system, which includes written information on legal requirements, shall be maintained.</p> <p>- Minor compliance -</p>	<p>The company has "Update List of regulation/pemenuhan peraturan perundang undangan" in January 2016</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
2.1.3	A mechanism for ensuring compliance shall be implemented. - Minor compliance –	The company has “Update List of regulation/pemenuhan peraturan perundang undangan”, in January 2016, however this update has not completed for new and/or amendment of regulation, e.g. Permentan no. 11/2015 (ISPO), PP no. 27/2012, etc. (Minor NC was raised)	No
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. Based on field visit to block A92a/A12a, A12c, A12b, and A11a for boundary inspection to HGU boundary pegs No.70, 69, 67, 66 and 65; shows company has repaired/installed the boundary pegs. The HGU pegs constructed from cement sized 40 cm x 40 cm, painted blue with peg identity marked on iron plate. The HGU boundary pegs identity confirmed to be aligned with boundary map “Peta Bidang Tanah No.004 tahun 2001”. Based on document verification upon “Monitoring Patok HGU Kebun Sentral No.003/LAP/KSN12/2015” dated 23/12/2015; company demonstrated that company have a plan for maintenance/repair of 68 units peg however based on verification the pegs on the field were more than 68 units, beyond plan.	Yes

	Criterion / Indicator	Assessment Findings	Compliance
2.2.3	<p>Where there are or have been disputes, additional proof of legal acquisition of title and evidence that fair compensation has been made to previous owners and occupants shall be available, and that these have been accepted with free, prior and informed consent (FPIC).</p> <p>- Minor compliance -</p>	<p>Based on interview with surrounding village societies, field visit and company documentation; there was no land dispute between company and surrounding community. However, there was occupied land within the HGU of PT Gunung Melayu. The occupied land was worked since Gunung Melayu plantation was managed by PT Balai Asahan; and was increasing in number of community and hectareage during reformation era 1998. Currently there was no increment in number of community or hectareage.</p> <p>Company has an agreement with KTTM, stating there will be no increase in size land by the member of KTTM. Company has identified the occupied land and prepare mapping of the ara. For example, in Batu Anam Estate occupied land identified was 670 Ha – under 273 farmers; in Sentral Estate occupied land identified was 156 Ha – under 44 farmers.</p> <p>Based on field visit, the occupied land located in area with steep slope (canyon), low lying area, and river buffer zone. Company classified as technically difficult and decided to set aside to conserve the area. While community worked on the area, because they thought the area was abandoned by company.</p> <p>Based on environmental document dated 1993 and information from village head, the occupied land existed since previous management, PT Balai Asahan and increased in number of farmer and size during reformation era 1998.</p> <p>Currently, company policy is to respect the presence of farmers, and slowly give understanding: the farmer cannot expand the occupied land. The FFB harvest from the area has been regulated, dated 1-5 and 20-25 of every month, with monitoring from both parties. This is to ensure the FFB harvested was not from company’s plantation and security of the FFB harvested by farmer.</p>	Yes

	Criterion / Indicator	Assessment Findings	Compliance
2.2.4	<p>There shall be an absence of significant land conflict, unless requirements for acceptable conflict resolution processes (see Criteria 6.3 and 6.4) are implemented and accepted by the parties involved.</p> <p>- Major compliance –</p>	<p>Based on interview with surrounding village societies, field visit and company documentation; there was no land dispute between company and surrounding community. However, there was occupied land within the HGU of PT Gunung Melayu. The occupied land was worked since Gunung Melayu plantation was managed by PT Balai Asahan; and was increasing in number of community and hectareage during reformation era 1998. Currently there was no increment in number of community or hectareage.</p> <p>Company has an agreement with KTTM, stating there will be no increase in size land by the member of KTTM. Company has identified the occupied land and prepare mapping of the ara. For example, in Batu Anam Estate occupied land identified was 670 Ha – under 273 farmers; in Sentral Estate occupied land identified was 156 Ha – under 44 farmers.</p> <p>Based on field visit, the occupied land located in area with steep slope (canyon), low lying area, and river buffer zone. Company classified as technically difficult and decided to set aside to conserve the area. While community worked on the area, because they thought the area was abandoned by company.</p> <p>Based on environmental document dated 1993 and information from village head, the occupied land existed since previous management, PT Balai Asahan and increased in number of farmer and size during reformation era 1998.</p> <p>Currently, company policy is to respect the presence of farmers, and slowly give understanding: the farmer cannot expand the occupied land. The FFB harvest from the area has been regulated, dated 1-5 and 20-25 of every month, with monitoring from both parties. This is to ensure the FFB harvested was not from company's plantation and security of the FFB harvested by farmer.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
2.2.5	<p>For any conflict or dispute over the land, the extent of the disputed area shall be mapped out in a participatory way with involvement of affected parties (including neighbouring communities where applicable).</p> <p>- Minor compliance -</p>	<p>Based on interview with surrounding village societies, field visit and company documentation; there was no land dispute between company and surrounding community. However, there was occupied land within the HGU of PT Gunung Melayu. The occupied land was worked since Gunung Melayu plantation was managed by PT Balai Asahan; and was increasing in number of community and hectareage during reformation era 1998. Currently there was no increment in number of community or hectareage.</p> <p>Company has an agreement with KTTM, stating there will be no increase in size land by the member of KTTM. Company has identified the occupied land and prepare mapping of the ara. For example, in Batu Anam Estate occupied land identified was 670 Ha – under 273 farmers; in Sentral Estate occupied land identified was 156 Ha – under 44 farmers.</p> <p>Based on field visit, the occupied land located in area with steep slope (canyon), low lying area, and river buffer zone. Company classified as technically difficult and decided to set aside to conserve the area. While community worked on the area, because they thought the area was abandoned by company.</p> <p>Based on environmental document dated 1993 and information from village head, the occupied land existed since previous management, PT Balai Asahan and increased in number of farmer and size during reformation era 1998.</p> <p>Currently, company policy is to respect the presence of farmers, and slowly give understanding: the farmer cannot expand the occupied land. The FFB harvest from the area has been regulated, dated 1-5 and 20-25 of every month, with monitoring from both parties. This is to ensure the FFB harvested was not from company's plantation and security of the FFB harvested by farmer.</p>	Yes
2.2.6	<p>To avoid escalation of conflict, there shall be no evidence that palm oil operations have instigated violence in maintaining peace and order in their current and planned operations.</p> <p>- Major compliance -</p>	<p>Currently, company policy is to respect the presence of farmers, and slowly give understanding: the farmer cannot expand the occupied land. The FFB harvest from the area has been regulated, dated 1-5 and 20-25 of every month, with monitoring from both parties. This is to ensure the FFB harvested was not from company's plantation and security of the FFB harvested by farmer.</p>	Yes
<p>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.</p>			

	Criterion / Indicator	Assessment Findings	Compliance
2.3.1	<p>Maps of an appropriate scale showing the extent of recognised legal, customary or user rights (Criteria 2.2, 7.5 and 7.6) shall be developed through participatory mapping involving affected parties (including neighbouring communities where applicable, and relevant authorities).</p> <p>- Major compliance –</p>	<p>PT Gunung Melayu holds a legal ownership of the land in form of Hak Guna Usaha (HGU)/land title, where the document completed with map "Peta Bidang Tanah" scale 1:30,000. The HGU certificate was based on measurement minute "Surat Ukur No.100/Gonting Malaha/2001" dated 01/08/2001 of 10,414,331 Ha located in Desa Gonting Malaha, Kecamatan Bandar Pulau, Kabupaten Asahan, Propinsi Sumatera Utara.</p> <p>The issuance of HGU certificate have gone through "Rapat Panitia Tanah B" involving multi-stakeholder as consideration prior to HGU issuance.</p>	Yes
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 rigths within the company areas.</p> <p>Based on environmental document "Studi Evaluasi Lingkungan" dated 1993 and field visit; the occupied land under company's HGU. Currently, company policy is to respect the presence of farmers, and slowly give understanding: the farmer cannot expand the occupied land. The FFB harvest from the area has been regulated, dated 1-5 and 20-25 of every month, with monitoring from both parties. This is to ensure the FFB harvested was not from company's plantation and security of the FFB harvested by farmer.</p> <p>Company has identified the occupied land and prepare mapping of the area. In Batu Anam Estate occupied land identified was 670 Ha – under 273 farmers; in Sentral Estate occupied land identified was 156 Ha – under 44 farmers.</p> <p>Based on stakeholder consultation with Desa Gonting Malaha and Desa Sidomulyo, Land office of Kabupaten Asahan statement obtain: there was no land conflict, however they were confirming the occupied land inside HGU of PT Gunung Melayu. There was an agreement between community and company.</p> <p>Based on interview with chairman of "Kelompok Tani Tangkisan Meriam (KTTM)", stating that: Currently there was no conflict between company and member of "KTTM", and there was an agreement between company and "KTTM" with mediation from "Pemerintah Kabupaten Asahan"; The agreement have been implemented on the ground in term of harvesting interval and FFB quality check; The FFB harvested sent for Gunung Melayu Satu POM and Gunung Melayu Dua POM; Farmer member of "KTTM" stating they have been farming long before company operated.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
2.3.3	All relevant information shall be available in appropriate forms and languages, including assessments of impacts, proposed benefit sharing, and legal arrangements. - Minor compliance -	Company has provide all information related to all information/document accessible for public, as per RSPO P&C indicator 1.2.1, including environment evaluation document "Studi Evaluasi Lingkungan". The document explains in detail the presence of occupied land inside the HGU area of PT Gunung Melayu.	Yes
2.3.4	Evidence shall be available to show that communities are represented through institutions or representatives of their own choosing, including legal counsel. - Major coimpliance -	Based on stakeholder consultation with communities surrounding the plantation, there have never been social unrest related to presence of occupied land. Good communication between company and community, related to FFB harvesting schedule, as explained in RSPO P&C indicator 2.3.2.	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 -	<p>Sentral Estate: Business management plan, for period 2016-2020 is available. The projection explained FFB processed, CPO production, PK production from company owned estate and third party. The projection also explained the cost of production for FFB, CPO, kernel, palm, including increase of cost per annum in period 2016 – 2020. Cost of production explaining direct cost (manpower, supporting, sparepart, service and maintenance, vehicle and heavy machineries) and indirect cost.</p> <p>Gunung Melayu Dua POM: Business management plan for Gunung Melayu Dua Mill for period 2015-2019 is available. The projection explained FFB processed, CPO production, PK production from company owned estate and third party. The projection also explained the cost of production for FFB, CPO, kernel, palm, including increase of cost per annum in period 2015 – 2019. Cost of production explaining direct cost (manpower, supporting, sparepart, service and maintenance, vehicle and heavy machineries) and indirect cost.</p>	Yes

Criterion / Indicator	Assessment Findings	Compliance																																																
<p>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 –</p>	<p>Replanting program has been completed by PT Gunung Melayu for Sentral Estate and Aek Tarum Estate in 2015.</p> <p>Sentral Estate:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Planting year</th> <th style="text-align: left;">Hectare</th> <th style="text-align: left;">Initial planting year (1st cycle)</th> </tr> </thead> <tbody> <tr><td>2008</td><td>1,039</td><td>1986</td></tr> <tr><td>2009</td><td>321</td><td>1986</td></tr> <tr><td>2010</td><td>615</td><td>1986, 1994</td></tr> <tr><td>2011</td><td>361</td><td>1986</td></tr> <tr><td>2012</td><td>248</td><td>1986, 1990, 1998</td></tr> <tr><td>2015</td><td>323</td><td>1985, 1986, 1992</td></tr> <tr><td>Total</td><td>2,907</td><td></td></tr> </tbody> </table> <p>Aek Tarum Estate:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Planting year</th> <th style="text-align: left;">Hectare</th> <th style="text-align: left;">Initial planting year (1st cycle)</th> </tr> </thead> <tbody> <tr><td>1992</td><td>13</td><td>-</td></tr> <tr><td>2009</td><td>555</td><td>1985, 1986, 1990,</td></tr> <tr><td>2010</td><td>620</td><td>1985,</td></tr> <tr><td>2011</td><td>463</td><td>1986,</td></tr> <tr><td>2012</td><td>622</td><td>1985, 1986</td></tr> <tr><td>2015</td><td>53</td><td>1986, 1997</td></tr> <tr><td>Total</td><td>2,326</td><td></td></tr> </tbody> </table> <p>It was confirmed that replanting of oil palms since November 2005 was replacing old palms, not a completely new planting or conversion from other plantation crop.</p>	Planting year	Hectare	Initial planting year (1st cycle)	2008	1,039	1986	2009	321	1986	2010	615	1986, 1994	2011	361	1986	2012	248	1986, 1990, 1998	2015	323	1985, 1986, 1992	Total	2,907		Planting year	Hectare	Initial planting year (1st cycle)	1992	13	-	2009	555	1985, 1986, 1990,	2010	620	1985,	2011	463	1986,	2012	622	1985, 1986	2015	53	1986, 1997	Total	2,326		<p>Yes</p>
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<p>PRINCIPLE 4: USE OF APPROPRIATE BEST PRACTICES BY GROWERS AND MILLERS</p>																																																		
<p>Criterion 4.1 Operating procedures are appropriately documented, consistently implemented and monitored.</p>																																																		

Criterion / Indicator	Assessment Findings	Compliance
<p>4.1.1 Standard Operating Procedures (SOPs) for estates and mills shall be documented.</p> <p>- Major compliance -</p>	<p>The company has prepared a set of procedures from land preparation up to despatch CPO and PK. Procedures for plantation best management practices, such as:</p> <ol style="list-style-type: none"> 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 (Fertilizer application) 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) <p>Gunung Melayu Dua POM:</p> <ol style="list-style-type: none"> 1. SOP AA-MPM-OP-1400.02.R2 Stasiun Penerimaan for FFB receiving station; 2. SOP AA-MPM-OP-1400.03.R1 Stasiun Rebusan for sterilizer; 3. SOP AA-MPM-OP-1400.04.R1 Stasiun Pemisahan Berondolan for loose fruit separation; 4. SOP AA-MPM-OP-1400.05-R1 Stasiun pengadukan dan pengempaan for pressing station; 5. SOP AA-MPM-OP-1400.06-R1 Stasiun pemurnian for clarification; 6. SOP AA-MPM-OP-1400.07-R1 Stasiun pemisahan nut dan fiber for nut and fiber separation; 7. SOP AA-MPM-OP-1400.08-R1 Stasiun kernel for kernel station; 8. SOP AA-MPM-OP-1400.09-R1 Stasiun boiler; 9. SOP AA-MPM-OP-1400.10-R1 Stasiun engine room; 10. SOP AA-MPM-OP-1400.11-R1 Stasiun water treatment; 11. SOP AA-MPM-OP-1400.12-R1 Laboratorium; 12. SOP AA-MPM-OP-1400.13-R1 Stasiun pengelolaan limbah for palm oil mill effluent treatment; 13. SOP AA-MPM-OP-1400.14-R2 Stasiun penimbunan dan pengiriman CPO dan kernel for CPO and PK bulking and despatch operation; 14. SOP AA-MPM-OP-1400.15-R1 Perawatan for preventive maintenance; <p>The mill operational procedures explains the flow process, specification of material and process, machinery and tools required, step-by-step process, control, monitoring and measurement and health and safety requirements.</p>	<p>Yes</p>

	Criterion / Indicator	Assessment Findings	Compliance
4.1.2	<p>A mechanism to check consistent implementation of procedures shall be in place. - Minor compliance –</p>	<p>Estate: PT Gunung Melayu has a procedure for internal audit under Standard Operating Procedures AA-SOP-ES-6001-R1 01/03/2013. The procedure stating internal audit of minimum once a year. Upon finding, management unit shall prepare review on audit finding and prepare root cause analysis, prepare corrective action – with person in charge and completion target. The latest RSPO internal audit was done in 05/05/2016 for PT Gunung Melayu.</p> <p>Gunung Melayu Dua POM: Schedule Preventive Maintenances period 01-04/2016 are evident. The maintenance scheduled for daily, weekly, monthly maintenance of receiving station (weighbridge, loading ramp, capstand, lorries);</p> <p>sterilizer station (sterilizer, trolley, condensate, blow down chamber, air compressor); loose fruit segregation station(capstand, hoist crane, conveyor to bunch crusher, thresher, auto feeder, bunch crusher, empty bunch conveyor); press station (digester, press machine, crude oil tank, vibrating screen, sand trap, sludge recovery pump, centrifuge, decanter, continuous settling tank, vacuum drier, hot well tank, clean oil tanks); ripple mill station (ripple mill, destoner, nut polishing drum, cake breaker conveyor, dust cyclone, hydrocyclone, kernel silo);</p> <p>power station (turbine, power generators, boilers, feed water tank); water treatment station (clarifier tank, water tanks, sand filter, water pumps); POME station (circulation pump, land application pump, aerator, robot pump); Record of maintenance in receiving station, bunch crusher checked on 20/03/2016 and replacement of bearing on 29/03/2016; fruit elevator No.2 install chain and bucket conducted on 21-24/03/2016. Record of maintenance in power station, turbine checked on 07/05/2016 and repair steam installation alternator on 22/03/2016.</p>	Yes

	Criterion / Indicator	Assessment Findings	Compliance
4.1.3	<p>Records of monitoring and any actions taken shall be maintained and available, as appropriate.</p> <p>- Minor compliance –</p>	<p>Sentral Estate and Aek Tarum: Visiting Agent Report by Liu A Cai, dated 18-22/10/2015. A number of comments were made related to EFB application, pruning in block, pest and disease control, consolidation, weed control, etc. Follow up evident: low lying area covered with thick bush: has been followed up, targeted 11/2015. Up-to-date 17 low lying area outstanding in block D09k, block D09m, D09n and targeted 04/2016. Status done.</p> <p>“Laporan Kunjungan Hama dan Penyakit 2016” by R&D dated 21-22/03/2016. The visit highlighted the importance of rat control by barn owl. Program by management, a number of blocks have a sign board indicating best management for plantation. The sign board informing FFB production, productivity per Ha, weed control, pest census, fertilizer regime, etc.</p> <p>Gunung Melayu Dua POM: Visiting Engineer Report No.PGD-VE-FULL 01-15 dated 16/12/2015. A number of issues highlighted related to quality of third party FFB supplied – action by coordination with “Manajer Pembelian Buah Luar” in 12/2015; Average bunch weighed under 6 kg – action plan coordination to supply FFB with minimum 6 kg; Lorries condition was poor – to replace lorries from Ukui POM and Gunung Melayu Satu POM 21/12/2015; CST coil steam piping was poor – planned for major maintenance 2017.</p>	Yes

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

	Criterion / Indicator	Assessment Findings	Compliance
4.2.2	<p>Records of fertiliser inputs shall be maintained.</p> <p>- Minor compliance –</p>	<p>Fertilizer recommendation 2016 is available, prepared with consideration of foliar analysis result. Fertilizer application records 2016 are available.</p> <p>Sentral Estate: "Program/Realisasi Kerja Pemupukan Anorganik 2016" showing fertilizer recommendation and applied fertilizer 2016</p> <p>Division I, block C10o, 23 Ha, 3,062 palms, programmed with kieserite 3,828 kg – applied 3,828 kg in 01/2016; NPK 5,359 kg – applied 5,359 kg in 02/2016; HGFB 306 kg – applied 306 kg in 03/2016; ZA 6,124 kg – applied 6,124 kg in 04/2016. Division II, block D09m, 24 Ha, 2,418 palms, programmed with Kieserite 2,438 kg – applied 2,438 kg in 01/2016; NPK 4,267 kg – applied 4,267 kg in 02/2016; HGFB 244 kg – applied 244 kg in 03/2016, ZA 6,705 kg – applied 6,705 kg in 04/2016. Field visit to block C10m, fertilizer application of CuSO4 150 gram per palm.</p> <p>Aek Tarum Estate:</p> <p>Division I: recommendation NPK 544,346 kg - applied 142,987 kg NPK 12:12:17:2 (26.27%); recommendation ZA 138,277 kg - applied 138,277 kg ZA (100%); recommendation MOP 31,600 kg – applied 31,600 kg MOP (100%); recommendation Kieserite 96,203 kg – applied 96,203 kg dolomite (100%); recommendation HGFB 17,728 kg – applied 8,864 kg HGFB (50%); recommendation EFB 8,217,450 kg – none applied.</p> <p>Division III: recommendation NPK 505,438 kg - applied 130,875 kg NPK 12:12:17:2 (25.89%); recommendation ZA 129,397 kg - applied 129,382 kg ZA (99.9%); recommendation MOP 15,239 kg – applied 15,239 kg MOP (100%); recommendation Kieserite 78,522 kg – applied 78,525 kg dolomite (100%); recommendation HGFB 16,181 kg – applied 8,091 kg HGFB (50%); recommendation CuSO4 2,634 – applied 2,634 kg CuSO4 (100%); recommendation EFB 7,494,900 kg – applied 87,000 kg.</p> <p>Division III: recommendation HGFB 16,766 kg – applied 8,383 kg HGFB (50%); recommendation EFB 9,690,450 kg – applied 1,096,450 kg.</p>	Yes
4.2.3	<p>There shall be evidence of periodic tissue and soil sampling to monitor changes in nutrient status.</p> <p>- Minor compliance –</p>	<p>PT Gunung Melayu provides soil fertility test/soil type analysis based on Research and Development Asian Agri Group dated back 2012. The soil type/classification consist of Arenic hapludults, Typic hapludults, Typic endoaquepts.</p> <p>Leaf analysis was done in 08/2015 by PT Nusa Pusaka Kencana Analytical and QC Laboratory. Sample seen: Foliar Analysis Report Kebun Sentral No.143/INT/R&D/AGT/L/15 from 1 sampled rachis. Foliar Analysis Report Kebun Sentral No.125/INT/R&D/JUL/L/15 from 30 sampled oil palm leaves, dated 30/07/2015 – the report indicating N,P, K, Mg, Ca, B, Cu level.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
4.2.4	<p>A nutrient recycling strategy shall be in place, and may include use of Empty Fruit Bunches (EFB), Palm Oil Mill Effluent (POME), and palm residues after replanting.</p> <p>- Minor compliance -</p>	<p>Sentral Estate: The company applied EFB to increase the soil fertility. Division I, block C10o, programmed EFB 150 kg/palm – total 459,300 kg. Has not implemented. Division II, block E08j programmed 409,050 kg – total implemented 365,130 kg in 03-04/2016.</p> <p>Aek Tarum Estate: EFB applied on block B09i, 27 Ha; 81,000 kg applied in 04/2016; block B10j, 19 Ha; 6,000 kg applied in 04/2016. Division III, block B11c, 25 Ha – programmed to be applied with EFB 495,150 kg in 02/2016, implemented 6,170 kg in 02/2016. Total applied in Division III: 432,770 kg in 01/2016; 558,240 kg in 02/2016; 801,090 kg in 03/2016. Based on field visit to replanting area (53 Ha), Aek Tarum Estate is utilizing shipped palm stumps as organic material for soil nutrition.</p>	Yes
<p>Criterion 4.3 Practices minimise and control erosion and degradation of soils.</p>			
4.3.1	<p>Maps of any fragile soils shall be available.</p> <p>- Major compliance -</p>	<p>PT Gunung Melayu showed Peta Sebaran Satuan Tanah for Sentral Estate and Aek Tarum Estate. The map indicated the predominant soil type consist of Typichapludults, Typic endoaquepts and Arenic hapludults. There is also topographic map indicating the elevation of Sentral Estate and Aek Tarum Estate. The limitation for the area is steep slope on some area. PT Gunung Melayu did not open the area with steep slope.</p>	Yes
4.3.2	<p>A management strategy shall be in place for plantings on slopes above a certain limit (this needs to be soil and climate specific).</p> <p>- Minor compliance -</p>	<p>Aek Tarum Estate: "Pemeliharaan Tapak Kuda" individual platform: Division III, block B11a, 8 Ha, 29 units individual platform constructed in 02/2016; block C12c, 44 Ha, constructed 31 units individual platform in 04/2016.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
4.3.3	<p>A road maintenance programme shall be in place.</p> <p>- Minor compliance –</p>	<p>Sentral Estate:</p> <p>“Pemeliharaan Jalan Mekanis” for Division I totalling 37,495 meters; for Division I, block C10k, programmed with 1,733 meters in 03/2016 – implemented 1,000 meters in 01/2016; Division II, block E08d programmed with 3,008 meters in 01/2016 – has not implemented; Division III, block D11k programmed with 4,115 meters in 03/2016 – has not implemented; Division IV, block H08d programmed with 4,972 meters in 01/2016 – implemented 2,500 meters in 01/2016.</p> <p>Rehabilitation of individual platform for Division I, block C10o, programmed with 57 units in 02/2016 – implemented 6 units in 02/2016 and 1 in 03/2016; Division II, block E08d programmed with 58 units in 01/2016 – implemented 71 units in 01/2016 and 116 in 02/2016 – implemented 15 units in 02/2016; Division III, block D11k programmed with 60 units in 02/2016 – implemented 30 units in 03/2016;</p> <p>Rehabilitation of continuous terrace for Division I, block C10k, programmed with 2016 meters in 01/2016 – implemented 1,480 meters in 01/2016; Division II, block E08d programmed with 3,896 meters in 01/2016 – implemented 1,841 meters in 01/2016 and 2,935 meters in 02/2016; Division III, block D11k programmed with 2,402 meters in 02/2016 – implemented 1,650 meters in 02/2016;</p> <p>Aek Tarum Estate:</p> <p>“Pemeliharaan Jalan Manual” for Division I, 3,400 meters in 04/2016.</p> <p>“Pengerasan Jalan Sirtu” for Division III grader 99,455 meters, compacting 99,455 meters. For Division I, block A12m, 39 Ha planned to have material (stone and sand) for 4,470 meters; grader for 4,470 meters; compacting 4,470 meters; scraper 4,470 meters – planned in 06/2016.</p> <p>“Program dan Realisasi Rempes Jalan 2016”, roadside pruning – Division II for 4,000 meters in 02/2016; 3,200 meters in 03/2016. Division III for 4,500 meters in 02/2016.</p>	Yes
4.3.4	<p>Subsidence of peat soils shall be minimised and monitored. A documented water and ground cover management programme shall be in place.</p> <p>- Major compliance –</p>	<p>Based on soil analysis, there is no peat soil in PT Gunung Melayu.</p>	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 -	Based on soil analysis, there is no peat soil in PT Gunung Melayu.	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 -	Aek Tarum Estate: "Perbaikan Gorong-Gorong" indicating Division I, block A10a, construction of 3 units culvert; Division II, block B09a, construction of 6 units culvert. "Pemeliharaan gorong-gorong" indicating maintenance/repair of culvert: Division II, repair of 9 units culvert.	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. Gunung Melayu Dua POM (30 tonnes FFB per hour): Water management plan indicated the water consumption requirement. In 2016, the raw water intake 55,173 m ³ ; demineralization plant water intake 18,569 m ³ ; reverse osmosis water intake 14,258 m ³ ; water for boiler 28,190 m ³ ; POME produced 18,378 m ³ .	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. Based on document review "Penanaman Sempadan" and field visit to riparian zones, company have enriched the vegetation with vertiver grass, Albizia tree, bamboo tree along the riparian area.	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>Company holds permit to use mill effluent as soil nutrition, as per "Ijin Pemanfaatan Limbah Cair (POME)" base on decision of the Bupati Asahan, dated 20 May 2015 No.660.I/0638/LH/2015; "Pemberian Izin Land Aplikasi Limbah Cair (land Application) PT Gunung Melayu Pabrik Gunung Melayu Dua Kabupaten Asahan", valid for three years; for land area ± 150 Ha, POME which is applied with a limit of BOD parameter 5,000 mg/ltr.</p> <p>Monitoring performed every month and reported every 3 months. Monitoring of palm oil mill effluent and quality of surface water have been done by "Kementerian Kesehatan RI Direktorat Pengendalian Penyakit dan Penyehatan Lingkungan Balai Teknik Kesehatan Lingkungan dan Pengendalian Penyakit (BTKLPP) Kelas I Medan":</p> <ol style="list-style-type: none"> 1. Quality of liquid waste/effluent on the 1st April 2016, No.1809/K/AL/04/2016 – meets parameter. 2. Water quality of monitoring wells/"sumur pantau" (Batu Anam Estate Block D 08 Gunung Melayu II Mill), dated 3rd March 2016, No.980/K/AL/03/2016 – meets parameter. <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/liter). The BOD level in effluent is monitored monthly (per April 2016; BOD 4,119.63 mg/liter).</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/ton of FFB), average in the last five months on 2016 is 1.67 m³/ton 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	<p>Implementation of Integrated Pest Management (IPM) plans shall be monitored.</p> <p>- Major compliance -</p>	<p>The company has Integrated Pest Management Plan and the record of implementation.</p> <p>Sentral Estate: Leaf eating pest census period 06-25/04/2015, for division I stated no caterpillar, nettle caterpillar, and bagworm infestation detected. Leaf eating pest census period 20-30/04/2015, for division II stated no caterpillar, nettle caterpillar, and bagworm infestation detected.</p> <p>"Data sensus HP TBM Sentral Estate 2016" for Oryctes infestation in oil palm 2015, stated in 01/2016 only 3 palms infested, in 02/2016 only 1 palms infested, further no palms infested in 03-04/2016.</p> <p>"Data Burung Hantu Periode 03/2016" shows the population of barn owl in Sentral Estate. Seen: in division I, 435 Ha, 14 barn owl boxes occupied by 13 barn owls. Division II, 704 Ha, 14 barn owl boxes occupied by 10 barn owls.</p> <p>"Perhitungan Serangan Tikus dan Tirathaba" period 15-20/04/2016 shows in Division I, 127 palms (3.31%) with rat damage; Division II 160 palms (2.16%); Division III 8 palms (0.15%);</p> <p>Planning for planting of host plant: Sentral Estate planned to plant Turnera subulata for Division III, block D11n, D11o (44 Ha) and block D12c and D12d (56 Ha).</p> <p>"Laporan Kunjungan Hama dan Penyakit 2016" by R&D dated 21-22/03/2016. The visit highlighted the importance of rat control by barn owl. Natural predator for leaf eating caterpillar found in path row, Cosmolestes picticeps.</p> <p>Implementation on weed control through spraying of woody and circle-path. Sample seen: Division I, block C10k, planned to control 10 Ha – implemented 10 Ha; block C12b planned to control 33 ha – implemented 33 ha in 04/2016. Division III, block D09h, planned to control 21 Ha – implemented 21 Ha in 02/2016.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
		<p>Aek Tarum Estate: "Data Sensus Kandang Burung Hantu", barn owl box census: in Division I, period 01-03/2016 16 boxes with population of 6 mature birds, 12 chicks and 2 eggs. In Division II, period 01-03/2016 identified 14 boxes with population 10 mature birds, 4 eggs. In Division III, period 01-03/2016 identified with 12 boxes, with population 5 mature birds, 4 eggs. "Serangan Tikus dan Tirathaba", rat attack: In Division I, no new attack. In Division II period 01-05/2016, in 03/2016 identified 29 new attacks (0.30%) – under threshold. In Division III period 01-05/2016, in 02/2016 identified 15 new attacks (0.6%); in 04/2016 identified 8 new attacked palms (0.14%) – under threshold. Planting of host plant: Division I, block A10a, planning 10 planting points – implemented 9 planting points in 01/2016. "Serangan Ganoderma dan Pengendaliannya", ganoderma attack and control: Division 1, in 02/2016 identified 35 infested palms and 9 newly identified infested palms. Management has taken control by de-bolling and sanitizing the planting points.</p>	
4.5.2	<p>Training of those involved in IPM implementation shall be demonstrated. - Minor compliance –</p>	<p>Company provides training for pest and disease officer, implementation of integrated pest management. The latest integrated pest management training by R&D Bahilang, conducted in 29/08/2015 for field assistants: Mr.Rio Marthin HS, Mr.Budianto, Mr.Nur Iman, Mr.Suhendri Syahputra, Mr.Ade Nasution, Mr.Agus S. List of attendance evident.</p>	Yes
<p>Criterion 4.6 Pesticides are used in ways that do not endanger health or the environment.</p>			
4.6.1	<p>Justification of all pesticides used shall be demonstrated. The use of selective products that are specific to the target pest, weed or disease and which have minimal effect on non-target species shall be used where available. - Major compliance -</p>	<p>The justification of pesticide used in PT Inti Indosawit Subur - Sentral Estate is explained under company procedure. PT Inti Indosawit Subur – Gunung Melayu Group shows "SOP Pengendalian Gulma No.AA-APM-OP-11100.08-R1" dated 01/11/2008. The procedure chapter IV explains the weed control program for woody, grass, fern, caladium, wild banana (<i>Musa spp</i>), <i>Aystasia</i>. It does explain active ingredients use to control such weed, dosage per application, type of nozzle used and volume of spraying per application. In chapter V explains selection of pesticide and its active ingredients content, nature of the pesticide and target species. Chapter VII describes calculation of actual area implemented per hectare plantation (spray factor), spraying rotation and spraying output. Chapter XIII related to work equipment, protective equipment and safe working practices. Based on interview with herbicide sprayer and chemical warehouse keeper, they understand the target species and active ingredients to control them. Sprayer shows knowledge on minimizing chemical impact on beneficial weed.</p>	Yes

Criterion / Indicator	Assessment Findings						Compliance
4.6.2	Record of pesticides used in Sentral Estate 2014						Yes
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 -	Chemical	Active ingredient	Application 2014 (liter or kg)	A.i. used	a.i per Ha applied (3,965 Ha)	a.i. per production (16,166 tons)	
	Metsulindo 20 WP	Metil metsulfuron 20%	65.75 kg	13,150 gram	2.31 gram/Ha	0.813 gram/ton	
	Gramoxone	Ion paraquat 276 g/l	132.4 liters	26 gram	0.01 gram/Ha	0.0016 gram/ton	
	Bionasa	Isopropyl amina glifosat 480 g/l	4,394.4 liters	3,534 gram	0.89 gram/Ha	0.021 gram/ton	
	Kenrane 288 EC	Fluoroksipir 288gr/l	766.3 liters	220,694 gram	55.66 gram/Ha	13.651 gram/ton	
	Kenlon	Trichlophyr 480 g/l	35 liters	16,800 gram	4.23 gram/Ha	1.03 gram/ton	
	Ally	Metil metsulfuron 20%	55,750 kg	11,150,000 gram	2,812.1 gram/Ha	689.71 gram/ton	
	Elang 480 SL	Isopropyl amina glifosat 480 g/l	1,366.7 liters	656,016 gram	165.45 gram/Ha	40.57 gram/ton	
	Marshall	Karbosulfan 5%	7 kg	350 gram	0.088 gram/Ha	0.021 gram/ton	
	Solusi 865 SL	2,4 Dimetil Amina 865 g/l	178.05 liters	154,013 gram	38.84 gram/Ha	9.52 gram/ton	
	Polydor 25 EC	Lamda sihalotrin 25 g/l	3,496.2 liters	87,405 gram	22.01 gram/Ha	5.4 gram/ton	
	Decis	Deltrametrin 25 g/l	30 liters	750 gram	0.19 gram/Ha	0.046 gram/ton	

Criterion / Indicator	Assessment Findings	Compliance																																																																		
	<p>Record of pesticides used in Sentral Estate 2015</p> <table border="1"> <thead> <tr> <th>Chemical</th> <th>Active ingredient</th> <th>Application 2014 (liter or kg)</th> <th>A.i. used</th> <th>a.i per Ha applied (3,965 Ha)</th> <th>a.i. per production (12,523 tons)</th> </tr> </thead> <tbody> <tr> <td>Metsulindo 20 WP</td> <td>Metil metsulfuron 20%</td> <td>169 kg</td> <td>33,800 gram</td> <td>8.52 gram/Ha</td> <td>2.69 gram/ton</td> </tr> <tr> <td>Gramoxone</td> <td>Ion paraquat 276 g/l</td> <td>140.50 liters</td> <td>38,778 gram</td> <td>9.78 gram/Ha</td> <td>3.09 gram/ton</td> </tr> <tr> <td>Bionasa</td> <td>Isopropyl amina glifosat 480 g/l</td> <td>5,825.60 liters</td> <td>2,796,288 gram</td> <td>705.24 gram/Ha</td> <td>223.29 gram/ton</td> </tr> <tr> <td>Kenrane 288 EC</td> <td>Fluoroksipir 288gr/l</td> <td>805.10 liters</td> <td>231,868 gram</td> <td>58.47 gram/Ha</td> <td>18.515 gram/ton</td> </tr> <tr> <td>Kenlon</td> <td>Trichlophyr 480 g/l</td> <td>16 liters</td> <td>7,680 gram</td> <td>1.93 gram/Ha</td> <td>0.613 gram/ton</td> </tr> <tr> <td>Touchdown 480 AS</td> <td>Isopropyl amina glifosat 480 g/l</td> <td>857.70 liters</td> <td>411,696 gram</td> <td>103.83 gram/Ha</td> <td>32.87 gram/ton</td> </tr> <tr> <td>Marshall</td> <td>Karbosulfan 5%</td> <td>1 kg</td> <td>50 gram</td> <td>0.012 gram/Ha</td> <td>0.0039 gram/ton</td> </tr> <tr> <td>Solusi 865 SL</td> <td>2,4 Dimetil Amina 865 g/l</td> <td>124.2 liters</td> <td>107,433 gram</td> <td>27.09 gram/Ha</td> <td>8.57 gram/ton</td> </tr> <tr> <td>Polydor 25 EC</td> <td>Lamda sihalotrin 25 g/l</td> <td>96 liters</td> <td>2400 gram</td> <td>0.605 gram/Ha</td> <td>0.191 gram/ton</td> </tr> <tr> <td>Karbofuran</td> <td>Karbofuran 3%</td> <td>751 kg</td> <td>22,530 gram</td> <td>5.68 gram/Ha</td> <td>1.79 gram/ton</td> </tr> </tbody> </table>	Chemical	Active ingredient	Application 2014 (liter or kg)	A.i. used	a.i per Ha applied (3,965 Ha)	a.i. per production (12,523 tons)	Metsulindo 20 WP	Metil metsulfuron 20%	169 kg	33,800 gram	8.52 gram/Ha	2.69 gram/ton	Gramoxone	Ion paraquat 276 g/l	140.50 liters	38,778 gram	9.78 gram/Ha	3.09 gram/ton	Bionasa	Isopropyl amina glifosat 480 g/l	5,825.60 liters	2,796,288 gram	705.24 gram/Ha	223.29 gram/ton	Kenrane 288 EC	Fluoroksipir 288gr/l	805.10 liters	231,868 gram	58.47 gram/Ha	18.515 gram/ton	Kenlon	Trichlophyr 480 g/l	16 liters	7,680 gram	1.93 gram/Ha	0.613 gram/ton	Touchdown 480 AS	Isopropyl amina glifosat 480 g/l	857.70 liters	411,696 gram	103.83 gram/Ha	32.87 gram/ton	Marshall	Karbosulfan 5%	1 kg	50 gram	0.012 gram/Ha	0.0039 gram/ton	Solusi 865 SL	2,4 Dimetil Amina 865 g/l	124.2 liters	107,433 gram	27.09 gram/Ha	8.57 gram/ton	Polydor 25 EC	Lamda sihalotrin 25 g/l	96 liters	2400 gram	0.605 gram/Ha	0.191 gram/ton	Karbofuran	Karbofuran 3%	751 kg	22,530 gram	5.68 gram/Ha	1.79 gram/ton	
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4.6.3	<p>Any use of pesticides shall be minimised as part of a plan, and in accordance with Integrated Pest Management (IPM) plans. There shall be no prophylactic use of pesticides, except in specific situations identified in national Best Practice guidelines.</p> <p>- Major compliance -</p>	<p>There is no used of prophylactic use of pesticides throughout the company.</p> <p style="text-align: right;">Yes</p>																																																																		

Criterion / Indicator		Assessment Findings	Compliance
4.6.4	<p>Pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat, are not used, except in specific situations identified in national Best Practice guidelines. The use of such pesticides shall be minimised and eliminated as part of a plan, and shall only be used in exceptional circumstances.</p> <p style="text-align: center;">- Minor compliance -</p>	<p>The company has demonstrated to reduce using paraquat and no using pesticides as categorized Class IA or 1B.</p>	Yes
4.6.5	<p>Pesticides shall only be handled, used or applied by persons who have completed the necessary training and shall always be applied in accordance with the product label. Appropriate safety and application equipment shall be provided and used. All precautions attached to the products shall be properly observed, applied, and understood by workers (see Criterion 4.7).</p> <p style="text-align: center;">- Major compliance -</p>	<p>Up to date records of training are kept in each estate for the following: Limited pesticides (Pelatihan Pestisida terbatas), Handling of pesticides, Integrated Pest Management Pesticide Mixers, Pesticide Sprayers, and pesticide handlers in stores. Latest training on limited pesticide use "Pelatihan Pestisida Terbatas" conducted on 22/08/2015, attended by Mr.Panco Manurung, Mr.Budianto, Mr.Suryadi, Mrs.Itun, Mrs.Suryani, Mrs.Deli Ritonga, Mrs.Susanti, Mrs.Suriani. The training data is also maintained to show the nature and content of the training covered.</p> <p>Material Data Safety Sheets (MSDS) are evident for all chemicals used and are available at the storage and areas of mixing.</p>	Yes

Criterion / Indicator	Assessment Findings	Compliance
<p>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>	<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 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. <p>The company disposed their hazardous waste, included empty container pesticides to the approval company PT. Shali Riau Lestari (see 4.6.10 and 5.3.3).</p>	<p style="text-align: center;">Yes</p>

Criterion / Indicator		Assessment Findings	Compliance
4.6.7	<p>Application of pesticides shall be by proven methods that minimise risk and impacts.</p> <p>- Minor compliance –</p>	<p>Based on field visit to Sentral Estate and Aek Tarum Estate, spraying team using sign board indicating spraying/herbicide application is in progress for a block. Spraying supervisor was pre-mixing the herbicide in the chemical warehouse, transport the mixed chemical via truck, using cone and spill tray on the field to minimize spillage. The type and dosage of herbicide are carefully measured and prepared for targeted weed control; circle and path spray or selective weeding (wooden, bracken, or VOP).</p> <p>Nozzle calibration conducted regularly and recorded – evident.</p> <p>Sprayers and spraying supervisor are trained with limited pesticide training, best management practice for weed control, spraying techniques, using PPE and received regular medical check up. Clean water and soap on the field are provided for sprayer. Supervisor equipped with first aid kit.</p>	Yes
4.6.8	<p>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.</p> <p>- Major compliance -</p>	<p>There is no aerial application of pesticide throughout the company plantation.</p>	Yes
4.6.9	<p>Maintenance of employee and associated smallholder knowledge and skills on pesticide handling shall be demonstrated; including provision of appropriate information materials (see Criterion 4.8).</p> <p>- Minor compliance –</p>	<p>No scheme smallholders.</p> <p>Company provides limited pesticide training for sprayers. Latest training on limited pesticide use “Pelatihan Pestisida Terbatas” conducted on 22/08/2015, attended by Mr.Panco Manurung, Mr.Budianto, Mr.Suryadi, Mrs.Itun, Mrs.Suryani, Mrs.Deli Ritonga, Mrs.Susanti, Mrs.Suriani. Material Data Safety Sheets (MSDS) are evident for all chemicals used and are available at the storage and areas of mixing.</p>	Yes

Criterion / Indicator	Assessment Findings	Compliance
<p>4.6.10</p> <p>Proper disposal of waste material, according to procedures that are fully understood by workers and managers shall be demonstrated (see Criterion 5.3).</p> <p>- Minor compliance -</p>	<p>Sentral Estate and Aek Tarum Estate: Empty pesticide containers are disposed off properly. Triple rinse implemented. Some of the empty containers (jerry can) are re-used as container for pre-mixed herbicide for field application.</p> <p>Records of hazardous waste handling: "Lembar Neraca Limbah Bahan Berbahaya dan Beracun" period 10-12/2015 for Sentral Estate and Gunung Melayu Dua POM is evident and updated; identifying incoming and outgoing hazardous waste in store.</p> <p>The sampled transporting manifest of hazardous waste: "Berita Acara Serah-Terima Limbah B3 dari PT Gunung Melayu kepada PT Shali Riau Lestari" date 04/02/2016, hazardous waste store sent 10 drums (1,600 kg) used oil, 5 drums (800 kg) waste oil and sludge, 4 drums (600 kg) used oil and fuel filter, 8.5 drums (425 kg) empty herbicide container, 1 drum (60 kg) contaminated saw dust, 1 drum (80 kg) contaminated rags, 1 drum (50 kg) used paint buckets, 16 pieces (233 kg) old battery; transported via PT Shali Riau Lestari.</p> <p>Manifest No.AAO0006270 for transport of 5 drums (800 kg) of waste oil and sludge on 04/02/2016, through PT Shali Riau Lestari to PT Wastec Int'l. Manifest No.AAO0006272 for transport of 8.5 drums (425 kg) of used chemical container on 04/02/2016, through PT Shali Riau Lestari to PT Wastec Int'l. Manifest No.AAO0006273 for transport of 10 drums (1,600 kg) of used oil on 04/02/2016, through PT Shali Riau Lestari to PT Shali Riau Lestari.</p> <p>Based on interview with workers who are handling of pesticides that they understood of disposed empty 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.</p>	<p>Yes</p>
<p>4.6.11</p> <p>Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, shall be demonstrated.</p> <p>- Major compliance -</p>	<p>PT Gunung Melayu planned a regular medical monitoring, every six (6) months for sprayers, fertilizer applicators.</p> <p>Sentral Estate: MCU for sprayer: Mrs.Susanti, Mrs.Romenda, Mrs.Kasti, Mrs.Deli Ritonga, Mrs.Rusni, Mr.Supian attend medical check up on 06/2015 and 12/2015.</p> <p>Aek Tarum Estate: MCU for sprayer: Mrs.Suryani, Mrs.Sunartik and Mrs.Itun (spraying gang) on 06/2015 and 12/2015.</p> <p>Based on medical check up status, the health status of sprayers are fit to work. There is no worker with signs of intoxication.</p>	<p>Yes</p>

Criterion / Indicator		Assessment Findings	Compliance
4.6.12	<p>No work with pesticides shall be undertaken by pregnant or breast-feeding women.</p> <p>- Major compliance –</p>	<p>Based on interview with female workers, it was confirmed that no pregnant and/or breast-feeding allowed to performed chemical/pesticides work.</p> <p>Sentral Estate: Estate management conducting monthly pregnancy check for all female worker (sraying gang and fertilizer applicator). Sample seen: for month 01/2016, 02/2016, 03/2016, 04/2016 – auditor interviewed and verify the pregnancy test result for Mrs.Susanti, Mrs.Rusni, Mrs.Kasti, Mrs.Romenda, Mrs.Deli Ritonga (spraying gang), the status showed negative (not pregnant). Mrs.Farida, Mrs.Nuryana, Mrs.Samsiah (fertilizer application), the status showed negative (not pregnant).</p> <p>Aek Tarum Estate: Estate management conducting monthly pregnancy check for all female worker (sraying gang and fertilizer applicator). Sample seen: for month 01/2016, 02/2016, 03/2016, 04/2016 – auditor interviewed and verify the pregnancy test result for Mrs.Suryani, Mrs.Sunartik and Mrs. Itun (spraying gang), the status showed negative (not pregnant).</p>	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>An Occupational Health and Safety Policy has been established and in place, issued and signed by the Managing Director dated 01/12/2014. Point 3. Committed to implement and maintain occupational health and safety management system in compliance with national and international applicable regulation. Point 5. Integrating social, environmental, food security, occupational health and safety issues into operational activities, adopting best technology available, and maintain trained manpower, with skills, and motivated to improve performance through continuous improvement program.</p> <p>Health and Safety Procedures are available. Sampled: "Standard Operating Procedure Alat Pelindung Diri" on personal protective equipment No.AA-SOP-OP-101.3-R0 dated 14/08/2013. "Prosedur Pengendalian Kebakaran di Pabrik, Kantor dan perumahan" for fire mitigation No.AA-KL-15-EP dated 01/12/2010.</p> <p>Sentral Estate: Health and safety program as in "Program management K3 PT Gunung Melayu Kebun Sentral 2016" approved in 06/01/2016 is evident. The health and safety program covers provision of emergency response infrastructure (evacuation route signs, fire extinguisher, assembly points) and training (fire fighting, first aid, evacuation, etc.), accident investigation training, competency training for welder, heavy machinery operators, monitoring and evaluation, monthly health and safety meeting.</p> <p>Inspection checklist for of PPE used by harvester in Sentral Estate period 01-04/2016 evident. Fire extinguisher inspection checklists are evident. First aid kit inspection checklists are evident.</p> <p>Records on handover of PPE for workers are evident. Sampled: Safety shoes for workshop, received by 32 mechanics and helper in 04/2016; Safety shoes for vehicle operators, received by 38 bus drivers, bulldozer operators, backhoe loader operators, dumptruck drivers on 28/08/2015; Provision of new goggle and apron for 7 sprayers in Division I Sentral Estate dated 03/2016.</p>	Yes

	Criterion / Indicator	Assessment Findings	Compliance
		<p>Aek Tarum Estate: Health and safety program as in "Program management K3 PT Gunung Melayu Kebun Aek Tarum 2016" approved in 01/2016 is evident. The health and safety program covers provision of PPE for workers, monitoring on emergency response infrastructure and tools, regular medical check up and ensuring first aid kits for field operations.</p> <p>Gunung Melayu Dua POM: Health and safety program as in "Program Manajemen K3 PT Gunung Melayu – PMKS Gunung Melayu Dua 2016". The health and safety program covers nearmiss monitoring, monthly health and safety meeting, reporting health and safety performance, safety induction, emergency response plan, operator competency, monitoring on emergency response infrastructure and tools. Medical check up period 17/12/2015: Mr.Sanjay Rahmadan (boiler helper), Mr.Sarono (Boiler operator), Mr.Tugimin (Analyst Helper), Mr.Nasib (POME) have been checked, no hearing problem, no respiration problem.</p>	

Criterion / Indicator	Assessment Findings	Compliance
<p>4.7.2 All operations where health and safety is an issue shall be risk assessed, and procedures and actions shall be documented and implemented to address the identified issues. All precautions attached to products shall be properly observed and applied to the workers.</p> <p>- Major compliance -</p>	<p>Sentral Estate: HIRADC reviewed and updated on regular basis. The latest review and revision on HIRADC dated 01/2016.</p> <p>Aek Tarum Estate: HIRADC reviewed and updated on regular basis. The latest review and revision on HIRADC dated 01/2016. Company provides PPE for 15 workers: "Serah Terima Alat Pelindung Diri kepada Karyawan Divisi III" Harvester provided with sickle cover, knife cover, helmet, goggle.</p> <p>Gunung Melayu Dua POM: HIRADC for palm oil mill operation have been prepared. Medical check up period I 2016: Mr.Sufiyanto (engine room), Mr.Sarono (Boiler operator), Mr.Mohammad Syafii (Boiler Helper), Mr.Nasib (POME) have been checked, health.</p> <p>During audit, it was found that a number of activities have not been identified and reviewed in risk assessment: Hazard Identification Risk Assessment and Determining Control/Risk Assessment for plantation operation in Sentral Estate have been reviewed. The latest review and revision on HIRADC dated 01/2016. Risk Assessment has identified hazard and risk from office activities, infrastructure construction activities, warehouse and workshop related activities, harvesting and FFB loading activities, fertilizer and spraying activities. However, risk assessment have not identified hazard and risk identification from activity such as boundary poles monitoring, HCV monitoring and land application maintenance.</p> <p>Risk assessment for mill operation in Gunung Melayu Dua POM has been prepared. The latest review and revision on risk assessment not clear. However, risk assessment lack of hazard and risk identification from accident in month 04-05/2016: repair in sterilizer station, housekeeping in kernel station, working in capstand area. (Major NC was raised).</p> <p>Corrective action: The company has updated HIRDAC in June 2016, included for boundary poles monitoring, HCV monitoring and land application in estate and updated HIRADC in sterilizer station, kernel station, capstand area and based on accident month 04/05/2016 in Mill.</p> <p>This Major NC is closed out on 21/07/2016.</p>	<p>Yes</p>

	Criterion / Indicator	Assessment Findings	Compliance
4.7.3	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.	Sentral Estate: Mr.Darman Wijaya, motor grader operator trained with "Pembinaan Teknik Keselamatan dan Kesehatan Kerja Pesawat Angkat dan Angkut" certified and licensed No.Ser.5215/OPK3/PAA/VI/2013 dated 07/06/2013 valid until 07/06/2018. Mr.Jhonni Simanjuntak, bulldozer operator trained with "Pembinaan Teknik Keselamatan dan Kesehatan Kerja Pesawat Angkat dan Angkut" certified No.Ser.5222/OPK3/PAA/VI/2013 and licensed No.13.21488-OPK3-PAA/VI/2013 dated 07/06/2013 valid until 07/06/2018. Mr.Sulianto, welder, trained and certified welding, No.S.334/JL/PNK3/VIII/13 for welding class II, dated 26/08/2013. Equipped with Buku Kerja Las.	Yes

Criterion / Indicator	Assessment Findings	Compliance
<p>- Major compliance -</p>	<p>Aek Tarum Estate: "Sertifikat Pembinaan keselamatan dan Kesehatan Kerja Bidang Pertolongan Pertama pada Kecelakaan di Tempat Kerja No.Ser.954/PK3-P3K/III/2014" dated 05/03/2014.</p> <p>Gunung Melayu Dua POM: Company provides training to perform safe work for mill workers. "Pelatihan Sustainability Awareness dan Basic Safety Plant I" dated 29/09/2015 for Mr.Nurchayono, Mr.Yuda A Trijatmiko, Mr.Yuslin A Valentino, Mr.Betri Yanto. First Aid Training for Midwife Mrs.Sri Wahyuni, certificate "Petugas Pertolongan Pertama Pada Kecelakaan" No.Ser.951/PK3-P3K/III/2014 dated 05/03/2014. Certificate Hiperkes dated 01/03/2014.</p> <p>Trained welder under name Mr.Ibnu Hambali, Certificate Welder Competence Class II No.S.335/JL/PNK3/VIII/13 dated 26/08/2013. Mr.Suprianto – electric technician, Certificate "Sertifikasi Keselamatan dan Kesehatan Kerja Teknisi Listrik No.Ser.340-TK3-L/DPNK3/08.09 dated 12/08/2009. Mr.Bejo – crane operator, holds certificate "Operator Pesawat Angkat dan Angkut No.09.980/OTC/KK/VI/2009 dated 05/06/2009. Mr.Bejo holds operator license No.14.34429-OPK3-PAA/IX/2014 valid until 08/09/2019. Mr.Mahyudi – tractor operator, holds certificate "Pembinaan Teknik Keselamatan dan Kesehatan Kerja Pesawat Angkat dan Angkut Operator K3 Tractor" No.Ser.5214/OPK3/PAA/VI/2013 dated 07/06/2013. Mr.Mahyudi holds operator license No.13.21480-OPK3-PAA/VI/2013 valid until 07/06/2018.</p> <p>Mr.Mohammad Syafii – boiler operator, holds certificate "Pembinaan Teknik Keselamatan dan Kesehatan Kerja Pesawat Uap Kelas I" No.Ser.470/OPK3/PUBT-B.I/VI/2013 dated 07/06/2013. Mr.Syafii holds operator license No.470-OPK3-PUBT-B.I/VI/2013 valid until 07/06/2018.</p> <p>Training on first aid kit dated 21/10/2015 attended by 2 representative of Gunung Melayu Dua POM. Training and simulation on fire mitigation dated 12/05/2015 attended by seven (7) emergency response team from Sentral Estate and three (3) emergency response team from Gunung Melayu Dua POM.</p>	

	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>Sentral Estate: Mr.Josua R Aritonang, certified and appointed as safety officer. Health and Safety Committee approved by manpower office, as per "Surat Keputusan Kepala Dinas Tenaga Kerja Kabupaten Asahan No.2235/IV-DTK/2016 tentang Pengesahan Susunan Panitia Pembina Keselamatan dan Kesehatan Kerja (P2K3) di Perusahaan" dated 19/05/2016. Health and safety committee structure is valid.</p> <p>Organization chart for emergency response team is evident for Sentral Estate. The structure identified personnel for commander, logistic, transportation team.</p> <p>Aek Tarum Estate: Mr.Josua R Aritonang, certified and appointed as safety officer. Health and Safety Committee approved by manpower office, as per "Surat Keputusan Kepala Dinas Tenaga Kerja Kabupaten Asahan No.2232/IV-DTK/2016 tentang Pengesahan Susunan Panitia Pembina Keselamatan dan Kesehatan Kerja (P2K3) di Perusahaan" dated 19/05/2016. Health and safety committee structure is valid.</p> <p>Health and Safety meeting between Sentral Estate and Aek Tarum Estate was combined; carried out on three (3) monthly basis. Safety meeting dated 11/04/2016 reviewing health and safety performance period 01-03/2016; accident reports; PPE provision, MSDS for chemical, etc.</p>	<p>Yes</p>

Criterion / Indicator	Assessment Findings	Compliance
	<p>Gunung Melayu Dua POM: Mr.Yuslin Alven Valentino, certified safety officer as per Sertifikat Ahli Keselamatan dan Kesehatan Kerja No.Ser.13.10503/AK3/U/XI/2014 dated 14/11/2014. Appointment as safety officer as per Keputusan Menteri Tenaga Kerja dan Transmigrasi RI No.KEP.9497/M/DJPPK/XI/2014 tentang Penunjukan Ahli Keselamatan dan Kesehatan Kerja Umum dated 14/11/2014 – valid for three (3) years.</p> <p>Health and Safety Committee approved by manpower office, as per "Surat Keputusan Kepala Dinas Tenaga Kerja Kabupaten Asahan No.4052/IV-DTK/2014 tentang Pengesahan Susunan Panitia Pembina Keselamatan dan Kesehatan Kerja (P2K3) di Perusahaan PT Gunung Melayu PMKS Gunung Melayu Dua" dated 08/09/2014. The committee chaired by Mr.Ngatiman.</p> <p>Health and Safety meeting for Gunung Melayu Dua POM was carried out monthly. Safety meeting dated 27/01/2016 attended by 30 personnel; dated 29/02/2016 attended 24 personnel; dated 25/03/2016 attended by 16 personnel - reviewing health and safety performance period 01-03/2016; accident reports; PPE provision, MSDS for chemical, etc.</p> <p>Health and safety performance period 01-03/2016 has been reported to Dinas Tenaga Kerja Kabupaten Asahan No.PGD/EXT/K3/2016 on 03/04/2016. The report including general information, health and safety committee structure, committee's activity and accident report – 1 accident on 07/03/2016 on workshop mechanic.</p>	

	Criterion / Indicator	Assessment Findings	Compliance
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>Accident 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>Sentral Estate and Aek Tarum Estate: Those procedures is socialized and available in notice board in site, during interviewed with workers, it was observed that workers do understood the emergency and accident procedures. Emergency call phone also is available in all site operation. Assigned trained in First Aid sighted present with First Aid Kit available on the field (mandores) for harvesting activity, weed spraying activity and fertiler application. Records of accidents are available. In 2016, four (4) accidents recorded in "Rekaman Kecelakaan Kerja", with relation to harvesting activities. However, the accident record was not identifying root cause analysis and proposed corrective action. Safety induction provided for audit team prior to opening meeting session.</p> <p>Gunung Melayu Dua POM: Records of accidents are available. In 2016, four (4) accidents recorded in "Rekaman Kecelakaan Kerja", with relation to maintenance and housekeeping activities. Safety officer has identifying root cause analysis and proposed corrective action. Emergency response simulation conducted on 15/05/2015 where all mill workers participated in. Simulation scenario, attendance list/tally and simulation evaluation are evident. Based on evaluation, infrastructure needed (extra shovel).</p> <p>During audit was found that insufficient evidence management appointed first aid officer with first aider license – Petugas berlisensi P3K. Records of accidents in Sentral Estate are available. In 2016, four (4) accidents recorded in "Rekaman Kecelakaan Kerja", with relation to harvesting activities. However, the accident record was not identifying root cause analysis and proposed corrective action. (Minor NC was raised)</p>	No

	Criterion / Indicator	Assessment Findings	Compliance
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-Kesehatan (BPJS). The last payment of fees BPJS-Kesehatan on period April 2016 as many 90 employees</p> <p>Sentral Estate: "Surat Izin Bupati Asahan No.503/BPS/BPPPM/0855/V/2013 Memberikan Izin Sarana Pelayanan Kesehatan untuk Poliklinik PT Gunung Melayu" dated 29/05/2013 – valid for 5 years.</p> <p>Aek Tarum Estate: "Sertifikat Pembinaan keselamatan dan Kesehatan Kerja Bidang Pertolongan Pertama pada Kecelakaan di Tempat Kerja No.Ser.954/PK3-P3K/III/2014" dated 05/03/2014.</p> <p>The company has provided clinic for all workers and its covered also by Social Insurance, namely Jamsostek (BPJS Ketenagakerjaan) and BPJS Kesehatan, based on interview and document review of insurance payment; it was found some that all permanent workers have covered by social insurance (BPJS Ketenagakerjaan) and Health Insurance (BPJS Kesehatan), however some of temporary workers (PHL) has not yet covered by accident insurance (BPJS kesehatan).</p> <p>BPJS kesehatan is a new national program, the company has effort to register all their employees, included temporary workers (PHL), however the company has problem, such as: turn over of temporary worker and administration problem, i.e. employees are not have Identity Card – IC yet.</p> <p>Sentral Estate: "Surat Izin Bupati Asahan No.503/BPS/BPPPM/0855/V/2013 Memberikan Izin Sarana Pelayanan Kesehatan untuk Poliklinik PT Gunung Melayu" dated 29/05/2013 – valid for 5 years.</p> <p>Aek Tarum Estate: "Sertifikat Pembinaan keselamatan dan Kesehatan Kerja Bidang Pertolongan Pertama pada Kecelakaan di Tempat Kerja No.Ser.954/PK3-P3K/III/2014" dated 05/03/2014.</p> <p>During audit, it was found that based on document review upon payment BPJS Kesehatan and Ketenagakerjaan, auditor found information 140 temporary workers have been covered with BPJS Kesehatan and 155 have been covered with BPJS Ketenagakerjaan out of 472 temporary workers in Sentral Estate. Rest of temporaries workers have not covered with BPJS Kesehatan and Ketenagakerjaan and company has not planned medical surveillance for all workers into health and safety program (Minor NC was raised)</p>	No

Criterion / Indicator		Assessment Findings	Compliance
4.7.7	Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics. - Minor compliance –	<p>Aek Tarum Estate: "Penyerahan Laporan P2K3 PT Gunung Melayu – Kebun Aek Tarum" No.GM/Mgr/Ext/V/2016, dated 26/05/2016. The report period 01-03/2016. Fatality case nil; permanent disability nil; lost time nil; medical aid one (1) manday; first aid case four (4) mandays. Nearmiss log: Nearmiss Log indicates names, areas, dates, reporter, incident description, causes, categories, preventive actions, PIC, targets and preventive actions status. Three (3) cases of unsafe equipment and unsafe condition identified.</p> <p>Gunung Melayu Dua POM: Lost time nil; medical aid three (3) manday; first aid case nil. Nearmiss log: Nearmiss Log indicates names, areas, dates, reporter, incident description, causes, categories, preventive actions, PIC, targets and preventive actions status.</p>	Yes
<p>Criterion 4.8 All staff, workers, smallholders and contract workers are appropriately trained.</p>			

	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 2015, such as:</p> <ol style="list-style-type: none"> 1. Soft Skill Programs <ul style="list-style-type: none"> - Precious moment seminar/Corporate culture - AA leadership in plantation - Presentation & Communication Self Development for Senior Assistant. 2. Program Sertifikasi Khusus (Specialis Training Program): Sertifikasi operator pesawat angkut, teknisi listrik, juru las, operator pesawat uap, AK3, First aider, and Hyperkes. 3. Pelatihan Environment and Sustainability <ul style="list-style-type: none"> - Basic Fire - Basic Safety - First Aider - Sustainability - HCV - Limbah berbahaya 4. Teknis and Adm <ul style="list-style-type: none"> - SOP financial, administration and HRD - Plantation Management System - Assistant - Refresh training safety use pesticide - Pemupukan - Semprot - Panen - Pengendalian Hama Terpadu (PHT) 5. Teknis Mill & Traksi: Chain Conveyor, Gearbox and automation, Hidraulic pump and system, Perawatan Trafo las dan mesin las, Biogas and Biofuel, Rewinding elektomotor, Pengembangan kompetensi and Workshop awareness 	Yes

Criterion / Indicator	Assessment Findings	Compliance
	<p>Training programs in 2016, such as:</p> <ol style="list-style-type: none"> 1. Soft Skill Programs <ul style="list-style-type: none"> - Self Development for Krani Buah/FFB Clerk and Mandor/Supervisor - Training for trainer - Change Management - Communication and presentation skill - Problem solving and Execution - Supervisory Management 2. Program Sertifikasi Khusus (Specialis Training Program): Sertifikasi operator pesawat angkut, teknisi listrik, juru las, operator pesawat uap, AK3, First aider, and Hyperkes. <ul style="list-style-type: none"> - Pelatihan Environment and Sustainability: Sustainability awereness, SCCS, HCV, Penanganan limbah B3, SEIA Basic, Basic fire, OHS, First aider, 3. Teknis and Adm: SOP financial, administration and HRD and refresh Plantation Management System, alat semprot, pestisida terbatas, SOP pupuk, Hama dan penyakit tanaman, 4. Teknis Mill & Traksi: Biogas and Biofuel, kelistrikan, mill processing awereness, workshop awereness. <p>The company has implemented program with conducted training in 2015 and 2016 (up to April 2016), such as:</p> <p>Estate:</p> <ol style="list-style-type: none"> 1. Pelatihan pestisida terbatas was conducted on 22/08/2015, attended 29 sprying team, taringing conducted by pesticides distributor "Sygenta" 2. Sustainability awereness was conducted on 26/04/2016, attended 57 participants. 3. Pelatihan limbah B3 was conducted on 16/03/2016, attended 22 participants 4. Self development training for Mandor pupuk and PHT was conducted on 14/03/2016, attended 32 participants. 5. Refresh training ahli K3 Umum, was conducted on 04/02/2016, attended 20 participants 6. HCV awereness training was conducted on 21/10/2015, attended 34 participants, 7. Refresh traing "First Aider was conducted on 15/09/2015, attended 52 participants. <p>Attendance list and photograph are seen during audit.</p>	

Criterion / Indicator	Assessment Findings	Compliance
	<p>Mill: The company has its own training institution assigned to arrange its training programmes. The training is created annually.</p> <p>Training programs in 2016, 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. 	
4.8.2 Records of training for each employee shall be maintained. - Minor compliance –	<p>Record of training for each employee is available, e.g.:</p> <ol style="list-style-type: none"> 1. Mr.Suprianto: Certificate "Sertifikasi Keselamatan dan Kesehatan Kerja Teknisi Listrik No.Ser.340-TK3-L/DPNK3/08.09 dated 12/08/2009; Electrical Technician Training (Manpower / PJK3) - March 2016;\ 2. Mrs.Sri Wahyuni: Hiperkes paramedic (Manpower / Hall Hiperkes): June 2015 3. Mr.Mohammad Syafii: certificate "Pembinaan Teknik Keselamatan dan Kesehatan Kerja Pesawat Uap Kelas I" No.Ser.470/OPK3/PUBT-B.I/VI/2013 dated 07/06/2013; Mechanical firefighters (Manggala Agni Damkar) May 2015; 4. Etc. 	Yes

PRINCIPLE 5: ENVIRONMENTAL RESPONSIBILITY AND CONSERVATION OF NATURAL RESOURCES AND BIODIVERSITY

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.

Criterion / Indicator		Assessment Findings	Compliance
5.1.1	<p>An environmental impact assessment (EIA) shall be documented.</p> <p>- Major compliance -</p>	<p>Companies have environment document "Dokumen Studi Evaluasi Lingkungan (SEL) Perkebunan dan Pabrik Kelapa Sawit PT Gunung Melayu, PT Saudara Sejati Luhur dan PT Sumber Sawit Makmur di Kabupaten Asahan – Sumatera Utara", prepared by CV Andalen Persada Konsultan. The author team consist of: Team leader: Dr. Hemat R. Bramana, MSc; Coordinator: Ir. Juliarto Barus, MS (AMDAL A/B); Agronomy/Soil science: Ir. Bahtera Purba and Ir. Jansen Sinulingga; Water and air quality: Drs. Ahmad Darwin, MSc (AMDAL A) dan Drs. Satrianda; Social, economic and cultural: Abdul Rahman SH, MH and Drs. Johannes Karo-Karo; Production technology: Dr. R. Kamrol D, MSc and Renalson; Aquatic and Terra biology: Dra. Retno Widhiastuti and Drs. Mimpin Ginting, MS; Mechanical engineering: Ir. Rejeki Maha and Juna B; Programmer: Drs. Sehat Sembiring and Roshermida.</p> <p>The environment document have approved by "Komisi Pusat AMDAL, Departement Pertanian" through "Surat No.220/687/B/IV/1994 dated 18/04/1994. The document have explained the positive and negative impact from construction and development of oil palm plantation and palm oil mill Gunung Melayu since pre-operation up to construction of palm oil mill.</p>	Yes
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>	<p>As guidance for management and monitoring, company has environmental management and monitoring plan "Rencana Pengelolaan Lingkungan (RKL) – Rencana Pemantauan Lingkungan (RPL). The document have been approved by "Badan Agribisnis Departement Pertanian" through letter No.072/RLK-RPL/BA/III/1996 dated 19/03/1996. The environment management document explains activity components, type of impacts, impact management (program, project, technical), location and target for management.</p> <p>The environment monitoring document explains the type of impacts, location for monitoring, parameters, time frame and method for monitoring.</p>	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>	<p>PT Gunung Melayu has prepared implementation report of environmental management and monitoring each semester. The report submitted to "Badan Lingkungan Hidup Kabupaten Asahan". The report for period 07-12/2015 have been submitted on 15/02/2016. The report have explained the management and monitoring implementation, the evaluation (trend, critical and compliance evaluation) – as regulated under Keputusan Menteri Lingkungan Hidup No.45 tahun 2005.</p> <p>PT Gunung Melayu has also prepared Environmental managemen system (EMS) utilized as tool to evaluate the implementation of environmental management and monitoring tools. Sentral Estate have conducted EMS in 2016.</p>	Yes

Criterion / Indicator	Assessment Findings	Compliance
<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>		
<p>5.2.1</p> <p>Information shall be collated in a High Conservation Value (HCV) assessment that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors).</p> <p>- Major compliance -</p>	<p>Company has conducted the HCV identification in coordination with "Fakultas Kehutanan Institut Pertanian Bogor" back in 2014, under "Laporan Final Kajian Penuh Identifikasi dan Analisis Keberadaan High Conservation Value di Areal PT Gunung Melayu Kebun Sentral Provinsi Sumatera Utara". The HCV assessment conducted based on "Panduan Kawasan Bernilai Konservasi Tinggi di Indonesia", issued by Konsorsium Revisi HCV Toolkit Indonesia dated 12/07/2008.</p> <p>The HCV identification team consist of: Team leader: Dr. Ir. Nyoto Santoso, MS (RSPO HCV Assessor and HCVRNI member); Environmental service expert: Ir. A. Faizal Siregar, Msi (RSPO HCV Assessor and HCVRNI member); Vegetation expert: Eko Adhiyanto, S.Hut (RSPO HCV Assessor and HCVRNI member); Wildlife expert: Sutopo S.Hut. (RSPO HCV Assessor and HCVRNI member); Social-economic-cultural expert: Rae Birumbo (RSPO HCV Assessor and HCVRNI member); GIS: Arif Prasetyo, S.Hut (RSPO HCV Assessor and HCVRNI member).</p> <p>The HCV identification carried out with public stakeholder consultation with surrounding communities on 22-23/04/2013 in Desa Gonting Malaha and Desa Batu Anam. The HCV Identification report has been peer reviewed by Mr.Rachmad Darmawan (RSPO HCV Assessor and HCVRNI member) on 01/2014.</p> <p>The total HCV identified in Sentral Estate was 80.50 Ha, consist of HCV 1.2 (47.66 Ha), HCV 4.1 (32.16 Ha) and HCV 6 (0.685 Ha). While HCV identification (2012) in Batu Anam Estate consist of HCV 1.3, 4.1, 5 and 6 is 119.85 – total HCV area is 200.35 Ha.</p> <p>The HCV identification document has explained the general condition of landscape surrounding company's plantation: there is no protected forest/ecosystem that feasible for wildlife to maintain its viability. Therefore no recommendation for wildlife corridor.</p>	<p>Yes</p>

Criterion / Indicator		Assessment Findings	Compliance
5.2.2	<p>Where rare, threatened or endangered (RTE) species, or HCVs, are present or are affected by plantation or mill operations, appropriate measures that are expected to maintain and/or enhance them shall be implemented through a management plan.</p> <p>- Major compliance -</p>	<p>Based on HCV Identification Report, 2014 shows in area of Sentral Estate, found 54 types of mammal, 42 types of bird, 4 types of reptile. Based on CITES, there are 11 species under Appendix II: 2 types of mammal, 6 types of bird and 3 types of reptile. While based on IUCN, there are 2 types of mammal under status Vulnerable (Vu) – bearded pig (<i>Sus barbatus</i>) and Southern pig-tailed macaque (<i>Macaca nemestrina</i>); and one with status Endangered (En) which is Pangolin (<i>Manis javanica</i>).</p> <p>Based on document verification upon “Laporan hasil monitoring” period 07-12/2015 shows in the area of Sentral Estate team identified 8 types of protected under IUCN and CITES.</p> <p>Based on field verification, company has demonstrated effort for management and monitoring of HCV area. For example, Monitoring of plant and animal on 6 monthly basis, planting trees and vertifer grass on river buffer zone in 2016.</p> <p>Company also installed identity signboard and warning signboard on the field.</p>	Yes
5.2.3	<p>There shall be a programme to regularly educate the workforce about the status of these RTE species, and appropriate disciplinary measures shall be instigated in accordance with company rules and national law if any individual working for the company is found to capture, harm, collect or kill these species.</p> <p>- Minor compliance –</p>	<p>Company has demonstrate consistency in providing communication and HCV management training, carried out on 25/11/2015 and attended by 54 participants, field supervisor level.</p> <p>Based on interview with worker representative and field workers – workers have understand protection of plant and animal. The workers also aware of company policy prohibits hunting, raising and killing protected animal.</p>	Yes
5.2.4	<p>Where a management plan has been created there shall be ongoing monitoring:</p> <ul style="list-style-type: none"> • 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>	<p>Based on field verification, company has demonstrated effort for management and monitoring of HCV area. For example, Monitoring of plant and animal on 6 monthly basis, planting trees and vertifer grass on river buffer zone in 2016.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
5.2.5	Where HCV set-asides with existing rights of local communities have been identified, there shall be evidence of a negotiated agreement that optimally safeguards both the HCVs and these rights. - Minor compliance –	All HCV and conservation areas within the company areas.	Yes
Criterion 5.3			
Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.			
5.3.1	All waste products and sources of pollution shall be identified and documented. - Major compliance –	Waste products have been identified and documented under the "Evaluasi Aspek-Dampak Lingkungan" (Environmental Aspect impacts). This document is updated once a year. PT Gunung Melayu has a waste management plan, identifying type and source of waste and the disposal plan. PT Gunung Melayu prepared a procedure to handle hazardous waste titled "Prosedur Penanganan Limbah B3" No.AA-KL-06-EFP explains methods to collecting the waste, recording in balance and disposal through licensed third party transporter. The company store hazardous waste in temporary storage with permit, The hazardous waste is sent to the registered collector/transporter which approved by Environmental Ministry, namely PT Shali Riau Lestari.	Yes

	Criterion / Indicator	Assessment Findings	Compliance
5.3.2	<p>All chemicals and their containers shall be disposed of responsibly.</p> <p>- Major compliance -</p>	<p>Sentral Estate: PT Gunung Melayu collects all hazardous waste from each estates and mill into temporary hazardous waste storage in central workshop compound. The temporary hazardous waste storage Sentral Estate has valid permit, "Keputusan Bupati Asahan No.660.1/0595/LH/2014 tentang Izin Penyimpanan Sementara Limbah Bahan Berbahaya dan Beracun (B3) PT Gunung Melayu Kebun Sentral Kabupaten Asahan-Sumatera Utara" dated 21/07/2014, valid for 5 years.</p> <p>PT Gunung Melayu has an agreement in transporting the hazardous waste with contractor: "Perjanjian Kerjasama antara PT Gunung Melayu dengan PT Shali Riau Lestari No.028/SRL-PKU/MOU/III/2015 dated 09/02/2015; valid up to 22/02/2016. The type of hazardous waste to be transported: used oil, old battery, waste oil, old lamps, used chemical container, contaminated waste and used filter. The contractor holds valid permit: "Keputusan Menteri Negara Lingkungan Hidup No.237 tahun 2011 tentang Izin Pengumpulan Limbah Bahan Beracun PT Shali Riau Lestari" dated 08/11/2011 valid for 5 years; "Surat Kementerian Lingkungan Hidup No.B.5179/Dep.IV/LH/PDAL/05/2014 tentang Rekomendasi Pengangkutan Limbah Bahan Berbahaya dan Beracun kepada Direktorat Jenderal Perhubungan Darat Kementerian Perhubungan RI" dated 08/05/2014, valid for 5 years.</p> <p>Records of hazardous waste: "Lembar Neraca Limbah Bahan Berbahaya dan Beracun" period 10-12/2015 for Sentral Estate is evident and updated; identifying incoming and outgoing hazardous waste in store. The sampled transporting manifest of hazardous waste: "Berita Acara Serah-Terima Limbah B3 dari PT Gunung Melayu kepada PT Shali Riau Lestari" date 04/02/2016, hazardous waste store sent 10 drums (1,600 kg) used oil, 5 drums (800 kg) waste oil and sludge, 4 drums (600 kg) used oil and fuel filter, 8.5 drums (425 kg) empty herbicide container, 1 drum (60 kg) contaminated saw dust, 1 drum (80 kg) contaminated rags, 1 drum (50 kg) used paint buckets, 16 pieces (233 kg) old battery; transported via PT Shali Riau Lestari.</p> <p>Manifest No.AAO0006270 for transport of 5 drums (800 kg) of waste oil and sludge on 04/02/2016, through PT Shali Riau Lestari to PT Wastec Int'l. Manifest No.AAO0006272 for transport of 8.5 drums (425 kg) of used chemical container on 04/02/2016, through PT Shali Riau Lestari to PT Wastec Int'l. Manifest No.AAO0006273 for transport of 10 drums (1,600 kg) of used oil on 04/02/2016, through PT Shali Riau Lestari to PT Shali Riau Lestari.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
		<p>PT Gunung Melayu reported the waste management to Kantor Badan Lingkungan Hidup Kabupaten Asahan under "Laporan Penyimpanan Sementara Limbah B3 Gunung Melayu Group Triwulan IV 2015 No.049/KSN-GME/Ext/Mgr/III/2016" dated 14/03/2016.</p> <p>Gunung Melayu Dua POM: The temporary hazardous waste storage Gunung Melayu Dua POM has valid permit, "Keputusan Bupati Asahan No.660.1/0985 tentang Izin Penyimpanan Limbah Bahan Berbahaya dan Beracun (B3) kepada PT Gunung Melayu Kecamatan Bandar Pulau Kabupaten Asahan - Sumatera Utara" dated 23/10/2012, valid for 5 years.</p> <p>Records of hazardous waste: "Lembar Neraca Limbah Bahan Berbahaya dan Beracun" period 01-03/2016 for Gunung Melayu Dua POM is evident and updated; identifying incoming and outgoing hazardous waste in store. Sampled: On 02/02/2016 jerry can ex. Chemical 20 pieces; as at 03/02/2016 20 pieces jerry can (1 drum) transported out.</p> <p>The sampled transporting manifest of hazardous waste: "Berita Acara Serah-Terima Limbah B3 dari PT Gunung Melayu kepada PT Shali Riau Lestari" date 03/02/2016, hazardous waste store sent 1.5 drums used paint can, 1 drum contaminated hand glove, 1 drum used oil, 1 drum empty chemical jerry can, 1 drum used oil filter and 13 pieces medical waste; transported via PT Shali Riau Lestari. Manifest No.AAO0006281 for transport of 1 drum waste oil on 03/02/2016, to PT Shali Riau Lestari. Manifest No.AAO0006282 for transport of 1 drum of used chemical container/jerry can on 03/02/2016, through PT Shali Riau Lestari to PT Wastec Int'l.</p>	
5.3.3	<p>A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented.</p> <p style="text-align: center;">- Minor compliance –</p>	<p>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.</p> <p>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.</p>	Yes
<p>Criterion 5.4 Efficiency of fossil fuel use and the use of renewable energy is optimised.</p>			

Criterion / Indicator		Assessment Findings	Compliance
	<p>A plan for improving efficiency of the use of fossil fuels and to optimise renewable energy shall be in place and monitored.</p> <p>- Minor compliance –</p>	<p>2015". Fossil fuel records are maintained and trends shown. Energy use records include accurate measurements of renewable energy use per tonne of FFB processed. Company already maximise the renewable energy use. All the shell and fibre is consumed internally as boiler fuel.</p> <p>Fossil fuel usage is recorded for operational purpose, including the efficiency analysis.</p> <p>Renewable energy in 2015: Fibre: 30,196 ton Shell: 8,518 ton Fossil Fuel: Genset: 235,091 ton Vehicles: 37,663 ton Electrical produce: Steam turbin: 4,604,103 kWH (91 %) Genset: 427,516 kWH (9 %)</p>	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.			
5.5.1	<p>There shall be no land preparation by burning, other than in specific situations as identified in the 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions.</p> <p>- Major compliance -</p>	No open burning was noted during field visit and interviewed with local communities and workers.	Yes
5.5.2	<p>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.</p> <p>- Minor compliance –</p>	<p>PT Gunung Melayu – Estate have developed an early warning system, to monitor the risk of fire. The system "Sistem Peringkat Bahaya Kebakaran 1 & 2 PT Gunung Melayu". The monitoring system calculating the field condition, ignition risk, potential drought and smoke, fire handling, fire fighting difficulty, weather index. Patrol report indicating any fire incident.</p> <p>Visit to replanting area 2015, the land preparation is using mechanical method. No any open burning was noted for land preparation.</p>	Yes
Criterion 5.6			
Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.			

Criterion / Indicator		Assessment Findings	Compliance
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
5.6.3	A monitoring system shall be in place, with regular reporting on progress for these significant pollutants and emissions from estate and mill operations, using appropriate tools. - Minor compliance –	Estate 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. 1. Emisi Genset for Genset 1 - 4, testing is conducted by "Balai Teknik Kesehatan Lingkungan dan Pengendalian Penyakit (BTKLPP) Kelas I Medan, was conducted in November 2015, result of emission for SO ₂ , NO ₂ , CO dan total particleis comply with Kepmen LH no. 13/2009 – Lampiran I. 2. Noise level for Genset 1 - 4, testing is conducted by "Balai Teknik Kesehatan Lingkungan dan Pengendalian Penyakit (BTKLPP) Kelas I Medan, was conducted in November 2015, result of noise level above the standard 85 dBA, the company providing ear plug in Genset areas for operators. 3. Ambient / Air Quality for Genset 1 - 4, certificate monitoring result no. 538/BLH.SU-UPT.LL/VII/2015, dated 08 th July 2015, conducted by independent laboratory (UPT Laboratorium Lingkungan – BLH Prov. Sumatera Utara) result of emission for SO ₂ , NO ₂ , Partikulat, Opasitas, Laju Air, CO, CO ₂ and O ₂ comply with Kepmen LH no. 13/2009 – Lampiran I A. 4. Vehicles emissions for all vehicles, certificate monitoring result on 08 th July 2015, conducted by independent laboratory (UPT Laboratorium Lingkungan – BLH Prov. Sumatera Utara) result of emission for SO ₂ , NO ₂ , Partikulat, Opasitas, Laju Air, CO, CO ₂ and O ₂ comply with Kepmen LH no. 13/2009 – Lampiran I A.	Yes

Criterion / Indicator	Assessment Findings	Compliance												
	<p>Based on review of result of all parameters is comply with the Environmental Ministry Regulation and Health Ministry regulation. The company also has monitoring of GHG using RSPO Palm Toolkits:</p> <table border="1" style="margin-left: 20px;"> <thead> <tr> <th>Description</th> <th>2015</th> <th>2016</th> </tr> </thead> <tbody> <tr> <td>Total Field Emissions</td> <td>24,939</td> <td>6,805</td> </tr> <tr> <td>Total mill emission</td> <td>18,761</td> <td>26,127</td> </tr> <tr> <td>tCO₂e/t product (CPO/PK)</td> <td>1.20</td> <td>0.70</td> </tr> </tbody> </table> <p>Gunung Melayu POM: Mill 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. Tes odor of PMKS Gunung Melayu II (Batu Anam village, Rahuning Subdistrict, Asahan District), certificate No.432/BLH.SU-UPT.LL/V/2016, dated 23 Mei 2016, result of emission: H₂S 0.008 ppm, NH₃ 1.52 ppm (within the quality standard) 2. Emission air for Boiler 1 and 2, monitoring result certificate No.437/BLH.SU-UPT.LL/V/2016, dated 2nd May 2016, result of emission for SO₂, NO₂, CO and total particle is comply with Kepmen LH No.13/2009. 3. Air emission for vehicle: Tractor Ford 6640 (TR-01), Back Loader Case LB-02 and Ford Ranger, Certificate No.434/BLH.SU-UPT.LL/V/2016, dated 2nd May 2016, result of analisis 18.5% - 28.1% from the standard 50 – 70%. 4. Emission air for Genset 1 dan 2 (Cummins SC 434 G), certificate monitoring result No.438/BLH.SU-UPT.LL/V/2016, dated 2nd May 2016, result of emission for SO₂, NO₂, CO and total particle is comply with Kepmen LH No.13/2009. 5. Ambient / Air Quality in Batu Anam village (Simpang Sikampak and employee houseing "dusun 8", certificate monitoring result No.435/BLH.SU-UPT.LL/V/2016, dated 2nd May 2016, result of emission for SO₂, NO₂, CO and total particleis comply with Kepmen LH No.13/2009. 6. Ambient / Air Quality Office Rooms, certificate monitoring result No.436/BLH.SU-UPT.LL/V/2016, dated 2nd May 2016, result of emission for SO₂, NO₂, CO and total particle is comply with Kepmen LH No.13/2009. 7. Test of noising, vibration and temperature in Boiler room, Stasiun Cernel, Sterilizer, Engine Room and Stasiun Press, Certificate No.433/BLH.SU-UPT.LL/V/2016, dated 2nd May 2016. 	Description	2015	2016	Total Field Emissions	24,939	6,805	Total mill emission	18,761	26,127	tCO ₂ e/t product (CPO/PK)	1.20	0.70	
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Criterion / Indicator		Assessment Findings	Compliance
		Tests conducted by Badan Lingkungan Hidup UPT Laboratorium Lingkungan Pemerintah Provinsi Sumatera Utara.	
PRINCIPLE 6: RESPONSIBLE CONSIDERATION OF EMPLOYEES AND OF INDIVIDUALS AND COMMUNITIES AFFECTED BY GROWERS AND MILLERS			
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 -	PT Gunung Melayu has prepared social impact assessment in line with preparation of environmental document "Dokumen Studi Evaluasi Lingkungan" which approved by "Komisi AMDAL Departemen Pertanian" No.220/687/B/IV/1994 dated 18/04/1994. The environmental management and monitoring plan as in "Dokumen Rencana Pengelolaan Lingkungan (RKL) dan Rencana Pemantauan Lingkungan (RPL)" approved by Menteri Pertanian cq. Badan Agribisnis as per "Surat Persetujuan RKL/RPL No.068/RKL-RPL/BP/III/1996" dated 19/03/1996. The document has explained potential impact, both positive and negative impact from plantation and palm oil mill activities. The environmental management and monitoring plan as guidance to minimize identified negative impacts.	Yes
6.1.2	There shall be evidence that the assessment has been done with the participation of affected parties. - Major compliance -	During the preparation for environmental document, environmental assessment team and company management have involved communities through interviews and meetings with village peoples, farmers, village officials and regency officials.	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 -	As explained under indicator 6.1.1, aside from social impact assessment; company also prepared the environmental management and monitoring plan as in "Dokumen Rencana Pengelolaan Lingkungan (RKL) dan Rencana Pemantauan Lingkungan (RPL)" approved by Menteri Pertanian cq. Badan Agribisnis as per "Surat Persetujuan RKL/RPL No.068/RKL-RPL/BP/III/1996" dated 19/03/1996. The environmental management and monitoring plan document has explained the recommendation that could be done by company to minimize negative social impact and promote positive social impact.	Yes

Criterion / Indicator		Assessment Findings	Compliance
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. Company has regularly conduct social management, as documented under “Laporan Pelaksanaan RKL-RPL” explaining the management and monitoring evaluation. The social management evaluation (trend evaluation, critical evaluation, compliance evaluation) for PT Gunung Melayu, in form of occupied land inside HGU/land title and social jealousy.	Yes
6.1.5	Particular attention shall be paid to the impacts of smallholder schemes (where the plantation includes such a scheme). - Minor compliance -	No scheme smallholders managed by company.	Yes
Criterion 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 22/08/2011, 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 Public Relatoin officer/“Humas” as person responsible to carried out communication and consultation with local communities/relevant interested parties.	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 -	Company has prepared a list of stakeholder, consist of 6 stakeholders in village level (Kepala Desa and community leaders of Desa Batu Anam, Desa Sidomulyo, Desa Gonting Malaha); 4 stakeholders sub-district level (Camat, Polsek dan Koramil); 17 stakeholders regency level (Bupati, DPRD, Polres, Dinas Kehutanan dan Perkebunan, Kepala Kantor Pertanahan Kabupaten, Dinas Tenaga Kerja Kabupaten, Waspada Pos Kabupaten Asahan, dll).	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 response complaint from external party, as written in "Mekanisme Penanganan Keluhan" – complaint handling mechanism (No.SOP-AA-GL-5005-R0 01) while complaint from internal party regulated under "Mekanisme Penyampaian Keluhan dan Penyelesaian Keluhan Karyawan" – Employee' complaint and resolution mechanism (No.SOP-AA-HR-3008-R0 05). Company has also prepared "Mekanisme Jaminan Pelapor dan Pengungkapan Kasus" prepared by Public Relation officer PT Gunung Melayu on 01/12/2015. The mechanism has explained policy to protect complainant/whistle blower anonymity – if requested.	Yes
6.3.2	Documentation of both the process by which a dispute was resolved and the outcome shall be available. - Major compliance -	All conflict resolution process documented in Logbook (In and out). However, from 36 letters received in 2015 and 18 letters received in (up to June) 2016, there is no issue related to dispute/conflict. All incoming letters in form of donation request, invitation or announcement. Based on public consultation with Desa Gonting Malaha and Desa Sidomulyo, with worker union representative and gender committee – audit team found no complaint from internal or external parties.	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 –	There is a mechanism for land dispute resolution, SOP AA-GL-5003.1-R1 related to "Penanganan Konflik Lahan" effective 22/08/2011. The procedure covers land dispute handling mechanism, negotiation process, and verification upon legal ownership evidence up to land compensation. Should negotiation process fails, any land dispute will be processed through legal/litigation mechanism. During the process, a complete record is maintained. Based on mechanism, public relation officer will receive information of any complaint, grievance and land dispute/claims and records under the logbook. PT Gunung Melayu has not acquiring any additional land and not involved in any land compensation payments. Therefore the mechanism only applicable to resolve land disupte within company's HGU. Land ownership from previous landowner becomes important document in order to continue negotiation process against land claim. Land claim wiouth supporting evidence of land ownerhsip, will be treated with approach and legal manner.	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>There is a mechanism for land dispute resolution, SOP AA-GL-5003.1-R1 related to "Penanganan Konflik Lahan" effective 22/08/2011. The procedure covers land dispute handling mechanism, negotiation process, and verification upon legal ownership evidence up to land compensation. Should negotiation process fails, any land dispute will be processed through legal/litigation mechanism. During the process, a complete record is maintained.</p> <p>The compensation calculated based on agreement of both parties through negotiation – upon participative measurement, and recorded under an agreement.</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>As an output from land dispute resolution process, an agreement between both parties and/or copy of court ruling will be required.</p> <p>Based on management statement, information from Desa Gonting Malaha and Desa Sidomulyo, and hectare statement shows there is no land dispute between PT Gunung Melayu with other party.</p> <p>There once land dispute during previous HGU period/term. The disputed area have been excluded from HGU as per "Salinan Putusan Mahkamah Agung No.726-K/Sib/1978 terkait dengan Tanah Seluas 13,442 Ha" dated 19/02/1983.</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>			

Criterion / Indicator	Assessment Findings	Compliance																					
<p>6.5.1 Documentation of pay and conditions shall be available. - Major compliance -</p>	<p>The company determines minimum wages based on the Government regulation every year, the minimum wages in 2015 as regulated in "Surat Keputusan Governor of North Sumatera no. 188.44/972/KPTS/Tahun 2014, dated 7th November 2014 for Agriculture sector in Asahan District is Rp. 1,939,800,-/month and minimum wages for 2016 based on SK. Governor of North Sumatera Sumatera no. 188.44/200/KPTS/Tahun 2016, dated 21st March 2016 which effective from 1st January 2016 for agriculture sector – Oil Palm Plantation Sector is Rp. 2,183,280/month.</p> <p>Based on review of payments slip, there is no worker paid below minimum wages, e.g. payment slip in April 2016</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Name</th> <th style="text-align: center;">Farida (Fertilizer Gang) – PHL</th> <th style="text-align: center;">Susanti Spraying Team) –Temporary Workers (PHL)</th> </tr> </thead> <tbody> <tr> <td>Basic Salary</td> <td style="text-align: center;">16 day @87,332 = 1,397,312</td> <td style="text-align: center;">15 day @87,332 = 1,309,980</td> </tr> <tr> <td>OT</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> </tr> <tr> <td>Premi/Fee</td> <td style="text-align: center;">24,000</td> <td style="text-align: center;">91,000</td> </tr> <tr> <td>Deduction:</td> <td></td> <td></td> </tr> <tr> <td>Jamsostek</td> <td style="text-align: center;">43,666</td> <td style="text-align: center;">43,666</td> </tr> <tr> <td>BPJS</td> <td></td> <td style="text-align: center;">18,300</td> </tr> </tbody> </table> <p>Basic Salary above excluded rice allowance: 15 kg/employees, wife 9 kg, children 7.5 kg/each for 3 children (rice price; Rp. 8.350/kg in April 2016) Based on review document of list payment, it was found that the company has paid salary as regulated by government.</p> <p>Mill: 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.88/PHIJSK-PKKAD/PKB/VI/2015", dated 18th June 2015. Based on document review, it was noted that term and condition, such as working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc, are covered in PKB and contracts which have been signed by all workers.</p>	Name	Farida (Fertilizer Gang) – PHL	Susanti Spraying Team) –Temporary Workers (PHL)	Basic Salary	16 day @87,332 = 1,397,312	15 day @87,332 = 1,309,980	OT	-	-	Premi/Fee	24,000	91,000	Deduction:			Jamsostek	43,666	43,666	BPJS		18,300	<p>Yes</p>
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	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.88/PHIJSK-PKKAD/PKB/VI/2015, dated 18th June 2015 (Valid 21st April 2015 - 20th April 2017) 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 labour union.</p> <p>All employees also has signed contract with detail term and condition, included temporary workers, e.g. contract with Mrs. Maimunah Lubis, no 01/GM/SPK-KSN/VII/2015, dated 01st July 2015, Edisam Saputra Saragih; contract no. 01/GM/SPK-KSN/I/2016, dated January 2016, Saparuddin, contract no. 01/GM/SPK-KSN/I/2016, dated January 2016.</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: Housing (1,046 units), kindergarden (1 unit), Elementary school (1 unit), clinic (6 units), Mosque (7 units), Church (2 units), Creche (6 units), School bus (7 units), Ambulance (1 unit), minimarket which managed by company cooperative (7 units), community hall (6 units), Sport facilities (football, volley ball, tennis, badminton, etc.</p> <p>Mill:</p> <ul style="list-style-type: none"> - Housing Type B/CM (1 unit), Type C (4 Unit), Type D (5 unit), type E (38 Unit), Gunung Melayu Mill. - Polyclinic (1 units) - Mosque (2 units) - Church (1 unit) - School bus (1 units) - Ambulance (1 unit) - Sport facilities <p>Laboratory test of clean water was conducted on 2nd November 2015 by "Direktorat Jenderal Pengendalian Penyakit dan Kesehatan Lingkungan, Balai Teknik Kesehatan Lingkungan dan Pengendalian Penyakit (BTKLPP) Kelas I Medan, Kementerian Kesehatan RI", document No.4866/K/AM/11/2015.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
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 company has minimarket which managed by the cooperative and traditional market is nearby surrounding company area, mostly goods needed by employees is provided by the minimarket.</p>	Yes
<p>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.</p>			
6.6.1	<p>A published statement in local languages recognising freedom of association shall be available.</p> <p>- Major compliance –</p>	<p>Freedom of association policy is written in Bahasa Indonesia, so that all employees can understand as stated in "Kebijakan Perusahaan", dated 01st December 2014 "Menghormati hak setiap karyawan untuk membentuk atau menjadi serikat pekerjasesuai dengan keinginannya dan untuk melakukan tawar menawar secara kolektif".</p> <p>This policy has been informed to all employees and being placed into public area easlily accessed. The company also has involved to form labour union for workers, named "PUK SPSI PT. GM/SSL" .</p> <p>Mill: 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.</p>	Yes
6.6.2	<p>Minutes of meetings with main trade unions or workers representatives shall be documented.</p> <p>- Minor compliance –</p>	<p>Estate: Meeting between company management with labour union (SP. PP-SPSI) in 18/04/2016, attended by 8 representatives of PUK SPSI, minutes of meeting and attendance list is available.</p> <p>Meeting between company management with labour union (SP. PP-SPSI) in 19th February 2016, attended by 40 representatives of PUK SPSI, minutes of meeting and attendance list is available.</p>	Yes
<p>Criterion 6.7 Children are not employed or exploited.</p>			

Criterion / Indicator		Assessment Findings	Compliance
6.7.1	<p>There shall be documentary evidence that minimum age requirements are met.</p> <p>- Major compliance –</p>	<p>The company has own policed signed by management on 01st December 2014 that stated that: “Melarang anak anak bekerja dalam setiap kegiatan perusahaan”</p> <p>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.</p> <p>Sampel taken: Sentral Estate: the youngest worker is Mr. Aprian TS (birth: 12th May 1991, joined in the company on 1st June 2012 – 21 year and 1 month) Mill: The company has own policy 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</p>	Yes
<p>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.</p>			
6.8.1	<p>A publicly available equal opportunities policy including identification of relevant/affected groups in the local environment shall be documented.</p> <p>- Major compliance –</p>	<p>Equal Opportunity policy is written in Bahasa Indonesia, so that all employees can understand as stated in “Kebijakan Perusahaan”, dated 01st December 2014 “Memperlakukan karyawan secara adil, baik dalam hal penerimaan, penilaian, kondisi dan lingkungan kerja, serta keterwakilan tanpa memandang ras, suku, kasta, asal negara, agama/kepercayaan, cacat, jender, orientasi seksual, keanggotaan serikat pekerja, afiliasi politik dan/atau umur.</p> <p>This policy has been informed to all employees and being placed into public area easlily accessed.</p> <p>Mill: 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.</p>	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. Mill: 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 as documented in "Rekapitulasi Appraisal PB 2015, with scoring for Kualitas kerja (work quality), kuantitas kerja (work quantity), sikap kerja (behavior), kerjasama (team work), disiplin (discipline), tanggung jawab (responsibility). Mill: The company has procedure hiring workers regulated that hiring and promotion of workers based on skill, work experiences, and job evaluation. In the period January - April 2016, there are no employee recruitment and also positions promotion. 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 policy to prevent sexual and all other forms of harassment and violence as stated in policy "Kebijakan perusahaan", dated 01 st December 2014 "Mencegah pelecehan seksual dan berbagai bentuk kekerasan terhadap perempuan serta melindungi hak hak reproduksinya". 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 01st December 2014 and on one part of the policies stated that: "Mencegah pelecehan seksual dan berbagai bentuk kekerasan terhadap perempuan serta melindungi hak hak reproduksinya (<i>To prevent any sexual or physical abuses happen to women as well as to protect their reproductive rights</i>)".</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, 11/12/2009: 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: "To provide appropriate information for those who inquiry it and to proted its confidentiality for whistleblower cases in accordance to law regarding environmental and social issue, food safety, health and safety work, so that it enables them to more participate to the decision making processes for improving company's performance.</p> <p>Based on interview with gender committee shows they have good understanding on complaint submission mechanism and have annual program including dissemination on female worker's rights.</p>	Yes
<p>Criterion 6.10 Growers and millers deal fairly and transparently with smallholders and other local businesses.</p>			
6.10.1	<p>Current and past prices paid for Fresh Fruit Bunches (FFB) shall be publicly available.</p> <p>- Minor compliance –</p>	<p>The company has displayed the FFB price in Mill's notice board and smallholders able to access the FFB price by phone.</p>	Yes
6.10.2	<p>Evidence shall be available that growers/millers have explained FFB pricing, and pricing mechanisms for FFB and inputs/services shall be documented (where these are under the control of the mill or plantation)</p> <p>- Major compliance -</p>	<p>The company has provided explanation on the FFB pricing formula and based on interview with smallholders, they understood of FFB pricing mechanism and no complaint was noted regarding FFB price.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
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 -	Mill: Based on document review that agreement between company and local contractors confirmed that contract is made fairly, legal and transparent, e.g. "Surat Perintah Kerja" behalf on CV Mitra Adi Semesta to work 'hoard land' in the area loading ramp, SPK/work agreement No.209/MM-AAS/EXT/05/15, dated 11 th May 2015.	Yes
6.10.4	Agreed payments shall be made in a timely manner. - Minor compliance -	Mill: Evidence of payment was reviewed and it was seen paid timely manner, e.g. Payment for bus school rental to Mrs. E in August 2014 was Rp. 5,250,000 and payment for contractor CV Mitra Adi Semesta in March 2016 was Rp. 45,000,000.	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. Company prepared annual CSR program. For example in 2015, Sentral Estate have 26 types of activity, catergorized under 5 agenda: - Social (5 types of activity) such as donation for orphan/poor people in Desa Batu Anam, Desa Sidomulyo, Desa Gonting Malaha, sport activity, computer aid for Desa Batu Anam; - Economic: (3 types of activity) such as comparison study on independent smallholder plantation for farmer of Desa Gonting Malaha, incorporation of independent farmer group, donation for local cultural business (Batak); - Education: (3 types of activity) in form of furniture for TPA, toys for kindergarten, construction of water closet for elementary school; - Health: (2 types of activity) in form of constructoin of health facilities in Desa Sidomulyo and Desa Batu Anam; - Infrastructure: (13 types of activity) such as construction of social facility, clean water facility in Desa Gonting Malaha, Road maintenance in Desa Sidomulyo, Desa Batu Anam, Desa Gonting Malaha, House repair in Desa Sidomulyo, Desa Batu Anam, Desa Gonting Malaha, etc.	Yes

Criterion / Indicator		Assessment Findings	Compliance
		<p>Based on document verification and interview stating company has implemented the 2015 CSR program in good manner.</p> <p>For 2016, company planned 14 types of activities for social, economic, education, health and infrastructure – equipped with target and timeframe. For example: Construction of health room and library in elementary school – SD Muara Tiga, Desa Batu Anam – implemented in 05/2016.</p> <p>Aside from those program, company has indirect agreement with farmer – as FFB supply contractor. Based on interview with FFB supply contractor, the cooperation went good – a number of service could improve; road maintenance and information/communication.</p> <p>Mill: Local contribution is detailed in CSR, consist of Business Partnership, Economy Development, Education, Health & Donation.</p> <p>e.g.:</p> <ul style="list-style-type: none"> - Assistance for the feast of the village of Batu Anam, on June 2015 - Assistance for the feast of the village of Batu Anam, on July 2015 - Extension self-cultivation techniques to farmers, in December 2015 - Renovation of houses in the village of Gonting Malaha, in March, 2015 	
6.11.2	<p>Where there are scheme smallholders, there shall be evidence that efforts and/or resources have been allocated to improve smallholder productivity.</p> <p>- Minor compliance –</p>	No scheme smallholders.	Yes
<p>Criterion 6.12 No forms of forced or trafficked labour are used.</p>			
6.12.1	<p>There shall be evidence that no forms of forced or trafficked labour are used.</p> <p>- Major compliance -</p>	<p>Based on interview with worker union committee and gender committee, there was no indication of forced labour and/or human trafficking. All employee have had work agreement, regulating the rights and obligation of company and employee. The work agreement including working hour and salary payment.</p> <p>Based on document verification and salary payment, shows employee have been paid in accordance to minimum wage regulation.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
6.12.2	Where applicable, it shall be demonstrated that no contract substitution has occurred. - Major compliance –	Based on interview with worker union committee and gender committee, there was no indication of contract substitution occurred. All employees have work agreement, explaining the rights and obligation including scope of work.	Yes
6.12.3	Where temporary or migrant workers are employed, a special labour policy and procedures shall be established and implemented. - Minor compliance –	Based on interview with worker union committee and gender committee, there was no indication on the use of migrant worker. All employee including temporary workers have work agreement; regulating the scope of work, work agreement timeframe, working hour, salary payment, overtime and Jamsostek.	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. Company has a Company Policy, acknowledged by Managing Director on 01/12/2014 stating that company respects human rights by: "treat all employee in fair manner, in terms of recruitment, appraisal and representation without discrimination against tribe, caste, nationality, religion, disability, gender, sexual orientation, worker union, political affiliation and/or age". The company has communicated this policy. The company policy is available on notice boards. Company conducted dissemination sessions: In Aek Tarum Estate, date 09/04/2016 attended by 27 workers. Based on interview with worker union committee and gender committee stating that there was no indication of human right violation. Mill: The last socialisation performed in Mill on February 2016 attended by 45 employees.	Yes
PRINCIPLE 7: RESPONSIBLE DEVELOPMENT OF NEW PLANTINGS (N/A – No any new planting)			
<i>The company has started replanting in 2003, no any new planting area/developing area since November 2005.</i>			
PRINCIPLE 8: COMMITMENT TO CONTINUAL IMPROVEMENT IN KEY AREAS OF ACTIVITY			

Criterion / Indicator		Assessment Findings	Compliance
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.			
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. - Applied fertilizer in frond stacking to increase absorbing fertilizer. - etc. 	Yes

Appendix "B"
Time Bound Plan

Name of Mill	Address	Time bound for certification	Status as of March 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 / Pematang 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	Certified on 18 th May 2015
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	Certified on 3 rd December 2015
Tanjung Selamat	Kampung Padang Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatera	2017	Certified on 26 th May 2015
Gunung Melayu I	Rahuning Village, Bandar Pulau District, Asahan Regency, North Sumatera	2017	Certified on 7 th September 2015

Gunung Melayu II	GontingMahalaVillage, Bandar Pulau District, Asahan Regency, North Sumatra	2017	Certified on 8 th July 2015
Negri Lama I	Negri Lama Seberang Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatra	Brought Forward from 2018 to 2013	Certified on 6 th April 2015
Negri Lama II	Negri Lama Seberang Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatra	2018	Certified on 3 rd December 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	Certified 18 th May 2015
Tanah Datar	Tanah Datar Petatal Village, Talawi District, Asahan Regency, North Sumatra	Brought Forward from 2015 to 2013	Certified 18 th May 2015
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	Certified 3 rd December 2015
Peranap (Plasma)	Simelinyang / Pauh Ranap / Sengkilo Village, Peranap District, Indragiri Hulu Regency, Riau	2016	Certified 19 th August 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	Certified 26 th May 2015
Pangkalan	Sennah Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatra	Brought Forward from 2017 to 2014	Certified 26 th May 2015
Sentral & Batu Anam	Gonting Mahala Village, Bandar Pulau District, Asahan Regency, North Sumatra	Brought Forward from 2017 to 2014	Certified 8 th July 2015
Pulau Maria	Rahuning Village, Bandar Pulau District, Asahan Regency, North Sumatra	Brought Forward from 2017 to 2014	Certified 7 th September 2015
Negri Lama	Negri Lama Seberang Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatra	Brought Forward from 2018 to 2013	Certified on 6 April 2015
Aek Kuo	Aek Korsik Village, Aek Natas District, Labuhan Batu Regency, North Sumatra	Brought Forward from 2016 to 2013	Certified on 6 April 2015

Appendix "C"
RSPO Certificate Details

PT. Gunung Melayu

Batu Anam Village, Bandar Pulau District, Asahan Regency,
 North Sumatera Province,
 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 : RSPO 620707
 Date of Certificate : 07/07/2015
 End of certificate : 06/07/2020

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

Gunung Melayu II Palm Oil Mill and Supply Base					
Location Address	Gonting Malaha Village, Bandar Pulau District, Asahan Regency, North Sumatera Province, Indonesia				
GPS Location	99° 28' 11" E - 02° 44' 58" N				
CPO Tonnage Total	47,400 MT				
PK Tonnage Total	9,300 MT				
CPO Claimed for Certification	39,804 MT				
PK Claimed for Certification	7,362 MT				
Own estates FFB Tonnage	162,666 MT				
Scheme Smallholder FFB Tonnage	- MT				
Non-company Suppliers FFB Tonnage *)	- MT				
Estates	Production Area		Other use (ha)	Certified Area / Total land lease (ha)	Annual FFB Production (mt)
	Mature (ha)	Immature (ha)			
Batu Anam	3,160	0	773	3,933	52,682
Sentral	2,584	323	533	3,440	68.133
Aek Tarum*)	2,273	28	740	3,041	41,851
Total	8,017	351	2,046	10,414	162,666

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

Appendix "D"
Assessment Plan

Date	Time	Subjects	HR	PS	NM	EW
			PRSPOLA	PRSPO-OHS/EMS	PRSPO-SA	PRSPO-OHS/EMS
Monday, 30/05/2016	10.40 – 13.05	Flight Jakarta – Medan by GA 186	√	√	√	
	15.37 – 18.45	Travelling Medan – Kisaran by train "Sribilah Utama"	√	√	√	
	18.45 – 20.45	Trip Kisaran Rantau Prapat – Estate	√	√	√	
Tuesday, 31/05/2016	08.00 – 08.30	Opening Meeting: Join opening meeting with PT. Saudara Sejati Luhur Presentation by PT. Gunung Melayu and PT. Saudara Sejati Luhur Presentation by BSI Indonesia	√	√	√	
	08.30 – 12.00	Field Visit: Sentral Estate Herbicide application programmes, harvesting, fertilising operations, terracing, road maintenance, Barn owl, beneficial plant, Landfill, housing complex, Storage, workshop, diesel tanks, clinic, etc (including interview with sprayer team and harvester).		√		
		Field Visit: Sentral Estate Boundary stones, HCV areas, riparian zone, road maintenance and other facilities in line-site, (Tempat Penitipan Anak, school, school bus, etc),	√			
		Stakeholder interview: local communities.			√	
	12.00 – 14.00	Lunch				
	14.00 – 17.00	Document Review: Sentral Estate	√	√		
	Stakeholder interview: Labour union, Gender committee, local contractors, NGO, etc			√		
Wednesday, 01/06/2016 (Pak Edy Widodo travelling Jakarta – Estate)	08.00 – 12.00	Field Visit: Aek Tarum Estate Herbicide application programmes, harvesting, fertilising operations, terracing, road maintenance, Barn owl, beneficial plant, etc (including interview with sprayer team and harvester).		√		Travelling from Jakarta - Estate

Date	Time	Subjects	HR	PS	NM	EW
			PRSPOLA	PRSPO-OHS/EMS	PRSPO-SA	PRSPO-OHS/EMS
		Field Visit: Aek Tarum Estate Landfill, housing complex, Storage, workshop, diesel tanks, clinic, and other facilities in line-site, (Tempat Penitipan Anak, school, school bus, etc),	√			
		Field Visit: Aek Tarum Estate Boundary stones, HCV areas, riparian zone, etc			√	
	12.00 – 14.00	Lunch				
	14.00 – 17.00	Document Review: Aek Tarum Estate	√	√	√	
Thursday, 02/06/2016 (Pak Edy Widodo joined)	08.00 – 12.00	Document Review: Gunung Melayu II Mill General information, time bound plan and partial certification verification, RSPO P & C and RSPO SCCS	√	√		√
		Stakeholder Interview: Interview with local government (BLH, BPN, Disnakertrans and Dinas Perkebunan)			√	
	12.00 – 14.00	Lunch				
	14.00 – 16.00	Field Visit: Gunung Melayu II Mill Clinic, PPE, safe working environment, walk ways, signs, EFB. POME treatment, emissions, diesel tanks, fire extinguishers, first aiders and boxes, workshop, storage, housing complex, etc	√			
		Worker and staff interviews (OSH, contract, salary)				√
		Document Review: Gunung Melayu II Mill (Continued)		√		√
		Stakeholder Interview: (continue) Interview with local government (BLH, BPN, Disnakertrans and Dinas Perkebunan)			√	
	16.00 – 16.30	Preparing Closing Meeting for PT. Gunung Melayu	√	√	√	√
16.30 – 17.00	Closing Meeting for PT. Gunung Melayu	√	√	√	√	
Friday, 03/06/2016		Continue audit to PT. Saudara Sejati Luhur				

Appendix "E"
Stakeholder Contacted

No.	Institution
1	Ketua Kelompok Tani Tangkisan Meriam dan Ketua LSM Observasi - Desa Batu Anam <i>(Farmer Group leader of Tangkisan Meriam and NGO leader of "Observasi")</i>
2	Tokoh Masyarakat dan Kepala Desa Sidomulyo dan Desa Gonting Malaha <i>(Local community leaders of Gonting Malaha Village)</i>
3	Dinas Tenaga Kerja Kabupaten Asahan <i>(Labour Department of Asahan Regency)</i>
4	Badan Lingkungan Hidup Kabupaten Asahan <i>(Environmental Department of Asahan Regency)</i>
5	Dinas Perkebunan dan Kehutanan Kabupaten Asahan <i>(Plantation and Forestry Department of Asahan Regency)</i>
6	Kantor Pertanahan Kabupaten Asahan <i>(National Land Authority of Asahan Regency)</i>
7	Pengurus Komite Gender <i>(Gender Committee Members)</i>
8	Pengurus Serikat Pekerja Serikat Pekerja <i>(Labour Union Members)</i>
9	Kontraktor Lokal <i>(Local contractor)</i>

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

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

Criterion E.2. Explanation															
	Requirement	Evidence	Compliance												
E.2.1	The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the CB in the public summary of the P&C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced should then be recorded in each subsequent annual surveillance report.	<p>The projection of CPO and PK product from Gunung Melayu II POM is recorded by CB in the public summary report and RSPO certificate. CB has been submitted to the RSPO E-trace Gunung Melayu II POM the projection of FFB, CPO and PK production.</p> <p>The projection of production in E-trace and actual as below:</p> <table border="1" style="margin-left: 20px;"> <thead> <tr> <th>Description</th> <th>Projection in 2015</th> <th>Actual in 2015</th> </tr> </thead> <tbody> <tr> <td>FFB</td> <td>139,842</td> <td>126,136</td> </tr> <tr> <td>CPO</td> <td>32,198</td> <td>29,238</td> </tr> <tr> <td>PK</td> <td>6,195</td> <td>5,877</td> </tr> </tbody> </table> <p>During this assessment, the actual of production CPO and PK is reorded in daily, monthly and yearly basis.</p>	Description	Projection in 2015	Actual in 2015	FFB	139,842	126,136	CPO	32,198	29,238	PK	6,195	5,877	Yes
Description	Projection in 2015	Actual in 2015													
FFB	139,842	126,136													
CPO	32,198	29,238													
PK	6,195	5,877													
E.2.2	The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).	The company has registered and projected volume and sold out of product is registered in e-trace.	Yes												

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

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

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

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

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

		<ul style="list-style-type: none"> - Name of product: Crude Palm Oil - Receiver: PT. Sinar Mas Agro Resources - Date: 23/02/2016 - Quantity: 27,730 kg - CPO: Non Certified <p>Delivered PK Certified Product:</p> <ul style="list-style-type: none"> - SP no.: PGDC216200115 - Origin: PMKS Gunung Melayu II - Name of product: Palm Kernel - Receiver: PT. Saudara Sejati Luhur - Date: 27/02/2016 - Quantity: 7,110 kg - PK Certified RSPO – Mass Balance <p>Delivered PK as "Non Certified Product":</p> <ul style="list-style-type: none"> - Ticket no.: PGDC21620115 - Origin: PMKS Gunung Melayu II - Name of product: Palm kernel - Receiver: PT. Saudara Sejati Luhur - Date: 23/02/2016 - Quantity: 6,260 kg - PK: Non Certified 	
	c. The site can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three months. However, a site is allowed to sell short.(ie product can be sold before it is in stock.)	Based on review 3 monthly baisi, no any delivery mass balance from negative stock.	Yes
E.5.2	In cases where a mill outsources activities to an independent (not owned by the same organization) palm kernel crush, the crush still falls under the responsibility of the mill and does not need to be separately certified. The mill has to ensure that the crush is covered through a signed and enforceable agreement.	No outsourcing	N/A

Appendix "G"
Location Map of PT. Gunung Melayu

Figure 1. Location of PT. Gunung Melayu in Indonesia

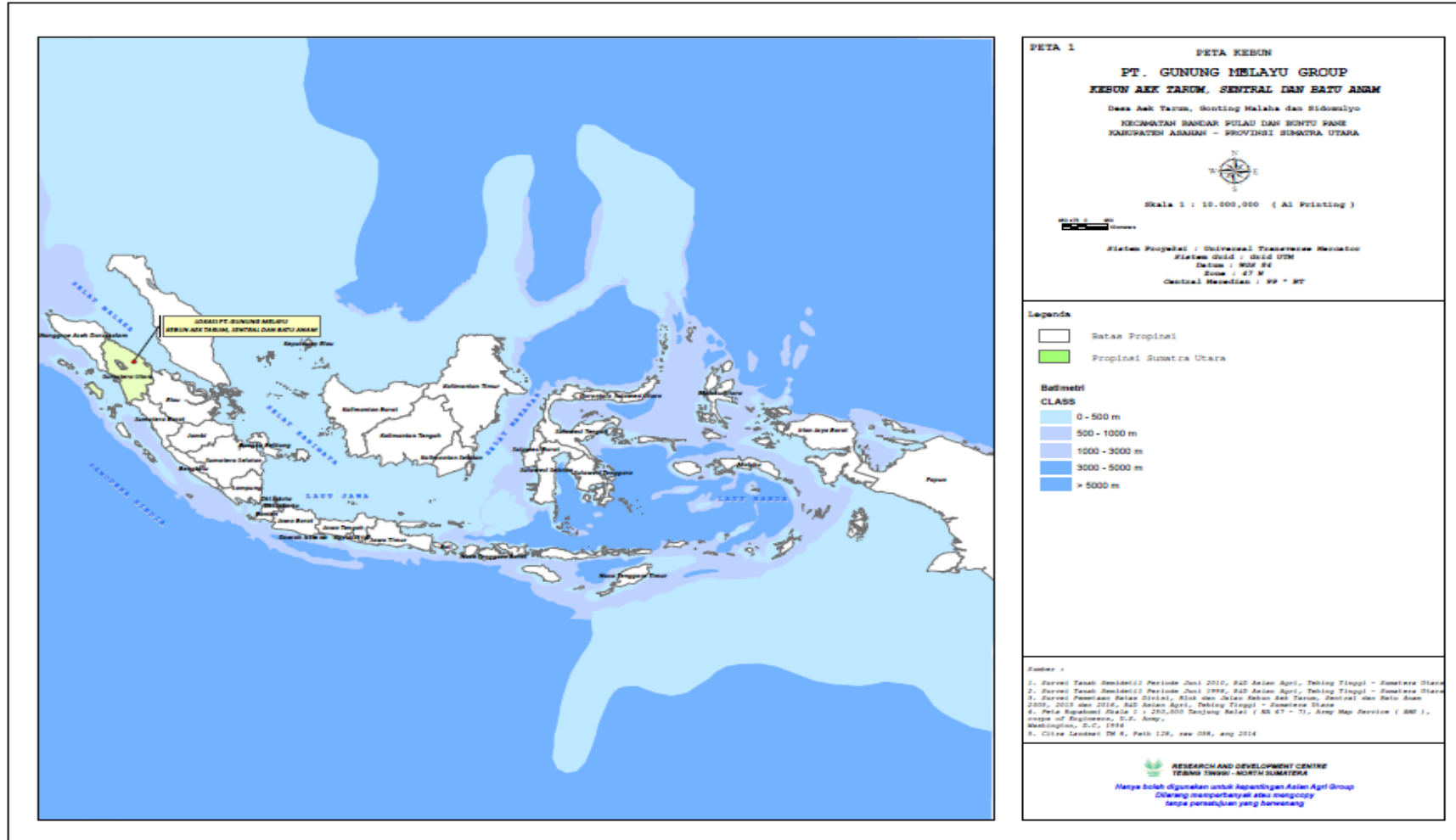


Figure 2. Location of PT. Gunung Melayu in North Sumatera Province, Indonesia.

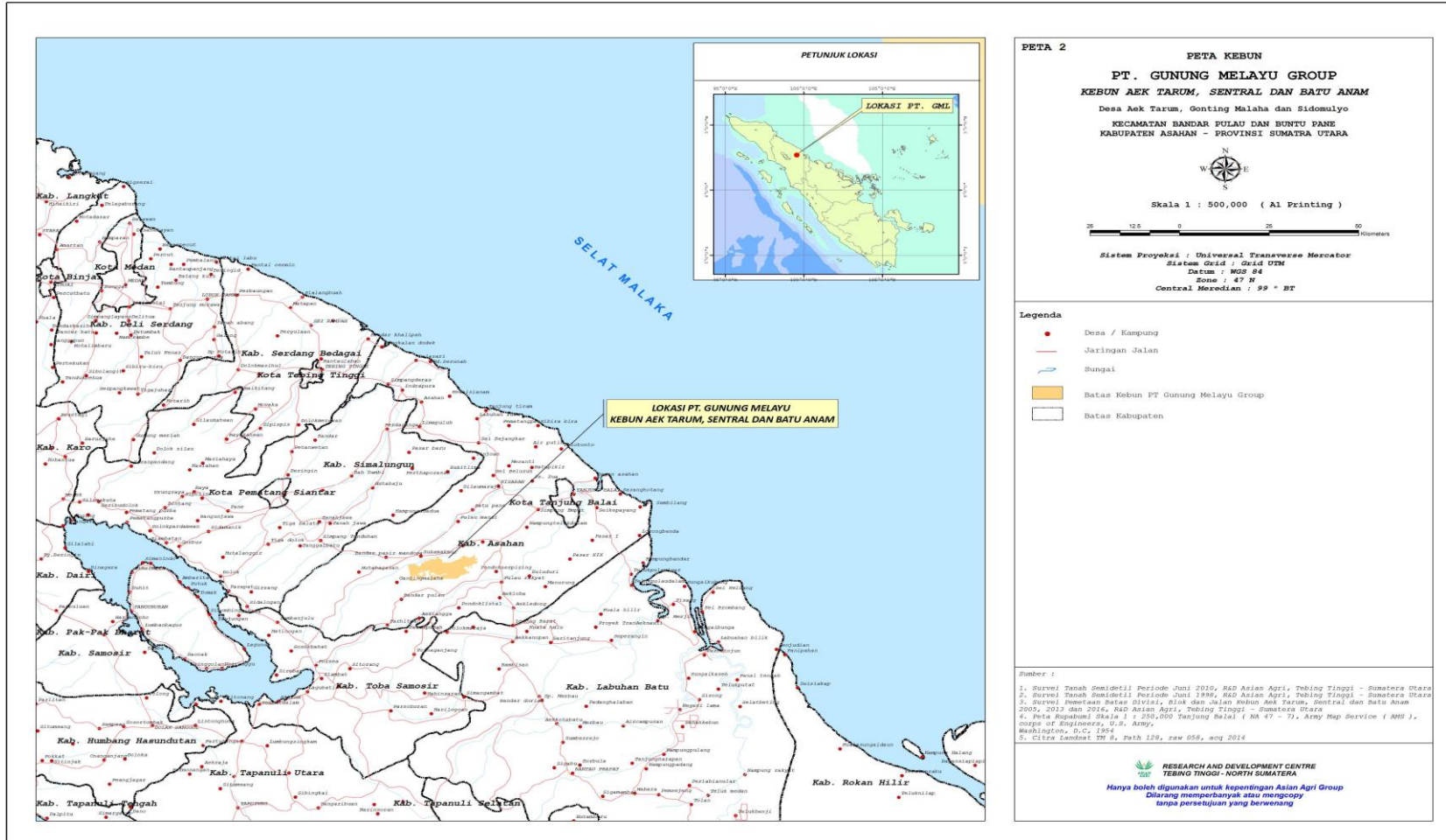


Figure 3a. Location of PT. Gunung Melayu (Aek Tarum Estate) and neighbouring entities

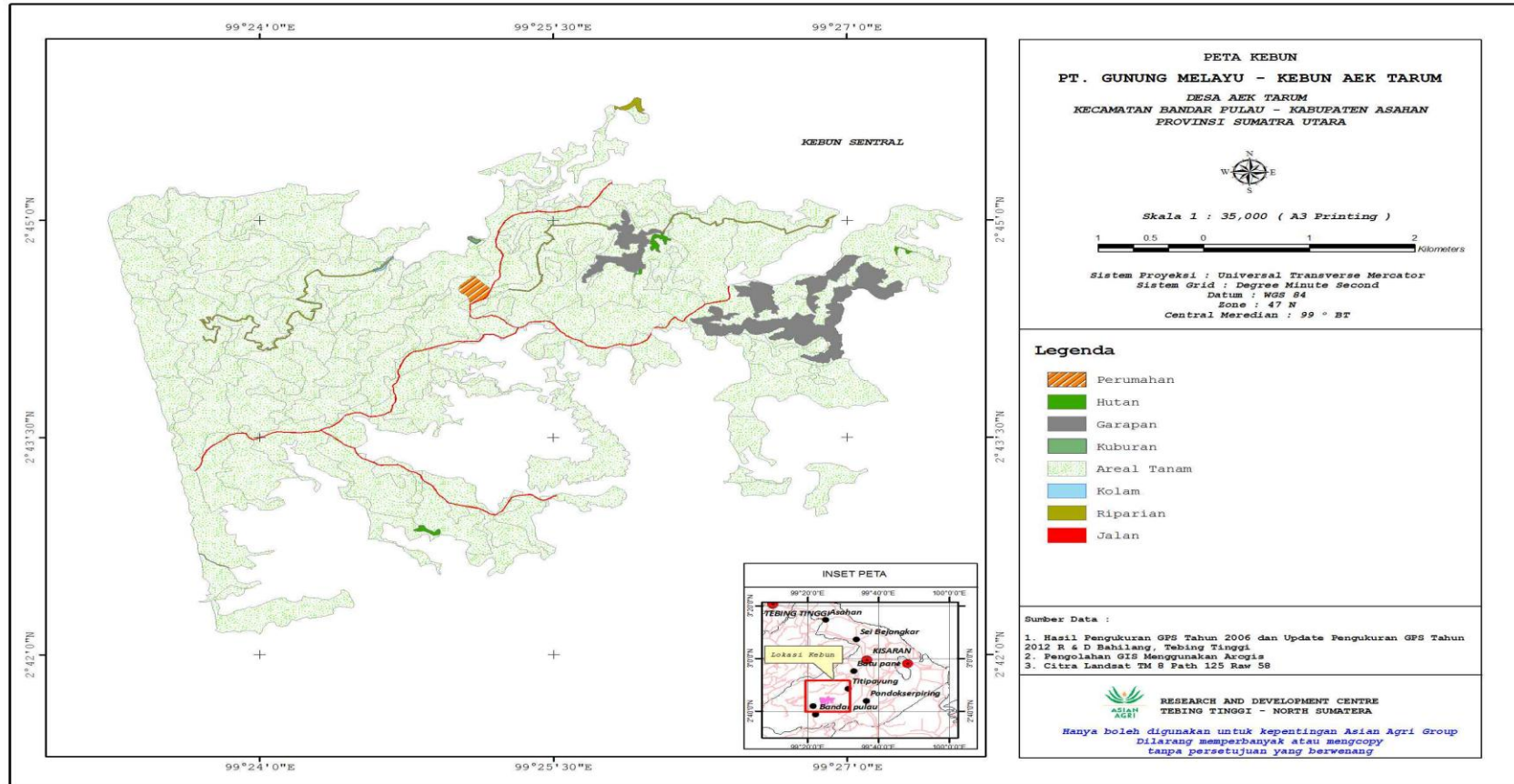


Figure 3b. Location of PT. Gunung Melayu (Sentral Estate) and neighbouring entities

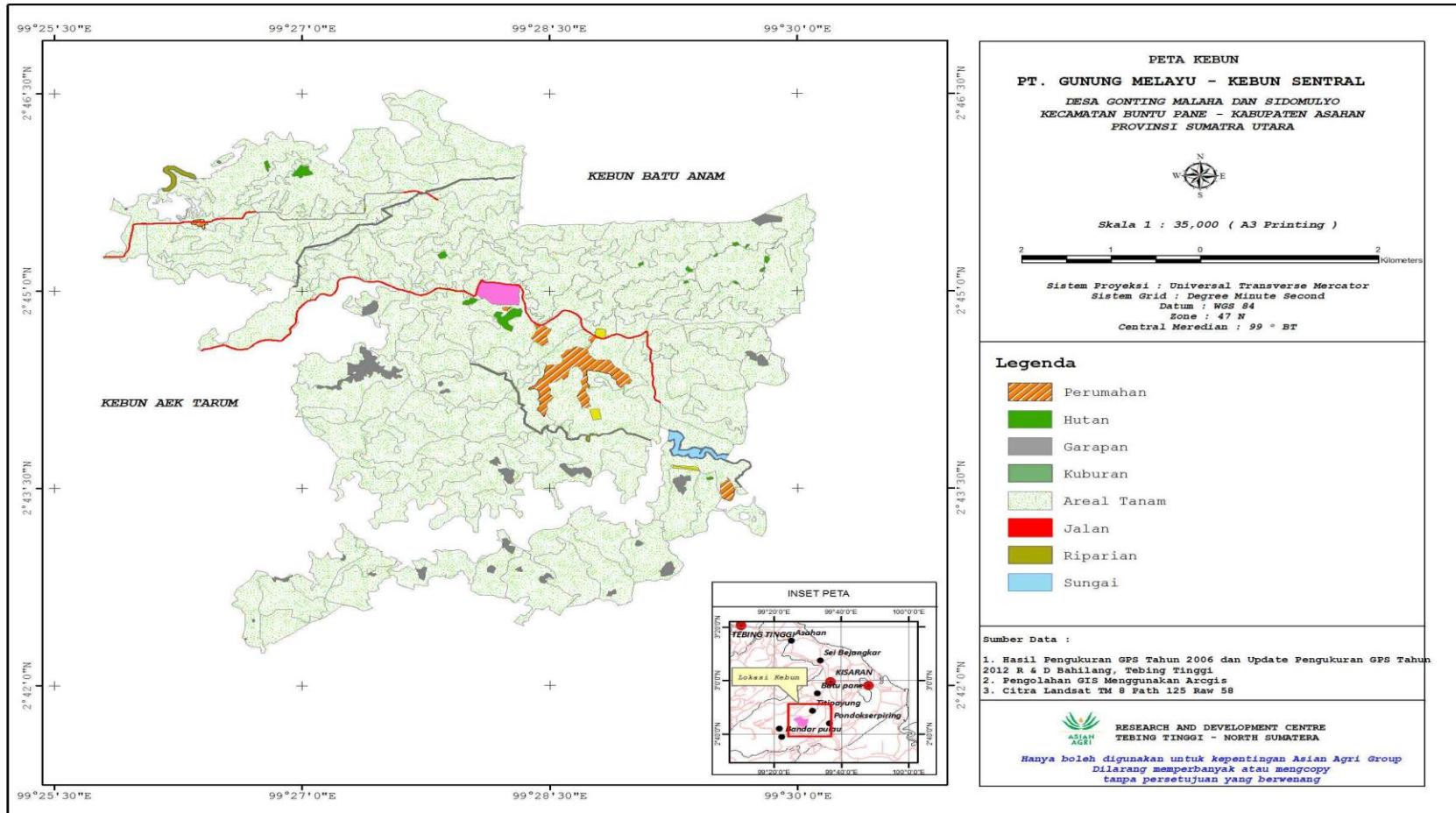
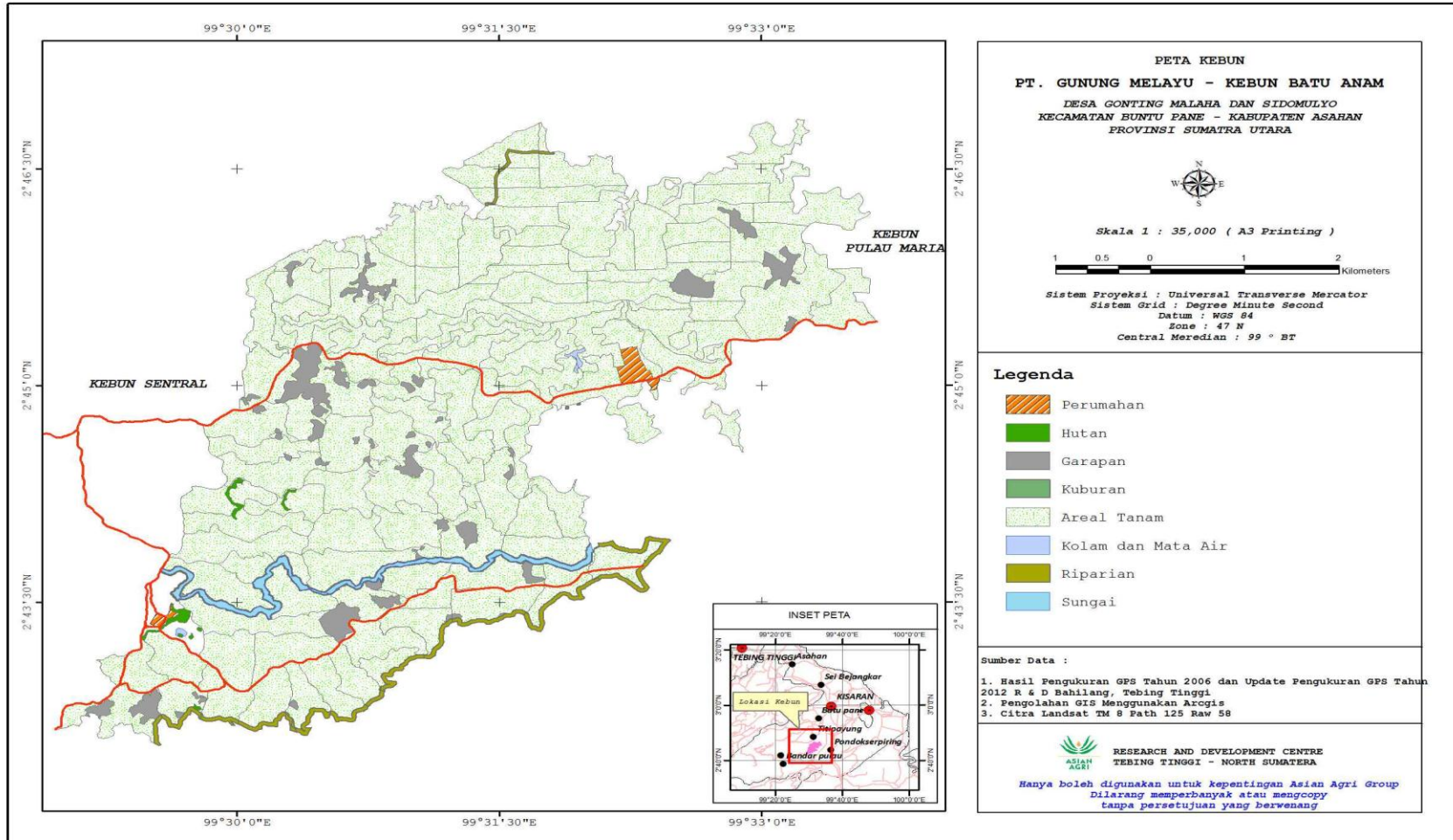


Figure 3c. Location of PT. Gunung Melayu (Batu Anam Estate) and neighbouring entities



Appendix "H"
Abbreviation used

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