

**RSPO PRINCIPLE AND CRITERIA –
– ANNUAL SURVEILLANCE ASSESSMENT 3 (ASA3)–
Public Summary Report**

PT. Inti Indosawit Subur:
Client company Address: Jl. MH. Thamrin No.31 Jakarta 10330 Indonesia
Certification Unit: PT. Gunung Melayu – Gunung Melayu II Palm Oil Mill Location of Certification Unit: Gonting Malaha Village, Bandar Pulau District, Asahan Regency, Sumatera Utara Province, Indonesia

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Section 1: Scope of the Certification Assessment

1. Company Details			
RSPO Membership Number	1-0022-06-000-00	Membership Approval Date	6 th February 2006
Parent Company Name	PT. Inti Indosawit Subur		
Address	Jl. MH. Thamrin No.31 Jakarta 10330 Indonesia		
Subsidiary (Certification Unit Name)	PT. Gunung Melayu		
Address	Gonting Mahala Village, Bandar Pulau District, Asahan Regency, Sumatra Utara Province		
Contact Name	Mr. Ivan Novrizaldie		
Website	www.asianagri.co.id	E-mail	Ivan_Novrizaldie@asianagri.com
Telephone	+62 21 230 1119	Facsimile	+62 21 2301120

2. Certification Information			
Certificate Number	RSPO 620707	Date of First Certification	8 th July 2015
		Certificate Start Date	8 th July 2015
		Certificate Expiry Date	7 th July 2020
Scope of Certification	Production of CPO and PK at Gunung Melayu II POM with 3 estates as supply base, namely Batu Anam Estate, Aek Tarum Estate, Sentral Estate. Mill capacity of Gunung Melayu II POM is 60 tonnes FFB/hour.		
Applicable Standards	RSPO P&C Indonesia National Interpretation, September 2016; RSPO Supply Chain Certification Standard 2017 (CPO Mill – Module E)		

3. Other Certifications			
Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
ID05/65250	ISO 14001:2004	SGS	10 June 2020
ISCC	EU-ISCC-Cert-DE100-27292018	SGS	07 July 2019

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4. Location(s) of Mill & Supply Bases			
Name (Mill / Supply Base)	Location [Map Reference #]	GPS Coordinates	
		Latitude	Longitude
Gunung Melayu II POM	Gonting Mahala Village, Bandar Pulau District, Asahan Regency, North Sumatra	2° 44' 58.00" N	99° 28' 11.00" E
Batu Anam Estate	Gonting Mahala Village, Bandar Pulau District, Asahan Regency, North Sumatra	02°42'12.00" - 02°46'54.00" N	99°26'35.00" - 99°33'34.00" E
Aek Tarum Estate	Gonting Mahala Village, Bandar Pulau District, Asahan Regency, North Sumatra	02°42'05.00" - 02°46'54.00" N	99°23'12.00" - 99°33'34.00" E
Sentral Estate	Gonting Mahala Village, Bandar Pulau District, Asahan Regency, North Sumatra	02°42'05.00" - 02°46'32.00" N	99°23'12.00" - 99°29'10.00" E

5. Description of Supply Base					
Estate	Total Planted (Mature + Immature) (ha)	HCV (ha)	Infrastructure & Other (ha)	Total Area (ha)	% of Planted
Batu Anam Estate	3,160	95.85	284.00	3,539.85	89.27%
Sentral Estate	2,907	64.94	585.48	3,557.42	81.72%
Aek Tarum Estate	2,283	39.56	349.00	2,671.56	85.46%
Total	8,350	200.35	1,218.48	9,768.83	85.48%

*Note: 645.5 ha from HGU area (10,414.33 ha) is occupied by surrounding community and exclude from certified area.

6. Plantings & Cycle							
Estate	Age (Years)					Mature	Immature
	0 – 3*	4 – 10*	11 - 20	21 - 25	26 - 30		
Batu Anam Estate		2,219	941			3,160	0
Sentral Estate	323	2,584	0			2,584	323
Aek Tarum estate	53	2,230	0			2,230	53
Total (ha)	376	7,033	941	0	0	7,974	376

*Note: Planting age 0-3 and 4-10 is from replanting.

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7. Certified Tonnage of FFB (Own Certified Scope)			
Estate	Tonnage / year		
	Estimated (April 2017 – March 2018)	Actual (April 2017 – March 2018)	Forecast (April 2018 – March 2019)
Batu Anam Estate	63,678	70,632	78,924
Sentral Estate	55,473	58,426	64,387
Aek Tarum estate	48,145	44,596	54,809
Total	167,296	173,654	198,120
Note: <i>Estimated and Actual are the previous 12 months from the audit period.</i> <i>Forecast is the next 12 months from the audit period.</i>			

8. Certified Tonnage of FFB (from other certified unit(s)) if applicable *			
Estate	Tonnage / year		
	Estimated (April 2017 – March 2018)	Actual (April 2017 – March 2018)	Forecast (April 2018 – March 2019)
Nil	N/A		N/A
Total			
Note: <i>There is no FFB received from another certified unit.</i>			

9. Non-Certified Tonnage of FFB (outside supplier – excluded from certificate) if applicable			
Independent FFB Supplier	Tonnage / year		
	Estimated (April 2017 – March 2018)	Actual (April 2017 – March 2018)	Forecast (April 2018 – March 2019)
3 rd Party FFB	100,000	92,611	110,051

10. Certified Tonnage			
Mill Capacity: 60 MT/hr	Estimated (April 2017 – March 2018)	Actual (April 2017 – March 2018)	Forecast (April 2017 – March 2018)
	FFB	FFB	FFB
	167,296 MT	173,654 MT	198,120 MT
	SCC Model: MB	CPO (OER: 24.79 %)	CPO (OER: 24.0305 %)

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	41,467 MT	41,730 MT	49,133.76MT
	PK (KER: 4.43 %)	PK (KER: 4.6973 %)	PK (KER: 4.75 %)
	9,874 MT (PK Volume extension 2,457 MT)	8,157 MT	9,410.70 MT

Note:

The actual production is higher than the estimation because there is a plan for replanting in several area and the actual condition company is postponed the replanting plan.

Estimated and Actual are the previous 12 months from the audit period.

Forecast is the next 12 months from the audit period.

11. Actual Sold Volume (CPO) (License Period August 2017 – July 2018)					
	RSPO Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSB		
CPO (MT)	2,696.18	33,625.33	0	0	36,321.51

12. Actual Sold Volume (PK) (License Period August 2017 – July 2018)					
	RSPO Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSB		
PK (MT)	5,031.08	0	0	0	5,031.08

13. Actual Group certification Claims		
	Credit	Physical Volume (MT)
IS-CSPO	N/A	N/A
IS-CSPKO		
IS-CSPKE		

Section 2: Assessment Process

Certification Body:

BSI Services Malaysia Sdn Bhd,
(ASI Accreditation Number: ASI-ACC-67)
Unit 3, Level 10, Tower A
The Vertical Business Suites, Bangsar South
No. 8, Jalan Kerinchi
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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 (ASI-ACC-67) to conduct RSPO assessment 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.

2.1 Assessment Methodology, Programme, Site Visits

The on-site initial assessment was conducted from **17-19 April 2018**. 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 Major NC close out on-site assessment was conducted on 9 June 2018. The audit programmes are included in Section 2.3.

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 Principles & Criteria Indonesia National Interpretation, September 2016 and RSPO Supply Chain Certification Standard 2017 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.

The approach to the audit was to treat the mill and its supply base as an RSPO Certification Unit. The mill was audited together with the estates (or smallholders) of its supply base.

- The minimum sample size is four estates. Sample size for certification unit with more than four (4) estates were determined based on formula $N = (0.8\sqrt{y}) \times (z)$ where y is the number of estates and where z is the multiplier defined by risk assessment
- As for the smallholders, the sample were determined following the RSPO Management System Requirements and Guidance for Group Certification of FFB Production (2016). The sampling of smallholders were based on the formula $(0.8\sqrt{y}) \times (z)$; where y is total number of independent group member and where z is the multiplier defined by the risk assessment. The sampled smallholder listed in Appendix I.

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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 the internal or external stakeholder interviews. A list of Stakeholders contacted is included as Section 3.5.

All the previous nonconformities are remains closed. The assessment findings for the initial assessment/annual surveillance assessment are detailed in Section 3.4.

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.

For Initial and Re-certification assessment, the report was externally reviewed by RSPO approved Certification Reviewer prior to certification decision by BSI.

For Annual surveillance assessment, the report was internally reviewed and approved by BSI qualified certification reviewer.

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

1. Assessment Program					
Name (Mill / Supply Base)	Year 1 (Certification)	Year 2 (ASA 1)	Year 3 (ASA 2)	Year 4 (ASA 3)	Year 5 (ASA 4)
Gunung Melayu II POM	x	x	x	x	x
Batu Anam Estate	x	x	x	x	
Sentral Estate	x	x		x	x
Aek Tarum Estate			x		x

Tentative Date of Next Visit: June 4, 2019 – June 7, 2019

Total No. of Mandays: 10 Mandays

2.2 BSI Assessment Team:

Team Member Name	Role	Qualifications <i>(Short description of the team members)</i>
Mujinius Jalaraya	Lead Assessor	He hold Bachelor degree from Faculty of Forestry, Bogor Agricultural University (IPB) in 2008, Majoring in Forest Resources Conservation and Ecotourism. He have a working experience in palm oil plantations as SHE Assistant at PT. Astra Agro Lestari Tbk in 2008 - 2012 and as Supervisor Sustainability at Teladan Prima Group in 2012 – 2014. He involved in RSPO certification since 2014 as a team member subsequently as a Lead Auditor. He has completed the training, such as: Lead Auditor ISO 9001: 2008 course, Lead Auditor ISPO course, Lead Auditor RSPO endorsed course, RSPO SCCS Lead Auditor endorsed course, HCV Identification and management, Internal Auditor ISO 14001: 2004 Training, Training for Trainers, OHS Expert Training, etc. He is fluently speaking in English and Bahasa Indonesia. During this assessment, he assessed on the aspects of Legal, Environmental management and monitoring, OHS management and HCV management and monitoring.
Imam Fachrurozi	Assessor Team member	Imam holds degree in Agriculture Technology and graduated from Gadjah Mada University, Yogyakarta in 2011. He had 2 (two) years working experienced related to oil palm industries i.e. as a sustainability and HSE in oil palm Plantation Company in Indonesia. Several relevant Training he has completed include ISO 9001 and 14001 Lead Auditor, Lead Auditor of SMK3, RSPO P&C Lead auditor endorsed courses. Currently he works for BSI Group based in Jakarta office. He is one of the BSI qualified RSPO auditor. He had been involved in RSPO auditing since 2016. During this assessment, he assessed on the aspects of Environmental and OHS management and monitoring for mill and estate.
Edy Widodo	Assessor 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 is the 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) and also Course RSPO Lead Auditor 2016 - RSPO Endorsed RSPO Supply Chain Certification Training Course on April 2016. During this assessment, he assessed on the aspects of social and labor and stakeholder consultation.

Accompanying Persons: Pratama Agung Sedayu

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2.3 Assessment Plan

RSPO Annual Surveillance 3 Assessment Plan PT Gunung Melayu – Gunung Melayu II POM & Its Supply Bases

Date	Time	Subjects	Mujinius	Imam F.	Edy W.
			PRSCO LA/ PRSCO- OHS/EMS	PRSCO- OHS/EMS	PRSCO-T OHS/EMS /SA
Monday, 16/04/2018	10.40 – 13.00	Flight Jakarta – Kualanamu	√	√	√
	13.30 – 18.30	Travelling Kualanamu – Gunung Melayu	√	√	√
Tuesday, 17/04/2018	08.00 – 08.30	Opening Meeting - Presentation by client (Overview of PT. Gunung Melayu – Gunung Melayu II Palm Oil Mill and its supply base); - Presentation by BSI team (Objective, scope, audit plan, etc.)	√	√	-
	08.30 – 12.00	Field Visit: Batu Anam Estate Herbicide application programmes, harvesting, fertilising operations, water management, road maintenance, terracing, HCV's, riparian zones, etc. Interview with Workers	√		-
		Field Visit: Batu Anam Estate Agrochemical stores, Fertilizer store, workshops, housing, landfill, Clinic, Hazardous Waste, etc. Interview with Workers	-	√	√
	12.00 – 14.00	Break	√	√	√
	14.00 – 17.00	Document Review: Batu Anam Estate Legal, Best management practices Agronomy, OHS implementation, EMS implementation, Social and Labour, HCV, Continual improvement, etc. Interview with: Labour Union, Gender Committee, Village Head, Local Community	√	√	√
					√
Wednesday, 18/04/2018	08.00 – 12.00	Field Visit: Sentral Estate Herbicide application programmes, harvesting, fertilising operations, water management, road maintenance, terracing, HCV's, riparian zones, Boundary insoection, etc. Interview with Workers	√	-	-
		Field Visit: Sentral Estate Agrochemical stores, Fertilizer store, workshops, housing, landfill, Clinic, Hazardous Waste, etc. Interview with Workers	-	√	-
		Interview Stakeholder: BLH, BPN, Disnakertrans, Disbun Kab. Asahan	-	-	√
	12.00 – 14.00	Break	√	√	√
	14.00 – 17.00	Document Review: Sentral Estate Legal, Best management practices Agronomy, OHS implementation, EMS implementation, Social and Labour, HCV, Continual improvement, etc.	√	√	√

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Date	Time	Subjects	Mujinius	Imam F.	Edy W.
			PRSPo LA/ PRSPo- OHS/EMS	PRSPo- OHS/EMS	PRSPo-T OHS/EMS /SA
Thursday, 19/04/2018	08.00 – 10.00	Document Review: Gunung Melayu II POM Legal, Best management practices POM, OHS implementation, EMS implementation, Social and Labour, Continual improvement, etc.	√	√	√
		RSPO Supply Chain for CPO Mill	√	-	-
	10.00 – 12.00	Field Visit Gunung Melayu II POM Weight bridge, Mill process from incoming FFB to CPO storage tank/PK, Clinic, PPE, safe working environment, walk ways, signs, EFB. POME treatment, emissions, diesel tanks, fire extinguishers, first aiders and boxes, workshop, storage, Worker and staff interviews (OHS, contract, salary), housing complex, etc	√	√	√
		12.00 – 14.00	Break	√	√
	14.00 – 15.00	Continue Document Review	√	√	√
	15.00 – 16.00	Report Preparation	√	√	√
	16.00 – 17.00	Closing Meeting	√	√	√
	17.00 – 22.00	Traveling to Kualanamu Medan	√	√	√
22.00 - up	Stay in Medan	√	√	√	
Friday, 20/04/2018	08.30 – 10.00	Travelling Kualanamu to Jakarta	√	√	√

The BSI auditor team will comprise of the following members. Please let us know should you have any comments:

	Name	Role	Assessment aspects
1	Mujinius Jalaraya	Team Leader	Environmental aspect-impacts, occupational health and safety, interview with workers; (Fluent in English and local language).
2	Eko Purwanto	Team member	Legal aspect, Best management practice in palm oil mill and estate, interview with workers, supply chain for CPO Mills; (Fluent in English and local language).
3	Edy Widodo	Team member	Social aspect-impact, interview with workers, land tenure, internal and external stakeholder consultation; (Fluent in English and local language)

Section 3: Assessment Findings

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

- PT Gunung Melayu/Asian Agri Group Time Bound Plan
- RSPO Supply Chain Certification Checklist June 2017
- RSPO P&C INA-NIWG 2016 Checklist

3.2 Progress against Time Bound Plan

Time Bound Plan		
Requirement	Remarks	Compliance
Summary of the Time Bound Plan		
Does the plan include all subsidiaries, estates and mills?	PT. Gunung Melayu as a subsidiary of PT Inti Indosawit and Asian Agri Group has explained the certification plan for all of its subsidiaries; indicating all palm oil mills and company-owned estates, including smallholder as the supply base.	Comply
Is the time bound plan challenging? <ul style="list-style-type: none"> • Age of plantations. • Location. • POM development • Infrastructure. • Compliance with applicable law. 	The time bound plan is challenging. PT. Gunung Melayu – Asian Agri Group demonstrate progress overtime. The age of plantation was generally mature. All of plantation has been incorporated with palm oil mill to process the FFB produced. The location of plantations were covering three provinces in Sumatera Utara Province, Riau Province and Jambi Province – Indonesia.	Comply
Have there been any changes since the last audit? Are they justified?	No changes.	Comply
If there have been changes, what circumstances have occurred?	No changes.	Comply
Have there been any stakeholder comments?	Yes, there was a report related to company’s supply chain. Company has released official response. BSI was notified and provided response to this matter. BSI has also provided response to this matter.	Comply
Have there been any newly acquired subsidiaries?	There are no newly acquired subsidiaries.	Comply
Have there been any isolated lapses in implementation of the plan?	No isolated lapses. Company managed to demonstrate commitment to certify all of palm oil mill and supply base.	Comply
Un-Certified Units or Holdings		

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Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	Yes. PT. Mitra Unggul Pusaka – Segati POM conducted internal audit annually.	Comply
No replacement after dates defined in NIs Criterion 7.3: <ul style="list-style-type: none"> • Primary forest. • Any area identified as containing High Conservation Values (HCVs). • Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3. 	In area where BSI conducted audit, there are no replacement/conversion of primary forest after November 2005.	Comply
Any new plantings since January 1 st 2010 must comply with the RSPO New Plantings Procedure.	There is new planting after January 1 st , 2010. New planting was performed through conversion from rubber plantation. Company has prepare for NPP submission to RSPO. NPP for conversion area is still in progress including supporting documents (conversion permit, HCV assessment, etc). NPP will be submitted in reference to NPP 2015 as NPP for Conversion of Existing Agricultural land.	in progress
Any Land conflicts are being resolved through a mutually agreed process, e.g. RSPO Grievance procedure or Dispute Settlement Facility, in accordance with RSPO criteria 6.4, 7.5 and 7.6.	No more land compensation.	Comply
Any Labor disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.	No labor dispute noted. This was based on stakeholder interview with worker union in each company. In addition, audit team found the same based on stakeholder interview with “Dinas Tenaga Kerja” on each regency audited.	Comply
Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	Yes. PT. Mitra Unggul Pusaka – Segati POM conducted internal audit annually. Last audit performed in April 2017.	Comply
Any Legal non- compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.	PT. PT. Mitra Unggul Pusaka – Segati POM has comply with all legal compliance	Comply

3.3 Progress of scheme smallholders and/or outgrowers

Progress of scheme smallholders or outgrowers towards compliance with relevant standards		
Requirement	Remarks	Compliance
Has 100% of scheme smallholders and/or scheme outgrowers comply with the standard within three years of the mill's initial certification?	<p>Smallholder as a supply base of PT Inti Indosawit Subur (Asian Agri Group) as a parent company of PT Gunung melayu has been certified comply with the standard within three years of the mill's initial certification as bellow:</p> <ul style="list-style-type: none"> - Buatan Plasma Certified on 13th March 2012 as supply base of Buatan I & II Mill which Certified on 16th September 2010. - Buatan KKPA Certified on 17th January 2013 as supply base of Buatan I & II Mill which Certified on 16th September 2010. - Ukui Plasma Certified on 11th June 2012 as supply base of Ukui I & II Mill which Certified on 1st March 2011. - Tungkal Ulu Plasma Certified on 11th July 2013 as supply base of Tungkal Ulu Mill which Certified on 15th August 2012. - Muara Bulian Plasma & KKPA Certified on 12th July 2013 as supply base of Muara Bulian Mill which Certified on 28th August 2012. <p>Bungo Tebo Plasma Certified on 7th February 2017 as supply base of Bungo Tebo Mill which Certified on 3rd December 2015.</p>	Comply

3.4 Details of findings

The nonconformity is listed below. The summary report of the assessment by criteria is listed in Appendix A.

During the Annual Surveillance Assessment 3 there were 5 Major & 2 Minor nonconformities raised (2 of Major Non Conformities was escalated from previous minor NC). PT Gunung Melayu – Gunung Melayu II POM Certification unit submitted Corrective Action Plans for the nonconformity. Corrective action plans with respect to the nonconformity was reviewed by the BSI audit team and accepted.

The implementation of the corrective action plans to address the the minor nonconformity will be followed up during the next surveillance assessment. The implementation of the Corrective Actions for the Major Nonconformity(ies) has been verified for it effectiveness and closed accordingly on 9 June 2018.

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Summary of Total Number of Nonconformity			
Nonconformity			
NCR Ref #	1487836-201706-N3	Clause & Category (Major / Minor)	RSPO P & C INA NI 2016 Indicator 5.3.3 Escalated to Major NC
Date Issued	19 April 2018	Due Date	18 June 2018
Closed (Yes / No)	Yes	Date of nonconformity Closure	9 June 2018
Statement of Nonconformity:	Management plan of hazardous waste was not consistently implemented as per regulation and procedure.		
Requirement Reference:	A documented waste management plan to avoid or reduce pollution and its implementation shall be available.		
Objective Evidence:	<p>Lack of evidence the minor NC has followed up as per corrective action plan; data verified:</p> <ul style="list-style-type: none"> Based on visit in hazardous waste store in Sentral Estate (date 18th April 2018), there was confirmed the record of hazardous waste "Neraca Limbah B3" found still inaccurate; a number of hazardous waste handover from Batu Anam Estate and Sentral Estate are not traceable in the balance record sheet. Example "Neraca Limbah B3" has just recorded of chemical waste on 14th January 2018 from Sentral Estate for 200 pcs of ex-chemical container, dated 17th April 2018 from Batu Anam Estate for 16 ex-knap sack, dated 15th January 2018 from Klinik (P3) Batu Anam Estate for 170 pcs. Based on visit at Sentral Estate warehouse (date 18th April 2018) auditor found the inner bag of fertilizer has not controlled properly and be scattered around in backside of fertilizer store. In addition there was found the ex-agrochemical container (>10 bag) was not stored in hazardous waste store, based on record sheet (neraca limbah) the latest disposal on 14th January 2018 from Sentral Estate for 200 pcs. 		
Corrections:	<ul style="list-style-type: none"> Retracing and re-record the unregistered shipping/delivery administration of hazardous waste in TPS LB3 according to actual volume of hazardous waste. Company has retrace and re record the unregistered shipping of hazardous waste from estate (source of waste) and recorded in "Lembar Neraca Limbah B3". During NCR visit audit can be shown that the number of actual hazardous waste volume in TPS LB3 was met with the "Lembar Neraca Limbah B3". Latest update of hazardous waste was 30 May 2018. The hazardous waste traceability can be demonstrated in Delivery note "Berita Acara Pengiriman Limbah B3". For example used oil was received from Batu Anam Estate on 30 May 2018 was 47 L, the total of used oil from Batu Anam Estate since 2 – 30 May 2018 in TPS LB3 was 205 L. Provide the special place for laying fertilizer sacks. Company has modified the fertilizer store and provide the special place for laying the ex fertilizer sack. During audit can be demonstrated that the place of laying the ex fertilizer sack was sufficient and protected from rain and flooded. placement of fertilizer sacks has also been neatly arranged and the number of sacks of fertilizer according to actual conditions is recorded. 		

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Root Cause Analysis:	<ul style="list-style-type: none"> - There were several delivery note "Berita Acara Pengiriman" of hazardous waste from estate (source of waste) were not copied which resulted in different records being sent from hazardous waste sources to temporary hazardous waste storage (TPS LB3). - There is no special place for laying fertilizer sacks
Corrective Actions:	<ul style="list-style-type: none"> - Monitoring the administration of hazardous waste receiving from estate and record of hazardous waste volume from each estate (source of waste). Company has monitor the hazardous waste administration each month and record in "Lembar Neraca Limbah B3". In addition company also has reported each 3 month the hazardous waste management and monitoring to Environmental Agency "Badan Lingkungan Hidup". Latest report was sent on April 2018. - Monitoring the ex fertilizer sack receiving and storage from each estate. Company has monitor regularly the number of ex fertilizer sack and maintain the storage of ex fertilizer sack. Company also has appointed person in charge Mr. Chairul Sahar who responsible to monitor the ex fertilizer sack receiving and storage according to "Memorandum Nomor: 9/MGR/KSN/Mei/18" dated 10 May 2018.
Assessment Conclusion:	Auditor conclude that company has effectively addressed the issue of non conformity and the NC has been CLOSED on 9 June 2018.

Nonconformity			
NCR Ref #	1487836-201706-N3	Clause & Category (Major / Minor)	RSPO P & C INA NI 2016 Indicator 6.1.4 Escalated to Major NC
Date Issued	19 April 2018	Due Date	18 June 2018
Closed (Yes / No)	Yes	Date of nonconformity Closure	9 June 2018
Statement of Nonconformity:	Social impact reviewed by Company were not sufficient according to the current social condition in PT Gunung Melayu.		
Requirement Reference:	The documented plan for management and monitoring of social impacts, shall be reviewed at least on two-yearly basis. If necessary, the plan should be updated. There shall be evidence that the review process includes participation of all affected parties.		
Objective Evidence:	<p>The Company has performed re-assessed and re-identified the social impact aspect for the period of 2017 in SIA Report "Laporan Identifikasi Efektifitas Upaya Kelola Sosial", but there is insufficient evidence to take corrective action to close this non conformity.</p> <ul style="list-style-type: none"> • Based on the assessment and identification report can be shown that it was remains inconsistent in the discussion with the determination of the social impact management program on "Matriks Arahan Program". The program's directives are not relevant to the current social conditions and do not consistently discuss the impacts that arise in SIA Report, but only address issues related to CSR. 		

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	<ul style="list-style-type: none"> Does not specify the period/time of the social impact assessment done Does not specify assessment team and its competency
Corrections:	<p>PT Gunung Melayu has revised the SIA report review in "Laporan Identifikasi Efektifitas Upaya Kelola Sosial" report relevant to the current social conditions and attach the program Tindakan Efektivitas Upaya Kelola Sosial PT Gunung Melayu 2017". During audit can be demonstrated that the programs directives was relevant to the current social conditions and has consistently discuss the impacts that arise in SIA Report.</p> <p>Lists the time period for the report evaluation "Laporan Identifikasi Efektifitas Upaya Kelola Sosial PT Gunung Melayu 2017" has been included in the report.</p> <p>Lists the name of the assessment team and their competence has been included in the report of "Laporan Identifikasi Efektifitas Upaya Kelola Sosial PT Gunung Melayu 2017".</p>
Root Cause Analysis:	<p>Company have not included some points for completeness of the SIA report, among others:</p> <ul style="list-style-type: none"> ✓ Has not included the program from the SIA report relevant to the current social conditions ✓ Has not included the period / time of the social impact assessment conducted ✓ Has not included the assessment team and competence
Corrective Actions:	<p>Company will conducted the regular review of social impact assessment and the mitigation plan to reduce the negative impact and enhance the positive impact through "Matriks Arahan Program" relevant to current social condition. Latest review has been conducted on 2018 for monitoring period 2016/2017.</p>
Assessment Conclusion:	<p>Auditor conclude that company has effectively addressed the issue of non conformity and the NC has been CLOSED on 9 June 2018.</p>

Nonconformity			
NCR Ref #	1621854-201804-M1	Clause & Category (Major / Minor)	RSPO Supply Chain Module E Mass Balance indicator 5.7.2 Major
Date Issued	19 April 2018	Due Date	18 June 2018
Closed (Yes / No)	Yes	Date of nonconformity Closure	9 June 2018
Statement of Nonconformity:	Company has removed the RSPO certified volumes sold under other scheme (ISCC) however the number of removed was not inline according to Book Keeping record.		
Requirement Reference:	Remove: RSPO certified volumes sold under other scheme or as conventional, or in case of underproduction, loss or damage shall be removed.		
Objective Evidence:	According to Book Keeping record October – December 2017 PT Gunung Melayu – Gunung Melayu II POM there was CPO delivery as ISCC certified as much as 10,315.49 MT in period October – December 2017 and in January – March 2018 CPO delivery as ISCC certified was 6,202.100 MT. However company done "Remove" the CSPO in the RSPO IT Platform was 6,249.26 MT.		

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Corrections:	Company has performed additional removal for CPO sold as other scheme certified (ISCC) for the period of October 2017 - Mar 2018 as much as 11,988.31 MT. Record of removal detail can be demonstrated during audit and record in Palm trace. The number of removal for CPO sold as other scheme has been met.
Root Cause Analysis:	Administrative errors related to Mass Balance data used as a reference to remove stock. Data removed stock was referring to Mass Balance Gunung Melayu II POM period August - December 2017; it should refer to Gunung Melayu II POM Period October 2017 - March 2018.
Corrective Actions:	Re-examine the units and volumes sold for other certification schemes (ISCC) before the submit button is submitted at RSPO, and remove according to the period and volume sold as another certification scheme (ISCC). Company has performed removal stock of RSPO certified CPO according to actual volume of CPO sold as other scheme certified (ISCC).
Assessment Conclusion:	Auditor conclude that company has effectively addressed the issue of non conformity and the NC has been CLOSED on 9 June 2018.

Nonconformity			
NCR Ref #	1621854-201804-M2	Clause & Category (Major / Minor)	RSPO Supply Chain Module E Mass Balance indicator 5.13.2 Major
Date Issued	19 April 2018	Due Date	18 June 2018
Closed (Yes / No)	Yes	Date of nonconformity Closure	9 June 2018
Statement of Nonconformity:	Management review conducted by company was not cover the input/information on: <ul style="list-style-type: none"> • Status of preventive and corrective actions. • Follow-up actions from management reviews. • Changes that could affect the management system. 		
Requirement Reference:	The input to management review shall include information on: <ul style="list-style-type: none"> • Results of internal audits covering RSPO Supply Chain Certification Standard. • Customer feedback. • Status of preventive and corrective actions. • Follow-up actions from management reviews. • Changes that could affect the management system. • Recommendations for improvement. 		
Objective Evidence:	PT Gunung Melayu has conducted the management review on 27 February 2018; Based on minutes of management review, inputs of information only covered: <ul style="list-style-type: none"> • The result of audits: based on result from internal audit on 18 February 2018; • Customer feedback – no customer complaint; • Review Continual improvement. 		
Corrections:	Company has reconducted the management review of RSPO SCC for CPO mills according to standard agenda. Management review conducted on 19 May 2018 and include the agenda:		

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	<ul style="list-style-type: none"> ✓ Results of internal audits covering RSPO Supply Chain Certification Standard. ✓ Customer feedback. ✓ Status of preventive and corrective actions. ✓ Follow-up actions from management reviews. ✓ Changes that could affect the management system. ✓ Recommendations for improvement. <p>Minutes of management review can be demonstrated and the agenda has been met with the RSPO SCC standard. Attendant list and result of management review as well as company corrective action and preventive action has well recorded.</p>
Root Cause Analysis:	Basically, review management has been carried out comprehensively, but the agenda contained in the minutes of management review does not include the agenda set in the standard.
Corrective Actions:	Conducted the regular management review according to the RSPO SCC standard and record in minutes of management review accordingly.
Assessment Conclusion:	Auditor conclude that company has effectively addressed the issue of non conformity and the NC has been CLOSED on 9 June 2018.

Nonconformity			
NCR Ref #	1621854-201804-M3	Clause & Category (Major / Minor)	RSPO Supply Chain Module E Mass Balance indicator 5.13.3 Major
Date Issued	19 April 2018	Due Date	18 June 2018
Closed (Yes / No)	Yes	Date of nonconformity Closure	9 June 2018
Statement of Nonconformity:	<p>The output from management review was not include the decision and action related to:</p> <ul style="list-style-type: none"> • Improvement of the effectiveness of the management system and its processes. • Resource needs. 		
Requirement Reference:	<p>The output from the management review shall include any decisions and actions related to:</p> <ul style="list-style-type: none"> • Improvement of the effectiveness of the management system and its processes. • Resource needs. 		
Objective Evidence:	<p>PT Gunung Melayu has conducted the management review on 27 February 2018; Based on minutes of management review output from the management review was not include any decisions and actions related to:</p> <ul style="list-style-type: none"> • Improvement of the effectiveness of the management system and its processes. • Resource needs. 		
Corrections:	Company has reconducted the management review of RSPO SCC for CPO mills according to standard agenda. Management review conducted on 19 May 2018		

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	<p>and include the agenda:</p> <ul style="list-style-type: none"> ✓ Results of internal audits covering RSPO Supply Chain Certification Standard. ✓ Customer feedback. ✓ Status of preventive and corrective actions. ✓ Follow-up actions from management reviews. ✓ Changes that could affect the management system. ✓ Recommendations for improvement. <p>Minutes of management review can be demonstrated and the agenda has been met with the RSPO SCC standard.</p> <p>Output of management review has inline with the agenda or input of management review and has include the decisions and actions related to:</p> <ul style="list-style-type: none"> ✓ Improvement of the effectiveness of the management system and its processes. ✓ Resource needs. <p>Record of management review result can be demonstrated in "Notulen Management Review".</p>
Root Cause Analysis:	Basically, review management has been carried out comprehensively, but the agenda contained in the minutes of management review does not include the agenda set in the standard.
Corrective Actions:	Conducted the regular management review according to the RSPO SCC standard and record in minutes of management review accordingly.
Assessment Conclusion:	Auditor conclude that company has effectively addressed the issue of non conformity and the NC has been CLOSED on 9 June 2018.

Nonconformity			
NCR Ref #	1621854-201804-N1	Clause & Category (Major / Minor)	RSPO P & C INA I 2016 Indicator 4.8.2 Minor
Date Issued	19 April 2018	Due Date	18 June 2018
Closed (Yes / No)	Yes	Date of nonconformity Closure	9 June 2018
Statement of Nonconformity:	Training record for each employee has not updated by company consistently.		
Requirement Reference:	Records of training for each employee shall be maintained.		
Objective Evidence:	<p>PT Gunung Melayu has prepared the training record for each employee as in document "Personal Data Training – Staff dan Karyawan". However, the training record inaccurate with "Program dan Realisasi Pelatihan tahun 2017". The latest update of "Personal Data Training" in 2013.</p> <p>Data verified of Personal Data Training, e.g:</p> <ul style="list-style-type: none"> • Mr Selamat (upkeep supervisor) - training records: corporate culture (2012), first aid training (2013) • Mr Tumino (spraying supervisor) – training records: corporate culture (2012) • Mr Siden Tarigan (upkeep woker) – training record nill 		

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	<ul style="list-style-type: none"> Gatot Sibuea (estate manager) - the training record has not updated and last updated in 2013.
Corrections:	<p>Appointed PIC to update the employee's personal and staff training data and update the record of training records each personel of employee and staff. Company has appointed the PIC who responsible for updating the personal training data for employees and staff on behalf Wagiman based on "Memorandum Nomor: /MG/KBA/Mei/18 dated 30 May 2018. Personal data training has been updated on May 2018 accordingly, for example:</p> <ul style="list-style-type: none"> Mr. Selamat Tuah Naibaho, training history: Budaya Perusahaan on 2015, Limited pesticide training on 2016, Basic Fire/First aid and PPGD training on 2017, Core Value training KBA on 2018. Mr. Tumino, training history: Budaya Perusahaan on 2012, Basic Fire and HCV Training on 2016, First aid and PPGD training on 2017, Core Value training KBA on 2018. <p>Personal data training has been available in the office.</p>
Root Cause Analysis:	There is no person in charge who responsible for updating personal training data for employees and staff.
Corrective Actions:	Coordinate with training centers to get training programs and realization so that they can update personal training data.
Assessment Conclusion:	Auditor conclude that company has effectively addressed the issue of non conformity. However the NC remain OPEN and will be verified in the next surveillance assessment.

Nonconformity			
NCR Ref #	1621854-201804-N2	Clause & Category (Major / Minor)	RSPO P & C INA I 2016 Indicator 4.7.5 Minor
Date Issued	19 April 2018	Due Date	18 June 2018
Closed (Yes / No)	Yes	Date of nonconformity Closure	9 June 2018
Statement of Nonconformity:	First aid kit was available in the working areas provided by PT Gunung Melayu, however the monitoring of medicine and equipment of first aid kit was not consistently performed by company.		
Requirement Reference:	A procedure for emergency and work accident shall be available in Indonesian Language; and the workers, who have attended First Aids training, are available in the working areas		
Objective Evidence:	Based on visit in fertilizer store in Sentral Estate (date 18-04-2018), auditor found some of medicines in first aid box was expired. Example: bethadine (ED September 2016), Bioplacenton (ED January 2017)		
Corrections:	Company has checked all the first aid box medicine expiration date. Company has been removed the expired medicine in the first aid box and changing with new medicine. The checking and removal of expired medicine with the new one record in "Berita Acara Penggantian Isi Kotak P3K" dated 30 May 2018 and "Ceklist Pemeriksaan Kotak P3K" dated 30 May 2018.		
Root Cause Analysis:	The officer in charge only checks the availability of medicine and equipment of		

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	first aid box and does not check the expiration date of the medicine.
Corrective Actions:	Monitoring regularly each month the expiration date of medicine in first aid box. Company has conducted the monitoring of medicine expiration date each month and recorded in "Ceklist Pemeriksaan Kotak P3K", lates updated on 30 May 2018.
Assessment Conclusion:	Auditor conclude that company has effectively addressed the issue of non conformity. However the NC remain OPEN and will be verified in the next surveillance assessment.

Opportunity for Improvements	
OFI #	Description
OFI 1	Nil

Positive Findings	
PF #	Description
PF 1	Company has made the continual improvement of best management practise both in Mill and Estate.

3.4.1 Status of Nonconformities Previously Identified and Observations

During the Annual Surveillance Assessment 2 there are 3 Major Nonconformities and 4 Minor Nonconformity raised. PT Gunung Melayu – Gunung Melayu II POM Certification unit submitted Corrective Action Plans for the nonconformity. Corrective action plans with respect to the nonconformity was reviewed by the BSI audit team and accepted. The implementation of the corrective action plans to address the minor nonconformity has been followed up during the Annual surveillance assessment 3.

Non-Conformity			
NCR Ref #	1487836-201706-M1	Clause & Category (Major / Minor)	RSPO P & C INA NI 2016 Indicator 2.1.3 Major
Closed (Yes / No)	Yes	Date of nonconformity Closure	4 August 2017
Statement of Nonconformity:	Company has not consistently implementing the mechanism for ensuring legal/regulation compliance.		
Requirement Reference:	A system for tracking any changes in the law shall be available and implemented.		
Objective Evidence:	<p>Based on the verification of documents (Evaluation of Legal and Other Requirements Compliance) there are some inconsistency between evaluation of legal compliance list and real condition of compliance, such as:</p> <ul style="list-style-type: none"> - UU no 1 tahun 1970, regarding: Keselamatan Kerja (pasal 10; pembentukan P2K3) remark as not comply "belum patuh" however curently company has comply with the regulation. - Permenaker No. 08/men/VII/2010, regarding: Alat pelindung diri (pasal 2; APD yang habis masa pakai dan rusak), remark as not comply "belum patuh" however curently company has comply with the regulation. - Permenkes No.15/MEN/VIII/2008, regading: Pertolongan pertama pada kecelakaan di tempat kerja (pasal; 8 kotak P3K dan Isi) remark as not comply "belum patuh" however curently company has comply with the regulation. <p>In addition there are some regulation has not been evaluated yet, e.g:</p>		

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	<ul style="list-style-type: none"> - Permenaker No. 609 year 2012, regarding: Guidance of Completion Occupational Accident and Disease Case. - Decree of President No.7 year 2006, regarding Ratification of the UN Convention against Corruption. - Decree of President No. 8 year 2010, regarding Prevention and Eradication of Money Laundry. - Presidential Instruction No.1 year 2013 regarding Action for Corruption Prevention and Eradication.
Correction:	<p>Company has updated the evaluation of legal compliance list accordingly such as:</p> <ul style="list-style-type: none"> - UU no 1 tahun 1970, regarding: Keselamatan Kerja (pasal 10; pembentukan P2K3) remark as comply, curenly company has P2K3 organisation who responsible to implementing the OHS management and monitoring. - Permenaker No. 08/men/VII/2010, regarding: Alat pelindung diri (pasal 2; APD yang habis masa pakai dan rusak), remark as comply. Company has provide the appropriate PPE to all workers according to their jobs and risk. - Permenkes No.15/MEN/VIII/2008, regading: Pertolongan pertama pada kecelakaan di tempat kerja (pasal; 8 kotak P3K dan Isi) remark as comply. Company has assign and trained the first aider in each estate an division, company has provide first aid kit in strategic place in each office and building as well as in the field which brought by Mandor/field supervisors. <p>Company also has been re evaluated the relevant regulation, such as:</p> <ul style="list-style-type: none"> - Permenaker No. 609 year 2012, regarding: Guidance of Completion Occupational Accident and Disease Case. Remark as comply. - Decree of President No.7 year 2006, regarding Ratification of the UN Convention against Corruption. Remark as comply. - Decree of President No. 8 year 2010, regarding Prevention and Eradication of Money Laundry. Remark as comply. - Presidential Instruction No.1 year 2013 regarding Action for Corruption Prevention and Eradication. Remark as comply. <p>Law and regulation evaluation was updated on June 2017. Evidence of evaluation document has been verified and found completed and sufficient.</p>
Corrective Actions:	<p>To be updated the list of relevant legal and regulation each year and evaluated the compliance against that regulation. Legal department of the company and public relation officer has the responsibility to update the list of applicable laws and regulations using internet access via relevant webmail address and/or consultation with the related institutions. The latest updated report was on January 2018. Recorded on form "Evaluasi Kepatuhan Hukum PT Gunung Melayu". Revised on January 2018. Evidence of evaluation document has been verified and found completed and sufficient</p>
Assessment Conclusion:	<p>Major NC has been Closed out in 04/08/2017 and company consistently implementing the corrective action during audit ASA3 conducted.</p>

Non-Conformity			
NCR Ref #	1487836-201706-M2	Clause & Category (Major / Minor)	RSPO P & C INA NI 2016 Indicator 4.7.1 Major
Closed (Yes / No)	Yes	Date of nonconformity Closure	4 August 2017
Statement of Nonconformity:	OHS management system has not been implemented consistently as per policy, procedure and mangement plan determined by company.		

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Requirement Reference:	A health and safety policy shall be in place. A health and safety plan shall be documented and implemented, and its effectiveness monitored.
Objective Evidence:	<ul style="list-style-type: none"> - During field visit on Gunung Melayu II POM found that Hydrant box in locked condition and not accesible everytime, in addition Pump machine for hydrant can't be operated and it subjected to unready of Emergency response situation. - During field audit in Batu Anam Estate found the operator/mechanic who working for welding was not use proper PPE (safety shoes). In previous accident investigation on February 2017 on behalf Mr. Riswanto, same operator experienced accident and based on investigation it caused by operator not use the proper PPE (safety shoes). Risk Assessment 2017 stated that operator/mechanic must use safety shoes during working.
Correction:	<ul style="list-style-type: none"> - Company has performed some correction and improvement to response the emergency situation. Company has ensure the Hydrant box are accessible everytime by providing the unlocked tools in Hydrant box. Company also conducted regular monitoring for Hydrant box and pump to ensure the proper condition. Monitoring record was available and presented in "Daftar periksa kondisi Mesin Hydrant" and "Pengecekan Pompa Hydrant". Latest check performed in June 2017. During field audit found that Hydrant and pump was in proper condition and well function. - Company has conducted refreshment of PPE usage to all workers particularly for Traksi worker (operator and mechanic) by Morning safety talk. Company also provide the PPE to all workers freely; company also emphasize to all workers if there is a damage or broken to their PPE, the workers can request to replace the broken PPE by the new one. To ensure the PPE usage by workers, company has made the regular inspection before and during working in the field. PPE inspection recorded in "Daftar Periksa Alat Pelindung Diri". Inspection PPE usage performed each day. Record on inspection in June and July 2017 was available. During field visit in 4 August 2017 the record also available and found that all workers in the field was used the PPE properly such as the Mechanic using PPE Safety Helmet, Safety Shoes, Wearpack, leather handgloves, Welder glasses and Masker.
Corrective Actions:	<p>To conducted the regular OHS inspection including the emergency response system and equipment as well as safety rule compliance including PPE usage by employee. Company has regularly check the emergency response system and equipment to ensure the emergency response system are running well as per procedure. For example the Hydrant monitoring, conducted each month and recorded in "Daftar periksa kondisi Mesin Hydrant" and "Pengecekan Pompa Hydrant". Latest Hydrant check performed in March 2018.</p> <p>OHS inspection including PPE inspection conducted regularly by company and recorded in "Daftar Periksa Alat Pelindung Diri". Latest inspection conducted during April 2018 and beginning April 2018. Record of inspection can be demonstrated during audit. During field visit cn be shown that employee has complied with safety rule and use the appropriate PPE.</p>
Assessment Conclusion:	Major NC has been Closed out in 04/08/2017 and company consistently implementing the corrective action during audit ASA3 conducted.

Non-Conformity			
NCR Ref #	1487836-201706-M3	Clause & Category (Major / Minor)	RSPO P & C INA NI 2016 Indicator 4.7.6 Major
Closed (Yes / No)	Yes	Date of nonconformity Closure	4 August 2017

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Statement of Nonconformity:	<p>Based on document review upon payment BPJS Kesehatan and Ketenagakerjaan, auditor found information that several temporary workers has not been covered with BPJS Kesehatan.</p>
Requirement Reference:	<p>All workers shall be provided with medical care, and covered by accident insurance.</p>
Objective Evidence:	<p>Company has registered 112 temporary workers as BPJS Ketenagakerjaan participant and 31 temporary workers as BPJS Kesehatan participant in Aek Tarum; 175 temporary workers as BPJS Ketenagakerjaan participant and 74 temporary workers as BPJS Kesehatan participant in Batu Anam Estate. However there were 102 temporary workers remaining has not been identified as BPJS Ketenagakerjaan participant, 60 temporary workers has not been identified as BPJS Kesehatan participant in Aek tarum Estate and 189 temporary workers has not been identified as BPJS Ketenagakerjaan participant, 240 temporary workers has not been identified as BPJS Kesehatan participant.</p>
Correction:	<p>Company has done the correction regarding registration of temporary workers to BPJS Kesehatan.</p> <p>Company has identified all the temporary workers :</p> <ul style="list-style-type: none"> - In Batu anam Estate there are 359 temporary workers, 196 workers are not yet registered as BPJS Kesehatan participants, 101 workers has been registered as BPJS Kesehatan + 14 registered as Jamkesda + 48 workers has been registered as BPJS Kesehatan dependent of husband working in company. So that there are remain 196 workers has to registered by company as BPJS Kesehatan participants. Company has registered the temporary workers as BPJS Kesehatan participants gradually; in June registered 76 workers, in July 60 workers and in August 60 workers. Evidence of registration are available in Memo No.081,082,083/Memo-KBA/BPJS/VI/2017. - In Batu Anam Estate there are 359 temporary workers, 146 workers are not yet registered as BPJS Ketenagakerjaan participants. Company has registered the temporary workers as BPJS Ketenagakerjaan participants gradually; in June registered 50 workers, in July 50 workers and in August 46 workers. Evidence of registration are available Memo No.081,082,083/Memo-KBA/BPJS/VI/2017. - In Aek Tarum Estate there are 229 temporary workers, 71 workers are not yet registered as BPJS Kesehatan participants, 34 workers has been registered as BPJS Kesehatan + 86 registered as BPJS Kesehatan mandiri + 33 workers has been registered as BPJS Kesehatan dependent of husband working in company. So that there are remain 71 workers has to registered by company as BPJS Kesehatan participants. Company has registered the temporary workers as BPJS Kesehatan participants gradually; in June registered 24 workers and in July 27 workers. Evidence of registration are available Memo No.50/ES-KAT/EXT/06/17. - In Aek Tarum Estate there are 359 temporary workers, 146 workers are not yet registered as BPJS Ketenagakerjaan participants. Company has registered the temporary workers as BPJS Ketenagakerjaan participants gradually; in June registered 25 workers, in July 25 workers and in August 21 workers. Evidence of registration are available Memo No.50/ES-KAT/EXT/06/17.
Corrective Actions:	<p>To conducted the regular check the list of the employee and its BPJS registration each month before the BPJS payment. In addition company will be registering all the new employee as BPJS Kesehatan participant. PT Gunung Melayu has conducted regular check of employee list before BPJS Kesehatan payment, latest checked on March 2018 before BPJS payment for period March 2018. All workers as many 571 employees are provided with medical care, and covered by accident insurance (BPJS Kesehatan and Company Medical Facility). Example Mr. Aji Siregar, workshop mechanic has provided by BPJS Kesehatan.</p>

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	For new temporary worker medical care covered by company medical facility until national insurance program issued.
Assessment Conclusion:	Major NC has been Closed out in 04/08/2017 and company consistently implementing the corrective action during audit ASA3 conducted.

Non-Conformity			
NCR Ref #	1487836-201706-N1	Clause & Category (Major / Minor)	RSPO P & C INA NI 2016 Indicator 2.2.2 Minor
Closed (Yes / No)	Yes	Date of nonconformity Closure	18 April 2018
Statement of Nonconformity:	Company has not consistently maintained the legal boundary (HGU poles) as per procedure/regulation defined.		
Requirement Reference:	Legal boundaries are demonstrated clearly and maintained.		
Objective Evidence:	<p>During field visit in Aek tarum Estate, found some of HGU poles were not proper in position/condition (sloping, uprooted/collapse, not in paint and no number of pole) , such as:</p> <ul style="list-style-type: none"> - Pole No. 67-KSN, block A11A – A12B, afdeling 1, borders with TKD (Tanah kas Desa). - Pole No. 73-KSN, block A10G, afdeling 1, borders with KPK (Kilang Padi Kisaran). 		
Correction:	<p>Company has performed follow up action by reposition the pole and repair the pole by repainting and give the number each pole. During field visit found that HGU pole has been well maintained for example:</p> <ul style="list-style-type: none"> - Pole no. 67-KSN block A11A – A12B, afdeling 1, borders with TKD (Tanah Kas Desa) with coordinate N 02°42'22.47"; E: 99°23'44.85". - Pole No. 73-KSN, block A10G, afdeling 1, borders with KPK (Kilang Padi Kisaran) with coordinate N 02°44'17.00"; E: 99°23'22.30". 		
Corrective Actions:	<p>To conducted the regular check and monitoring of HGU Pole. Company also made the regular monitoring of HGU Pole each semester. Based on document verification upon "Laporan Pemeriksaan dan Perawatan Patok Batas PT Gunung Melayu, 20 January 2018; it can be demonstrated that company have a plan for maintenance/repair of poles.</p> <p>For example HGU Pole monitoring in Aek Tarum Estate conducted on 18 January 2018, there were 19 Pole of HGU in Aek Tarum Estate with good condition.</p> <p>During field verification in Batu Anam Estate and Sentral Estate can be demonstrated that company has well maintained the HGU pole and visible in the field.</p>		
Assessment Conclusion:	Minor NC has been Closed out in 18/04/2018 and company consistently implementing the corrective action during audit ASA3 conducted.		

Non-Conformity			
NCR Ref #	1487836-201706-N2	Clause & Category (Major / Minor)	RSPO P & C INA NI 2016 Indicator 5.2.4 Minor
Closed (Yes / No)	Yes	Date of nonconformity Closure	18 April 2018
Statement of Nonconformity:	Management plan of HCV defined by company has not been implemented effectively and result of monitoring was not gave the improvement feedback for the management		

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	plan.
Requirement Reference:	Once the management plan is prepared, continuous monitoring documentation and report regarding the status of the RTE and HCVs are affected by the operations of the plantation and palm oil mill shall be available, and the results of monitoring are to be used to follow-up on the improvement of the management plan.
Objective Evidence:	<ul style="list-style-type: none"> - Company has defined the programme to socialize the HCV and wildlife conservation to employee however most of workers interviewed during audit was not understand well regarding wildlife and HCV conservation. - Vegetation monitoring was not appropriate as per "laporan Hasil identifikasi HCV" and not give the improvement feedback. Most of vegetation monitoring were herbs and introduction plant/tree, however there were much of natural vegetation particularly tree vegetation in and around plantation area. - Monitoring result of HCV, wildlife and vegetation has not been gave the improvement feedback appropriately.
Correction:	<ul style="list-style-type: none"> • Conduct the training for PIC HCV regarding HCV monitoring programme. Company has conducted the training to PIC HCV on 17/11/2017. Evidence of training can be demonstrated and during interview with the PIC HCV they have sufficient knowledge on management and Monitoring plan of HCV area. HCV Management and Monitoring report semester II 2017 has prepared by company and found sufficient, the company has performed appropriate HCV management and monitoring plan as per Conservation Management and Monitoring Plan 2017. • Company also has placing the signboard and protected species poster in the strategic place as a campaign to protect the wildlife and protected species.
Corrective Actions:	<p>To conducted the regular socialization the status of protected, rare, threatened or endangered (RTE) to all workers and HCV conservation. Company has demonstrate consistency in providing communication and HCV management training, carried out on 17/11/2017 and attended by 29 participants, field supervisor level. HCV socialization has been performed by company, for example in Batu Anam Estate performed on 12 January 2018 and 24 March 2018 to surrounding community. 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> <p>To conducted consistently monitors the status of HCV area, as well as protected flora and fauna species. Wildlife observations and vegetation monitoring are conducted monthly by Mandor HCV in each Afdeling. Last observation in May 2017 documented in the "Daftar Temuan satwa liar di areal kebun" observed several protected species such as: cekakak belukar (<i>Halcyon smyrnensis</i>), honey bird sriganti (<i>Nectarinia jugular</i>), Crimson Sunbird (<i>Aethopyga siparaja</i>). Types of animal such as <i>Felis bengalensis</i>, <i>Tragulus javanica</i>, <i>Muntiacus muntjak</i>, <i>Manis javanica</i> is rarely seen at the time of observation</p> <p>Based on field verification, company has demonstrated effort for management and monitoring of HCV area.</p>
Assessment Conclusion:	Minor NC has been Closed out in 18/04/2018 and company consistently implementing the corrective action during audit ASA3 conducted.

Non-Conformity			
NCR Ref #	1487836-201706-N3	Clause & Category (Major / Minor)	RSPO P & C INA NI 2016 Indicator 5.3.3

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			Minor
Closed (Yes / No)	No, Escalated to Major NC	Date of nonconformity Closure	18 April 2018
Statement of Nonconformity:	Management plan of hazardous waste was not consistently implemented as per regulation and procedure.		
Requirement Reference:	A documented waste management plan to avoid or reduce pollution and its implementation shall be available.		
Objective Evidence:	"Neraca Limbah B3" in Gunung Melayu II POM was not up to date in accordance with current condition in TPS LB3, warehouse officer update the "Neraca Limbah B3" only after waste delivery to third party collector.		
Correction:	<p>Company has taken action by updating the hazardous waste balance "Neraca Limbah B3" in Gunung Melayu II POM according to real time hazardous waste incoming and outgoing. However during audit document verification of "Neraca Limbah B3" and field visit in "TPS Limbah B3" still found inconsistency as below:</p> <ul style="list-style-type: none"> • in Sentral Estate (date 18th April 2018), there was confirmed the record of hazardous waste "Neraca Limbah B3" found still inaccurate; a number of hazardous waste handover from Batu Anam Estate and Sentral Estate are not traceable in the balance record sheet. Example "Neraca Limbah B3" has just recorded of chemical waste on 14th January 2018 from Sentral Estate for 200 pcs of ex-chemical container, dated 17th April 2018 from Batu Anam Estate for 16 ex-knap sack, dated 15th January 2018 from Klinik (P3) Batu Anam Estate for 170 pcs. • Based on visit at Sentral Estate warehouse (date 18th April 2018) auditor found the inner bag of fertilizer has not controlled properly and be scattered around in backside of fertilizer store. In addition there was found the ex-agrochemical container (>10 bag) was not stored in hazardous waste store, based on record sheet (neraca limbah) the latest disposal on 14th January 2018 from Sentral Estate for 200 pcs. 		
Corrective Actions:	To conducted the regular training and monitoring regarding hazardous waste management and monitoring procedure.		
Assessment Conclusion:	Minor NC remain OPEN and escalated to Major NC.		

Non-Conformity			
NCR Ref #	1487836-201706-N4	Clause & Category (Major / Minor)	RSPO P & C INA NI 2016 Indicator 6.1.4 Minor
Closed (Yes / No)	No, Escalated to Major NC	Date of nonconformity Closure	18 April 2018
Statement of Nonconformity:	There is no evidence that SIA review has been done with the participation of affected parties.		
Requirement Reference:	The documented plan for management and monitoring of social impacts, shall be reviewed at least on two-yearly basis. If necessary, the plan should be updated. There shall be evidence that the review process includes participation of all affected parties.		
Objective Evidence:	<p>Found some insufficiency of SIA report review in document "Laporan Identifikasi Efektivitas Upaya Kelola Sosial PT Gunung Melayu dan PT Saudara Sejati Luhur period 2017", such as:</p> <ul style="list-style-type: none"> - Evidence of participation of affected parties in SIA assessment can not be 		

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	<p>demonstrated.</p> <ul style="list-style-type: none"> - Does not specify the period/time of the social impact assessment done - Does not specify assessment team and its competency
Correction:	<p>Company revised the SIA review document by completed the document with evidence of involving the affected parties by quistioner, specifu the time period of SIA review done, and specify the assessment team and competency.</p> <p>The Company has performed re-assessed and re-identified the social impact aspect for the period of 2017 in SIA Report "Laporan Identifikasi Efektifitas Upaya Kelola Sosial", but there is insufficient evidence to take corrective action to close this non conformity.</p> <ul style="list-style-type: none"> • Based on the assessment and identification report can be shown that it was remains inconsistent in the discussion with the determination of the social impact management program on "Matriks Arahan Program". The program's directives are not relevant to the current social conditions and do not consistently discuss the impacts that arise in SIA Report, but only address issues related to CSR. • Does not specify the period/time of the social impact assessment done • Does not specify assessment team and its competency
Corrective Actions:	To conducted the regular conducted regular monitoring and review regarding SIA each two years.
Assessment Conclusion:	Minor NC remain OPEN and escalated to Major NC.

Opportunity for Improvement	
OFI#	Description
	Nil

3.4.2 Summary of the Nonconformities and Status

CAR Ref.	CATEGORY (MAJOR/ MINOR)	ISSUED	STATUS & DATE (Closure)
1338573M2	Major	2 June 2016	Closed on 30/07/2016
1338573N3	Minor	2 June 2016	escalated to Major NC Closed on 4/08/2017
1338573N4	Minor	2 June 2016	Closed on 09/06/2017
1338573N2	Minor	2 June 2016	escalated to Major NC Closed on 4/08/2017
1487836-201706-M1	Major	12 June 2017	Closed on 4/08/2017
1487836-201706-M2	Major	12 June 2017	Closed on 4/08/2017
1487836-201706-M3	Major	12 June 2017	Closed on 4/08/2017
1487836-201706-N1	Minor	12 June 2017	Closed on 12/04/2018
1487836-201706-N2	Minor	12 June 2017	Closed on 12/04/2018
1487836-201706-N3	Minor	12 June 2017	OPEN, escalated to Major NC Closed on 09/06/2018
1487836-201706-N4	Minor	12 June 2017	OPEN, escalated to Major NC Closed on 09/06/2018
1621854-201804-M1	Major	19 April 2018	Closed on 09/06/2018
1621854-201804-M2	Major	19 April 2018	Closed on 09/06/2018

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1621854-201804-M3	Major	19 April 2018	Closed on 09/06/2018
1621854-201804-N1	Minor	19 April 2018	OPEN
1621854-201804-N2	Minor	19 April 2018	OPEN

3.5. Stakeholders Consultation

Stakeholder consultation involved internal and external stakeholders. External stakeholders were contacted by telephone to arrange meetings at a location convenient to them to discuss PT. Gunung Melayu – Gunung Melayu II POM Certification Unit’s environmental and social performance, legal and any known dispute issues.

Meetings were conducted 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 later was verified with the management team. Any comment which is not complying to the RSPO P&C requirements have been incorporated as an assessment finding.

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 the internal or external stakeholder interviews. A list of Stakeholders contacted is included as below.

List of Stakeholders Contacted	
<p>Internal Stakeholders: Workers (fertilizing, spraying, mill processing, workshop).</p>	<p>Union/Contractors/Local Communities:</p> <p>1. Serikat Pekerja/worker union</p> <ul style="list-style-type: none"> - Ketua : Bahagio - Wakil Ketua : Djunarto <p>2. Local Communities</p> <ul style="list-style-type: none"> - Village Head Batu Anam Mr. Haryanto; and - Village Head Sidomulyo Mr. Sunardi
<p>Government Departments:</p> <p>1. Dinas Tenaga Kerja Kabupaten Asahan</p> <ul style="list-style-type: none"> - Bpk. Masud (LKS Bipartit) - Ibu Sapryani Siregar (Bag. Pengupahan) - Ibu Irawati (Perselisihan Tenaga Kerja) <p>2. Kantor Pertanahan Kabupaten Asahan:</p> <ul style="list-style-type: none"> - Kepala Kantor BPN Asahan: A. Samudra. <p>3. Dinas Pertanian dan Perkebunan Kabupaten Asahan:</p> <ul style="list-style-type: none"> - Kepala Bidang Perkebunan: J. Bancin. SP. M.MA <p>4. Dinas Lingkungan Hidup Kabupaten Asahan:</p> <ul style="list-style-type: none"> - Kepala Seksi Limbah LB3: Bapak Gembira Barus - Kepala Seksi Pengendalian dan Pencemaran Lingkungan: Ibu Sri Handayani 	<p>NGO:</p> <p>Invitation letter to give the input/comment was sent to NGO.</p>

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IS #	Description
1	<p>Feedbacks: Village Head Batu Anam Mr. Haryanto; and Village Head Sidomulyo Mr. Sunardi</p> <ol style="list-style-type: none"> 1. With the company has a positive impact on the surrounding community, especially in the field of local employment of CSR programs and impact on the economic development of the community, especially the benefits of community TBS acceptance by PT. GM-II. 2. In general communication and coordination between village government and the Company has been running well. 3. The Company always responds to any problems submitted by the village government officials or from the surrounding community. 4. The company has realized the CSR program to the surrounding community and involve it in the process of preparing the plan of each village's CSR program. 5. The surrounding community feels that they have received positive benefits from the company's existence, especially the TBS harvest can be accepted by PKS GM II (PT Gunung Melayu). 6. PT. Gunung Melayu implements the FFB Price of a Very Good Society above the average price of other in the vicinity. 7. Based on interviews with village heads, there are no community issues that have been reported to the village government due to the negative impacts caused by the operation of the plantation / plantation including environmental pollution, although there is a controlling of cattle that still roam the plantation area. 8. There are no reports from the public regarding the operational activities of companies that violate Human Rights such as the Right to Organize and assemble Conduct worship in accordance with beliefs, as well as other practices of violation of Rights such as the use of mercenaries for the intimidation of workers, the sale of human beings etc. 9. Companies still use the labour with the status of Daily Workers (PHL) from the surrounding community. 10. There is cooperation with the community of oil palm farmers in the village related to the acceptance of FFB in Gunung Melayu II Mill. The people from Sidomulyo Village and Batu Anam Village, would like to see company maintains routine road maintenance in order to ensure the FFB transporting from village to Gunung Melayu II Mill is not constrained. <p>Management Responses: CSR program is a social responsibility that must be done company that has become management policy: - June 20, 2017; 110 lebaran package aid for Batu Anam Village community, 80 packages in Sidomulyo Village. - September 25, 2017; handover of 2 computer units to YAPDI Private Vocational School in Gonting Malaha Village. - September 25, 2017; help of game tools to the PAUD School of Love in the Village of Gonting Malaha (swing, jungkitan, etc.) - December 6, 2017; Assistance of fruit tree seedlings in the village of Gonting Malaha, consists of 150 petai petai seedlings, jengkol 150 seedlings, 240 seedlings, avocado 150 seeds, guava 80 seedlings, 50 seedlings longan. Business partnership with surrounding communities especially with the community of oil palm farmers self-help in the form of purchasing partnership of TBS, for example: Business partnership with the surrounding community, especially with the community of oil palm farmers self-help in the form of purchasing cooperation TBS, for example: Majeka Desa Pulau Maria, Desa Batu Anam and Sidomulyo Village on behalf of SM. Aliaf, BD Siregar and Hasan BP. Maintenance of FFB transport access road is always done by using heavy equipment (motor grader) and hardening of roads by using mountain rocks, for example in February 2018 has been done improving</p>

	<p>access of TBS road from Sidomulyo Village to Gunung Melayu II Mill.</p> <p>Audit Team Findings: CSR program owned by PT Gunung Melayu and PT Saudara Sejati Luhur has been very good, based on interviews with some village heads gave the impression has been quite satisfied with the program. Approach to the problems with surrounding communities, eg: related to improving access of FFB transport road from village to Gunung Melayu II Mill.</p>
<p>2</p>	<p>Feedbacks: Dinas Tenaga Kerja Kabupaten Asahan Bpk. Masud (LKS Bipartit) Ibu Sapryani Siregar (Bag. Pengupahan) Ibu Irawati (Perselisihan Tenaga Kerja)</p> <ol style="list-style-type: none"> 1. Working Norms; <ol style="list-style-type: none"> a. PT Gunung Melayu has followed the minimum wage regulations issued by the Regency each year. Decision wage period Year 2018 based on Decree of Governor of North Sumatera no. 188.44/12/KPTS/2018 dated November 1, 2017 regarding: Minimum Wage of Plantation Sector of Oil Palm Plantations amounting to Rp 2,569,254,56 per month effective from 1 January 2018. b. All employees have been included in the employment BPJS program. c. The Company has compiled a document of Compulsory Report of Manpower conducted annually (Report Labour for the Period of 2017-2018) and submitted to the Dinas Tenaga Kerja dan Transmigrasi Asahan Regency. d. There are no reports related to the use of female labourers at neither night nor the use of child labour (The plantation sector is the worst sector against the use of female labour at night and the use of child labour). 2. Health and Safety Standard; <ol style="list-style-type: none"> a. The Company has compiled the organizational structure of P2K3 and has been authorized by Dinas Tenaga kKerja Asahan Regency. b. The company has realized the provision of PPE for its employees but the consistency of the use of PPE by the workers needs to be improved. c. PT Gunung Melayu has received recommendation for the use of B3 from the Disnakertrans Asahan Regency. d. The Company has handled the case of accidents well related to the reporting and handling of BPJS claims of employment. e. The Company has compiled and submitted the P2K3 Periodical Report to the Department of Manpower. f. The Company has conducted periodic health checks for all workers, especially workers working at hazardous stations including sprayers and fertilizers. g. Heavy equipment operators, conveyances, levers, steamers and others have licenses as operators (SIOs). h. The Company has conducted periodic checks on the special equipment used (Steam Vessel, Pressure Vessel) in accordance with applicable regulations. 3. The Company has prepared Bipartite LKS which aims to resolve industrial relations disputes if they occur before the mediation level of the Office of Manpower and the level of Industrial Relations Relief Court. The established bipartite institution has been authorized by the Asahan District Manpower Office. 4. The Company has a Collective Labor Agreement that regulates the industrial cooperation between the company and the worker from the SKU level, while for the PHL level that is not within the scope of the Collective Labor Agreement, the company shall use the relevant legislation. 5. The company has provided infrastructure that aims to improve the welfare of employees for


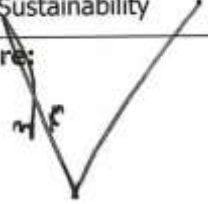
	<p>example, housing, electricity, clean water, health facilities, educational facilities, etc.</p> <p>Management Responses:</p> <ul style="list-style-type: none"> - PT Gunung Melayu has followed the minimum wage regulations issued by the Regency each year. The company also keeps the proof of the decision of North Sumatra Governor. 188.44/99/ Kpts/Year 2017 dated & March 2017, regarding the minimum wage of Asahan Regency in 2017 is Rp. 2.385.490,10/Month and wage determination period of Year 2018 based on Decree of Governor of North Sumatera no. 188.44/12/KPTS/2018 dated November 1, 2017 regarding: Minimum Wage of Plantation Sector of Oil Palm Plantations amounting to Rp 2,569,254.56 per month effective from 1 January 2018. - The latest wage determination is the period of 2018 set forth in the Regional Head Plantation-I Memorandum, concerning the Increase of Workers Wage Level PHL, SKU-H and SKU-B 2018 states that based on letter from Head Office (in the form of email dated March 27, 2018) wages based on the UMSK period of 2018 will be conducted on the April payroll wage paid in May 2018 - Required employee reports reported for the period 2017 - 2018. - The use of PPE has been consistently applied. - The Company has also requested training to get the Operator License (SIO) to all operators in factories and gardens, for example: <ul style="list-style-type: none"> - Operator Loader Back Hoe, on behalf of Sugianto, qualified OPR. K3 Backhoe Loader, No.1788/OPK3/ PAA/III/2014, dated February 6, 2014, valid until March 7, 2019 - Boiler Operators, on behalf of M. Ali, OPR qualifications. K3 Class I Steam vessel, No.491/OPK3/B.I/IV2014, dated March 14, 2014, the validity period until 28 April 2019. <p>Audit Team Findings:</p> <ul style="list-style-type: none"> - The company has taken action in accordance with well-established procedures and approaches persuasive, so there is no turmoil. - With respect to wages, the use of APD and SIO, the company has implemented in accordance with relevant regulations and regulations. - With regard to remuneration using UMSK of Asahan Regency of North Sumatera Province in 2018, verification will be conducted at the next audit.
<p>3</p>	<p>Feedbacks: Kantor Pertanahan Kabupaten Asahan: Kepala Kantor BPN Asahan: A. Samudra.</p> <ol style="list-style-type: none"> 1. Hak Guna Usaha (HGU)/Land title No. 6/HGU/DA/1971 dated 25 June 1971 (10,535.2 ha), issued by Menteri Dalam Negeri cq. Dirjen Agraria (State Ministry Republic of Indonesia, cq. Director General of Land Authority. 2. Renewal Hak Guna Usaha (HGU)/Land title no. 20/HGU/BPN/2001 dated 7 August 2001 from BPN (National land Authority Republic of Indonesia) with total area 10.891 ha and its revised SK Kepala BPN No. 20/HGU/BPN/2001/A/28 dated 19 December 2001 with total area 10.427,773 ha. 3. Renewal Hak Guna Usaha (HGU)/Land title no. No. 1 Tahun 2004 dated 23 March 2004 with "Surat Ukur" No. 01/Genting Malaha/2004, dated 21 April 2004 with total area 10.414,331 ha, valid until 31 December 2026. 4. There is information that the border of many rivers controlled by the community to be managed as plantation land, especially in areas owned by PT Gunung Melayu. There is a cultivation of land by the community in the Batu Anam Estate by 273 farmers and in Sentral Estate by 48 farmers. However until now there is no turmoil from the farmers' community. 5. The Company has sought to settle the land.No reports are submitted to the Land Office of Asahan Regency related to the planting of oil palm outside HGU. <p><u>Suggestion:</u> In relation to the local community's activities on cultivating Aek Tarum and Karmila River border in the area owned by PT. Gunung Melayu, so the area is socialized to the community as a conservation area and made warning boards as conservation areas and maintenance of HGU stakes is done well.</p>

	<p>Management Responses:</p> <ul style="list-style-type: none"> - Maintenance of HGU stakes is done routinely (2 times a year / per semester), last done in January 2018. - In the boundary area of the river has been made a warning board associated with the area of High Conservation Value (river border area), however until now there is no longer river border is worked on by the community. - Based on the last identification in 2016 that the area of land that has been cultivated by the community is 670 ha located in Batu Anam Estate and 273 Ha located in Sentral Estate. - In February 2016 the company has completed a discussion with the Chairman of the KTTM Farmer Group, from the results of the meeting: the company has agreed to compensate for the loss of oil palm plantations in the field of KTTM farmers, but the settlement price of the compensation still has not met the agreement. The Company also opens other opportunities for the settlement of these damages. - The company continues to approach persuasive in order to avoid negative impact from the community that can disrupt the activities in the plantation. The company will try to communicate with BPN to handle the land cultivation problem. <p>Audit Team Findings:</p> <ul style="list-style-type: none"> - Although there is cultivation of land by the local community, but there is no social impact that can lead to widespread cultivation and until this audit is done there is no upheaval demands from the community about this. - The company has conducted routine checks of HGU stakes and the river border is conserved by the company and there is no land tenure activity by the community. - Suggestion provided by BPN can be realized for preventive action.
<p>4</p>	<p>Feedbacks: Dinas Pertanian dan Perkebunan Kabupaten Asahan: Kepala Bidang Perkebunan: J. Bancin. SP. M.MA</p> <ol style="list-style-type: none"> 1. The entire HGU area of the company has been in accordance with its designation with the Asahan District Spatial as a cultivation area of plantation crops. 2. Approval letter for additional processing capacity from 30 tons of FFB/hour to 60 tonnes of FFB/hour. 3. The entire area of the company based on the map of the designation of the forest area of North Sumatra province is the function of Other Use Areas (APL). 4. The Company has performed periodic reporting obligations related to plantation business operations in the form of statistical data of oil palm plantations to the Office of Forestry and Plantation of Asahan Regency. 5. The Company has reported the Development of Plantation Business Activity annually. Last reported for the December 2016 period. Includes fire monitoring reports. 6. The price of FFB shall be determined based on prevailing market price and the company is not bound to the decision of TBS preparation of North Sumatera province. Based on reports coming in PT. Gunung Melayu has a good community TBS price structure compared to other companies. <p>Management Responses:</p> <ul style="list-style-type: none"> - Growth report of plantation business activity "Laporan Kegiatan Perkembangan Usaha Perkebunan no. 022/ES-KPM/EXT/04/18 on 19/4/2018. - Fire Monitoring Results Landground semester II/2017, dated 19/4/2018. - FFB pricing mechanism, depending on CPO, Kernel and Sports services, wrong: March 16, 2018, Rp 1,690 per Kg FFB. - Capacity of realization by TBS PMKS Gunung Melayu I has reached 60 tons of TBS / Jam based on the approval letter of additional processing capacity from 30 tons of FFB / hour to 60 tons of FFB/hour according to the approval letter from " Badan Pengelola Perizinan dan Penanaman Modal Kabupaten Asahan" No. 503/IUP-PKIP/BPPPM/1772/VI/2015, dated June 17, 2015. - The company is completing the requirements of the terms provided by the Agriculture and Plantation Office in relation to Plantation Business Assessment (Penilaian Usaha Perkebunan) <p>Audit Team Findings:</p>

	<p>The company's obligation related to reporting has been well done, so that reporting is conducted per semester according to the period set. Transparent FSB pricing for farmers and easy-to-understand information every day. Facing the dry season and the dangers of land fires, the company has been preparing through emergency response organizations.</p>
<p>5</p>	<p>Feedbacks: Dinas Lingkungan Hidup Kabupaten Asahan: Kepala Seksi Limbah LB3: Bapak Gembira Barus Kepala Seksi Pengendalian dan Pencemaran Lingkungan: Ibu Sri Handayani</p> <ol style="list-style-type: none"> 1. Company has an environmental document in the form of Environmental Evaluation Study Document (AMDAL) and its Control through RKL-RPL periodically to Asahan Regency Environmental Office. The last period was reported Quarter IV / 2017 dated 13/2/2018, reporting once in 3 months. 2. Good environmental management has been implemented by the company, missal pollution level management and emissions in plantation environment (still under the standard of quality), missal: waste water and air emissions. 3. The Company has utilized liquid waste to apply to land and has been granted permission from Asahan Regency Environment Agency, missal: LA utilization permit and LA Measurement is conducted once every 3 months, last conducted in October-December 2017. 4. The company has managed B3 waste and has a temporary storage permit while B3 waste is in accordance with prevailing legislation 5. The Company has implemented the CSR program very well in collaboration with related parties. 6. BLH Asahan Regency give some advised to immediately streamline river boundary function ("sempadan sungai") in cooperation with related parties including competent Non-Governmental Organizations (LSM: Lembaga Swadaya Masyarakat). <p>Management Responses:</p> <ul style="list-style-type: none"> - Postive response, with regard to BLAH's suggestion of Asahan regency regarding the return of river boundary functions, the company has now been planting a forested tree and bamboo trees to prevent erosion in part of the river boundaries and forest tree nursery for the return of boundary function continues on a sustained basis. - LB3 Temporary Storage Permit for 90 days. Cooperate with PT Shali Riau Lestari The company disposed their hazardous waste, included empty container pesticides to the approval company PT. Prasadha Pamunah Limbah Industri. - Company prepared annual CSR program. For example in 2017, Sentral Estate have 26 types of activity, catergorized under 5 agenda: <ol style="list-style-type: none"> a. 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; b. 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); c. Education: (3 types of activity) in form of furniture for TPA, toys for kindergarten, construction of water closet for elementary school; d. Health: (2 types of activity) in form of construction of health facilities in Desa Sidomulyo and Desa Batu Anam; <p>Audit Team Findings: Based on visits to river borders and forest nursery for the purpose of cultivating the right and left side of the river border, it shows that the company has a commitment and effort to improve the river and its HGU. Control of LB3 has been well done by the company. Environmental control programs around the plantation area (surrounding villages) have been conducted to continue.</p>
<p>6</p>	<p>Feedbacks:</p>

<p>Serikat Pekerja/worker union</p>
<p>Ketua : Bahagio</p>
<p>Wakit Ketua : Djunarto</p>
<ol style="list-style-type: none"> 1. Wages according to UMSK period 2017 Rp 2.385.490,10 per month. While for UMSK period 2018 (as Rp 2.569.254,56/month) will be paid in "Rapel" on pay period April 2018 and payment will be made in May 2018. 2. The provision of tools and APD has been done with regulation and warehousing by the management of the company and until now no complaints related to equipment or APD. All tools and APDs are provided by management free of charge (no payment). 3. Facilities: Type D housing, electricity use PLN and subsidies of Rp 40,000 per pair, water provided by the company twice daily. 4. Health: Provided by BPJS health and well-being of employees either BHL or SKU has been registered as a participant of BPJS Health, while for BPJS membership employment all employees have been registered. 5. Employment agreement with the worker has been made in the form of PKB (Perjanjian Kerja Bersama) for SKUH and SKUB employees, whereas for day-to-day employees is made solely in the form of Work Agreement PKWT.
<p>Management Responses:</p>
<ul style="list-style-type: none"> - Through the labor union (SPSI) the company always communicates with all employees. - Wage employees at this time is still using UMSK wage in 2017 (based on Governor Decree No. 188.44/99/KPTS/Tahun 2017, Rp 2.385.490,10, -per month) and will be conducted "Rapel" (Wage adjustment to 2018) in May 2018. - Providing APD to employees is always monitored every month. In the event of a defective or APD condition that is not feasible, it will be immediately replaced. - Employee rights have been granted including health facilities, housing, irrigation and lighting. - All employees; permanent employees (SKUs) and non-permanent (BHL / PKWT) have entered the employment of BPJS (Jamsostek) and BPJS health. - Employment agreement with the worker has been made in the form of PKB (Perjanjian Kerja Bersama) for SKUH and SKUB employees, whereas for day-to-day employees is made solely in the form of Work Agreement PKWT. Based on HR on Head Office that 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>Audit Team Findings:</p>
<p>The company's obligation to employees has been made in accordance with prevailing laws and regulations. In general, employees claim that the company has paid attention to employees and pay attention to employee rights.</p>

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Formal Signing-off of Assessment Conclusion and Recommendation	
<p>The audit objectives have been achieved and the certificate scope remains appropriate. Based on the results of this audit, it is concluded that PT. Gunung Melayu – Gunung Melayu II POM has complied with the RSPO Supply Chain Certification Standard (June 2017) and audit criteria identified within the audit report. It is deemed that the management system continues to achieve its intended outcomes. Therefore, it is recommended that the certification of PT. Gunung Melayu – Gunung Melayu II POM is continued.</p>	
Report prepared by	Acceptance of Assessment Conclusion
Name: Mujinius Jalaraya	Name: Welly Pardede
Company Name: On behalf BSI Services Malaysia Sdn Bhd	Company Name: PT. Gunung Melayu
Title: Lead Auditor	Title: Head of Sustainability
Signature: 	Signature:  <i>(I the undersigned, being the most senior relevant management representative of the operation seeking or holding certification, agree with the contents of this report and accept the liability in execution of the procedure in the report.)</i>
Date: 19 June 2018	Date: 18 July 2018

Appendix A: Summary of Findings

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	<p>List of information related to criterion 1.2 that can be accessed by relevant stakeholders shall be available.</p> <p>- Minor compliance -</p> <p>The company has shown the list of information that can be accessed by relevant stakeholders under document “Daftar Dokumen Yang dapat diakses oleh Stakeholders, Memorandum No 21/GM-GME/Int/03/18”, updated on 29th March 2018, that covered:</p> <ol style="list-style-type: none"> 1. Legal Documents <ul style="list-style-type: none"> - a copy of SK HGU (Land Title) - a copy of AMDAL (Social and Environmental Impact Assessment) - a copy of Operational Permit (IUP/SPUP) 2. Environment Documents <ul style="list-style-type: none"> - Hazardous waste storage permit - Waste management plans - Report of waste water - Report of water management - Report of river water quality - Report of air quality. - Report of RKL (Environmental Management Plan) – RPL (Environmental Monitoring Plan). - Report of Hazardous Waste - HCV Assessment 3. Social Activity Documents (Rencana dan Realisasi Program CSR). 4. Employment Documents 	<p>Comply</p>

Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> - Jamsostek and also BPJS Kesehatan - HSE management programs 	
1.1.2	<p>Records of requests for information and responses to the information requested shall be available.</p> <p>- Major compliance -</p>	<p>Records of requests for information and responses to the information requested from stakeholders has provided under document "Log Book Stakeholder – Out and In".</p> <p>Sample seen:</p> <p>Batu Anam Estate, since 2018 there were 40 information request noted, such as:</p> <ul style="list-style-type: none"> - Date 26th March 2018 to Rika Damanik related to sample test of water quality in emplacement KBI1 and KB2. - Date 27th March 2018 to BPJS Ketenagakerjaan in Kisaran Regency related to "Surat Penerbitan Kartu Pensiun PT. Gunung Melayu Kebun Batu Anam". <p>Sentral Estate, Log Book Surat Surat Masuk, in 2018 there were 13 request for information from relevant stakeholders, e.g:</p> <ul style="list-style-type: none"> - Date 26th February 2018 from Panitia MTQ Kecamatan Bandar Pulau, responded on 26th February 2018 - Date 22nd February 2018 from Kecamatan Rahuning on "Permohonanan Bantuan" – request for donation, was responded on 22nd February 2018. 	Comply
<p>Criterion 1.2:</p> <p>Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.</p>			
1.2.1	<p>Publicly available documents shall include, but are not necessarily limited to:</p> <p>a) Land titles/user rights (Criterion 2.2)</p> <p>b) Occupational health and safety plans (Criterion 4.7)</p>	<p>Based on procedure "Menerima dan Merespon Permintaan Informasi Stakeholder" (SOP. No.: AA-GL-5008.1-R1 dated 22nd August 2011) which is manage and monitoring information request from stakeholder. The Company has also established a Matrix of Provision of Information to Stakeholders, describing the types of information that can be provided to stakeholders, including legal basis, type of information and relationships with relevant agencies.</p> <p>All information request from stakeholder will be handled by relevant department. For example: CSR department responsible for inquiry from local community, media, NGO including dispute or complaint;</p>	Comply

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Criterion / Indicator		Assessment Findings	Compliance
	<p>c) Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8)</p> <p>d) HCV documentation (Criteria 5.2 and 7.3)</p> <p>e) Pollution prevention and reduction plans (Criterion 5.6)</p> <p>f) Details of complaints and grievances (Criterion 6.3)</p> <p>g) Negotiation procedures (Criterion 6.4)</p> <p>h) Continual improvement plans (Criterion 8.1)</p> <p>i) Public summary of certification assessment report</p> <p>j) Human Rights Policy (Criterion 6.13).</p> <p>- Major Compliance -</p>	<p>Human Resources Department responsible for worker consultation, worker union or government authorities related to manpower/labor issue; Purchasing Department responsibility to communicate regulation's, environment's, health and safety and social's requirement to all supplier.</p> <p>Gunung Melayu II POM and estate has made a list of documents that are publicly accessible recorded in "Formulir Distribusi Informasi" (Open to Public) and is updated on 1st January 2017, such as:</p> <p>a. Laws and regulation document: Permit and license (Izin Lokasi, Izin Usaha Perkebunan, Hak Guna Usaha, etc.);</p> <p>b. Environmental document: AMDAL document (SEIA), RKL-RPL document (environmental management and monitoring report), permit for temporary hazardous waste storage, waste management plan, environmental policy, HCV identification document, pollution management plan etc.</p> <p>c. Several procedures that publicly available such as: Measurement and land acquisition procedures, land dispute procedure and mechanism, Procedure No. SOP: XX-HR-308.5-RO; Revision: 0, Desember 11th 2009: Employees complaints etc.</p> <p>d. Social document: Social Impact Assessment (SIA) "Study Evaluasi Lingkungan" which covering social impact assessment. This SEL has been approved by Ministry Agriculture no. 220/687/B/IV/1994, Social program, Community development program, company policies, etc.</p> <p>e. Human rights policy that has been published No.298/ES-KTS/Memo/08/14 dated 26th August 2014 which also covering ethics in business that stated that "ethical behavior, Prohibition of all forms of corruption, bribery in the conduct or transaction of business practices and fraudulent use of funds".</p>	
<p>Criteria 1.3: Growers and millers commit to ethical conduct in all business operations and transactions.</p>			
1.3.1	There shall be a written policy committing to a code of ethical conduct and integrity in all	The company has human rights policy that has been published No.298/ES-KTS/Memo/08/14 dated 26 th August 2014 which also covering ethics in business that stated that "ethical behavior, Prohibition of all forms of corruption, bribery in the conduct or transaction of business practices and fraudulent use of	Comply

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Criterion / Indicator		Assessment Findings	Compliance
	<p>operations and transactions along with the documentation of socialisation process of the policy to all levels of the workers and operations.</p> <p>- Minor compliance –</p>	<p>funds "(Perusahaan berkomitmen berperilaku etis dalam berbisnis pada seluruh transaksi dan operasi bisnis, pelarangan seluruh bentuk korupsi, penyuapan dan penipuan dalam penggunaan dana dan sumber daya)".</p> <p>That policy has been informed to all employees and it also has been posted in public area as well as been socialized in every morning briefing so that it can be accessed by all employees.</p> <p>The policy has been disseminated to all level, on 7th March 2018 to all workers in Gunung Melayu Estate and on 6 March 2018 for contractor in. On 25th January 2018 performed socialization to all workers and 23th January 2018 to contractors in Gunung Melayu II POM.</p>	
Principle 2: Compliance with applicable laws and regulations			
Criterion 2.1:			
There is compliance with all applicable local, national and ratified international laws and regulations.			
2.1.1	<p>Evidence of compliance with relevant legal requirements shall be available.</p> <p>- Major compliance –</p>	<p>All legal requirements comply with the regulations and laws, including those related to land status, occupational health and safety, environmental, labour, agricultural practice, and mill operation, such as:</p> <ol style="list-style-type: none"> 1. 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. 2. 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. 3. 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. 4. Approval to addition of mill capacity from Bupati Asahan, no. 503/IUP-PKIP/BPPPM/861/VI/2016, dated 29 June 2016 about the addition of processing capacity of PT Gunung Melayu from 30 tons / hour to 60 tons / hour. 5. Based on overlapping with Peta Kawasan Hutan dan Perairan SK. Menhut No. 579/Menhut- II/2014, 	Comply

Criterion / Indicator	Assessment Findings	Compliance
	<p>all areas of PT. Gunung Melayu is "Areal Penggunaan Lain" or APL/ Non Forest Area.</p> <ol style="list-style-type: none"> 6. AMDAL (SEIA) documents approved by "Komisi Pusat Amdal Departemen Pertanian", no. RC.220/687/B/IV/1994, dated 18 April 1994. 7. Surface water usage permit from "Kepala Badan Pelayanan Perijinan Terpadu Prov. Sumatera Utara" No. 610/204/ BPPTSU/2/12.1/XI/2015, dated 18th November 2015, valid until 18 November 2018 and Ground Water sage permit from Bupati Asahan no. 503/AT/BPPPM /0713/V/2013, dated 01 May 2013, valid until 01 May 2016. 8. Temporary hazardous waste store permit from Bupati Asahan no. 660.1/0595/LH /2014, dated 21st July 2014. 9. Izin Land Aplikasi (LA permit) from "Bupati Asahan" no. 660.1/0638/LH/2015, dated 20th May 2015. 10. 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. 11. The company has established fire mitigation officer as described in organizational chart "Struktur Organisasi Personil Tanggap Darurat" approved by Kepala Dinas Tenaga Kerja Kabupaten Asahan no. 4234/IV-DTK/2014, dated 19th September 2014 for estates and no. 4052/IV-DTK/2014, dated 8th September 2014 for Mill. 12. Machinery permit in Mill is available. <p>Gunung Melayu II POM Mill machineries permit and inspection:</p> <ol style="list-style-type: none"> 1. Izin Mendirikan Bangunan (IMB), dari Keputusan Bupati Asahan, no. 503/IMB/BPPM/1496/ XII/2016, dated 5 December 2016, for Pendirian Pabrik Kelapa Sawit seluas 8951,7m2 2. Izin Mendirikan Bangunan (IMB), dari Keputusan Bupati Asahan, no. 503/IMB/BPPM/1497/ XII/2016, dated 5 December 2016, for Pendirian Pabrik Kelapa Sawit (Loading Ramp terbuka) seluas 2725.5 m2. 3. "Akte Izin Ketel Uap Pengesahan Dinas Tenaga Kerja Kabupaten Asahan No. 02/H.0083A" dated 29/07/1992 for Steam turbine Shinko Kin 20 KV S/N 49978. 4. "Akte Izin Bejana Uap Menteri Tenaga Kerja Kantor Wilayah Sumatera Utara No.02/H.0080.A" dated 08/07/1992 for steam vessel, Horizontal sterilisation. Latest inspection report No.0417/BU/JA/I/2015 	

Criterion / Indicator	Assessment Findings	Compliance
	<p>dated 29/01/2017.</p> <p>5. "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/2017 dated 29/01/2017. Report stated the vessel condition and function is good.</p> <p>6. "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/2017 dated 29/01/2017. Report stated the vessel condition and function is good.</p> <p>7. "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/2017 dated 09/02/2017. Report stated the boiler furnace, piping, super heater, foundation, dust collector condition and function is good.</p> <p>8. "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 Damage 5,000 kg S/N 220263. Latest inspection report No.0577/PAA/JA/II/2017 dated 09/02/2017. Report stated the crane condition and function is good.</p> <p>10. "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/2017 dated 09/02/2017.</p> <p>- 11. Izin Tempat Penyimpanan Sementara Limbah B3, bbased on "Keputusan Bupati Asahan no. 660.1/0985", dated 23 Oktober 2012</p>	
<p>2.1.2</p>	<p>A documented system, which includes written information on legal requirements, shall be maintained.</p> <p>- Minor compliance –</p>	<p>There is a documented system registering all relevant legal requirements to which the company must comply, and also there is a document of "Legal Register" edition January 2018 has been established, which includes relevant Environmental regulation, Plantation permit, etc. The list would be reviewed once a year by the EHS Department and all relevant department, updated as necessary.</p> <p>Evaluation of compliance for all regulation and other requirement related to environment, health and safety, manpower and land tenure has been performed (presented in "Evaluation of Compliance").</p> <p>The organization has a mechanism to ensure compliance with all applicable laws and regulations</p>

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	<p>compliance through procedure "SOP Pemenuhan Peraturan Perundang-undangan dan Perubahannya" (No. SOP; AA-GL-5001.1-RO) dated 5th December 2009). The list would be reviewed once a year by the EHS Department and all relevant departments, updated as necessary, last update on January 2017.</p> <p>The company has "Update List of regulation/pemenuhan peraturan perundang undangan" in January 2018.</p>	
<p>2.1.3</p> <p>A mechanism for ensuring compliance shall be implemented.</p> <p>- Minor compliance –</p>	<p>There is an internal audit process which includes a review of laws and their compliance. There is no evidence of critical legal non compliance as a result of internal audit. Each department has to demonstrate evidence of compliance and/or effort in complying with these legal/regulatory requirements. This includes manpower regulation fulfilment, environmental reporting, health and safety reporting and other legal/regulatory requirements. Evidence of documented mechanism on the compliance with relevant regulation was sighted in terms of Legal Requirements and Evaluation Compliance, It was verified that list of legal requirement is updated regularly in annual basis.</p> <p>Legal department of the company and public relation officer has the responsibility to update the list of applicable laws and regulations using internet access via relevant webmail address and/or consultation with the related institutions. The latest updated report was on January 2018. The mechanism is also include for subcontractor. Company has the mechanism to ensure the contractor/supplier compliance to the relevant regulation before approved the contractor/supplier as a partner of company.</p> <p>Recorded on form "Evaluasi Kepatuhan Hukum PT Gunung Melayu". Revised on January 2018. Evidence of evaluation document has been verified and found completed and sufficient.</p>	<p>Comply</p>
<p>2.1.4</p> <p>A system for tracking any changes in the law shall be available and implemented.</p> <p>- Minor compliance –</p>	<p>Legal requirement-evaluation and fulfillment mechanism regulated under "SOP Pemenuhan Peraturan Perundang-undangan dan Perubahannya" (No. SOP; AA-GL-5001.1-RO) dated 5th December 2009. The procedure explains the stages for evaluation applicable legal requirements, person in charge for evaluation and ensures implementation of such requirement.</p> <p>The company receives information of changes in regulations from a number of sources. This includes company lawyers, Manpower office, Agriculture and Plantation service and Forestry service and others. This is then circulated and cascaded to relevant department within the company, which might affected by these changes.</p> <p>The SSL Department is obliged to inform the issuance of any new regulation and communicating</p>	<p>Comply</p>

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		interpretation and implementation of this new regulation. Relevant departments are obliged to review the process on their department and ensure the relevant regulations are implemented. If necessary, relevant department will revise the policy, revise the procedure/work instruction, and communicating the changes to all interested parties. Every time a new regulation PIC of Law Compliance will update the legal compliance evaluation.	
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 -	PT Gunung Melayu has had the legal ownership of land tenure according to: 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.	Comply
2.2.2	Legal boundaries are demonstrated clearly and maintained. - Minor compliance -	The company demonstrates to ensure all legal boundaries to be clearly demarcated and maintained in the form of boundary pegs. These pegs are also mapped with the relevant marker number in each estate along with GPS tracking. The company is to ensure all operating unit consistently carry out monitoring of boundary markers regularly and this is recorded twice a year, the last maintenance performed on January 2018. Based on document verification upon "Laporan Pemeriksaan dan Perawatan Patok Batas PT Gunung Melayu, 20 January 2018; it can be demonstrated that company have a plan for maintenance/repair of poles. During audit, conducted observation for several pegs, e.g: <u>Batu Anam Estate:</u>	Comply

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	<ul style="list-style-type: none"> - Pegs no. 49, on block H08W, Division I, bordering the Gonting Malaha Village, coordinate 02°45'26.6" N; 099°33'16.9 E". - Pegs no. 27, on block G07C, Division III, bordering the Sidomulyo Village, coordinate 02°44'44.9 N"; 099°33'43.8 E". - Pegs no. 29, on block G07A, Division IIII, bordering the Batu Anam Village, coordinate 02°44'11.2 N"; 099°33'44.3 E". <p><u>Central Estate:</u></p> <ul style="list-style-type: none"> - Pegs No. 16 – KSN, on Block C10G Division I, bordering with PTPN IV Plantation, coordinate N 02°46'4.89"; E: 99°28'14.8". - Pegs No. 20 – KSN, on Block E08G Division II, bordering with PTPN IV Plantation, coordinate N 02°45'43.0"; E: 99°28'28.2". - Pegs No. 22 – KSN, on Block E08i Division II, bordering with PTPN IV Plantation, coordinate N 02°45'31.1"; E: 99°29'37.2". - Pegs No. 23 – KSN, on Block E08j Division II, bordering with PTPN IV Plantation, coordinate N 02°45'29.4"; E: 99°30'00.6". <p>During field verification in Sentral Estate can be demonstrated that company has well maintained the HGU pole and visible in the field. There were 10 HGU pegs in Sentral Estate.</p> <p>In previuos audit in Aek tarum Estate found some of HGU poles were not proper in position/condition (sloping, uprooted/collapse, not in paint and no number of pole) , such as:</p> <ul style="list-style-type: none"> - Pole No. 67-KSN, block A11A – A12B, afdeling 1, borders with TKD (Tanah kas Desa). - Pole No. 73-KSN, block A10G, afdeling 1, borders with KPK (Kilang Padi Kisaran). <p>Company has performed follow up action by reposition the pole and repair the pole by repainting and give the number each pole. During field visit found that HGU pole has been well maintained for example:</p> <ul style="list-style-type: none"> - Pole no. 67 coordinate N 02°42'22.47"; E: 99°23'44.85". - Pole No. 73 coordinate N 02°44'17.00"; E: 99°23'22.30". <p>Company also made the regular monitoring of HGU Pole each semester. Latest monitoring conducted on</p>	

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	18 January 2018, there were 19 Pole of HGU in Aek Tarum Estate with good condition.	
<p>2.2.3</p> <p>In the event that there is a dispute or a dispute has occurred, adequate evidence of legitimate acquisition and compensation or compensation settlement process through conflict resolution which has been received through Free, Prior and Informed Consent by all related parties shall be provided.</p> <p>- Minor compliance -</p>	<p>Based on interview with surrounding village societies, local communities, field visit and verification of company documentation; there is no land dispute between company PT Gunung Melayu and surrounding community.</p> <p>However there is a land occupation by Kelompok Tani Tangkisan Mariam (KTTM) since 2002 within HGU area which is not planted by PT Gunung Melayu. Total area cultivated by KTTM was 645.5 ha with 317 member of KTTM. PT Gunung Melayu and KTTM has made the Letter of Agreement dated 1st August 2002 witnessed by local government Kecamatan Bandar Pulau, Kepala Desa Batu Anam, and 4 section head; in agreement stated that KTTM can harvest their oil palm crop in their cultivated area with the schedule determined on date 1, 2, 3, 15, 16 and 17 each month, but they cant harvest the company oil palm crop and prohibit to add the new planting in the cultivated area.</p> <p>These area of 645.5 ha was excluded from certified area.</p>	Comply
<p>2.2.4</p> <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>There is no significant land conflict in PT Gunung Melayu. Land occupation by Kelompok Tani Tangkisan Mariam (KTTM) since 2002 within HGU PT Gunung Melayu has been resolved by deliberation and kinship with the agreement of both parties witnessed by the local government presented in the Letter of Agreement dated 1st August 2002 witnessed by local government Kecamatan Bandar Pulau, Kepala Desa Batu Anam, and 4 section head; in agreement stated that KTTM can harvest their oil palm crop in their cultivated area with the schedule determined on date 1, 2, 3, 15, 16 and 17 each month, but they cant harvest the company oil palm crop and prohibit to add the new planting in the cultivated area.</p>	Comply
<p>2.2.5</p> <p>For any conflict or dispute over the land, the evidence of the extent of disputed area is mapped out in a participatory way with involvement of affected parties (including neighboring communities and</p>	<p>PT Gunung Melayu and Kelompok Tani Tangkisan Mariam (KTTM) has mapping the area of land occupation. Total area cultivated by KTTM was 645.5 ha with 317 member of KTTM.</p> <p>PT Gunung Melayu and Kelompok Tani Tangkisan Mariam (KTTM) has made the Letter of Agreement dated 1st August 2002 witnessed by local government Kecamatan Bandar Pulau, Kepala Desa Batu Anam, and 4 section head. KTTM can harvest their oil palm crop in their cultivated area with the schedule determined on date 1, 2, 3, 15, 16 and 17 each month, but they cant harvest the company oil palm crop and prohibit to add the new planting in the cultivated area.</p>	Comply

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	local government where applicable), shall be available. - Minor compliance –		
2.2.6	To avoid escalation of conflict, there shall be no evidence that palm oil operations have instigated violence in maintaining peace and order in their current and/or planned operations. - Major compliance –	The company has made two-way communication in the settlement of land occupation by Kelompok Tani Tangkisan Mariam (KTTM). The company also prioritizes the principle of consultation and kinship in the completion of the land occupation. The Company has entered into an agreement with Kelompok Tani Tangkisan Mariam (KTTM). occupying the HGU area of PT Gunung Melayu covering 645.5 ha. Mediation is also conducted with the local government for land occupation settlement and no element of violence committed by the company.	Comply
Criterion 2.3:			
Use of the land for oil palm does not diminish the legal rights, customary or user right of other users without their free, prior and informed consent.			
2.3.1	Maps with appropriate scale showing the extent of recognized legal, customary or user rights (Criteria 2.2, 7.5 and 7.6) shall be developed through participatory mapping involving affected parties (including neighboring communities where applicable, and relevant authorities). - Major compliance -	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 minutes "Surat Ukur No.100/Gonting Malaha/2001" dated 01/08/2001 of 10,414.331 Ha located in Gonting Malaha Village, Bandar Pulau Subdistrict, Asahan District, North Sumatera Province. The issuance of HGU certificate has gone through "Rapat Panitia Tanah B" involving multi- stakeholder as consideration prior to HGU issuance.	Comply
2.3.2	Copies of negotiated agreements including the process of free, prior and	Based on documents review and interview with local government Gonting Malaha and Sidomulyo Village as well as Land office of Asahan Regency and local communities surrounding the company, it was noted that there is no any customary land or legal rights within the company areas.	Comply

Criterion / Indicator		Assessment Findings	Compliance
	<p>informed consent (FPIC) (Criteria 2.2, 7.5 and 7.6) shall be available and these include:</p> <ul style="list-style-type: none"> a) Evidence of consultation b) Statement of transfer of rights c) Evidence of compensation <p>See specific guidance 2.3.2 - Minor compliance -</p>		
2.3.3	<p>Relevant information shall be available in appropriate forms and languages, including analysis of impacts, proposed benefit sharing, and legal arrangements. - Minor compliance -</p>	<p>Based on documents review and interview with local government Desa Gonting Malaha and Desa Sidomulyo, Land office of Kabupaten Asahan and local communities surrounding the company, it was noted that there is no any customary land or legal rights within the company areas.</p> <p>Company has provided 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.</p>	Comply
2.3.4	<p>Evidence shall be available to show that communities are represented through institutions or representatives of their own choosing, including legal counsel. - Major compliance -</p>	<p>Based on stakeholder consultation with communities surrounding the plantation, there has 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.</p>	Comply
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.			

Criterion / Indicator	Assessment Findings	Compliance																				
<p>3.1.1</p> <p>A documented management plan, a minimum of three years shall be available, including, where appropriate, plan for scheme smallholders.</p> <p>- Major compliance-</p>	<p>The company has shown the management plan that aims to achieve long-term economic and financial viability as per document "Proyeksi Budget Produksi 5 tahun Kedepan (2018-2023), Kebun Batu Anam", the document consist of:</p> <ul style="list-style-type: none"> - FFB projection 2018-2018 (Ton/Ha) - Estate Cost Estimation: Upkeep cost, fertilizing cost, pest and disease management cost, pruning cost, census cost, terrace maintenance cost, road and bridge maintenance cost, harvesting cost. - Nett Profit/Loss 	<p>Comply</p>																				
<p>3.1.2</p> <p>An annual replanting program 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.</p> <p>- Minor compliance-</p>	<p>ASA-3 2018 - There was no any change information related to annual replanting program projected from last visit assessment.</p> <p>No replanting program in the near future. All areas have been replanted in 2003 – 2011.</p> <p>Based on document review and field visit, the planting year of Batu Anam Estate, PT. Gunung Melayu was 2003 up to 2011. The nearest replanting would be year 2028. Below are the planted year of Batu Anam Estate:</p> <table border="1" data-bbox="651 906 1106 1367"> <thead> <tr> <th>Planting year</th> <th>Hectarage (ha)</th> </tr> </thead> <tbody> <tr> <td>2003</td> <td>191</td> </tr> <tr> <td>2004</td> <td>326</td> </tr> <tr> <td>2005</td> <td>424</td> </tr> <tr> <td>2007</td> <td>502</td> </tr> <tr> <td>2008</td> <td>620</td> </tr> <tr> <td>2009</td> <td>221</td> </tr> <tr> <td>2010</td> <td>299</td> </tr> <tr> <td>2011</td> <td>577</td> </tr> <tr> <td>Total</td> <td>3,160</td> </tr> </tbody> </table>	Planting year	Hectarage (ha)	2003	191	2004	326	2005	424	2007	502	2008	620	2009	221	2010	299	2011	577	Total	3,160	<p>Comply</p>
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Criterion / Indicator	Assessment Findings	Compliance
Principle 4: Use of appropriate best practices by growers and millers		
Criterion 4.1: Operating procedures are appropriately documented, consistently implemented and monitored.		
4.1.1	<p>Standard Operating Procedures (SOPs) for estates (land clearing to harvesting) and SOP for mills (reception of FFB to dispatch of CPO and PKO) shall be available.</p> <p>- Major compliance -</p> <p>The company has procedures for estate beginning from land preparation up to replanting, such as:</p> <ol style="list-style-type: none"> 1. SOP AA-APM-OP-1100.01-R4 dated 5/09/2016 Nursery; 2. SOP AA-APM-OP-1100.02-R3 10/06/2015 New Planting; 3. SOP AA-APM-OP-1100.03-R2 24/07/2015 Road and Bridge Construction and Maintenance explains road and bridge construction and maintenance; 4. SOP AA-APM-OP-1100.04-R3 07/12/2015 Drainage Construction and Maintenance explains culvert/drainage construction and maintenance; 5. SOP AA-APM-OP-1100.05-R3 23/11/2016 Soil & Water Conservation; 6. SOP AA-APM-OP-1100.06-R5 16/02/2017 Planting cover crops; 7. SOP AA-APM-OP-1100.07-R6 16/02/2017, Oil Palm Planting; 8. SOP AA-APM-OP-1100.08-R6 11/05/2016 Weed control; 9. SOP AA-APM-OP-1100.09. R6 12/06/2017 Fertilizer application; 10. SOP AA-APM-OP-1100.10. R6 23/11/2016 Pests and Disease Control; 11. SOP AA-APM-OP-1100.11. R1 01/02/2009 Pesticide handling and Management; 12. SOP AA-APM-OP-1100.12. R3 23/11/2016 Castration explain cutting all generative product (male flower, female flower, all fruit, to support vegetative growth) – done 5-6 months before being harvested; 13. SOP AA-APM-OP-1100.13. R3 04/03/2016 Pruning; 14. SOP AA-APM-OP-1100.14. R3 16/02/2017 Census and Palm identification; 15. SOP AA-APM-OP-1100.15. R2 01/10/2010 Production census; 16. SOP AA-APM-OP-1100.16. R1 01/02/2009 Consolidation, Provision of support to fallen palm; 	<p>Comply</p>

Criterion / Indicator		Assessment Findings	Compliance
		<p>17. SOP AA-APM-OP-1100.17. R1 23/10/2014 Water management;</p> <p>18. SOP AA-APM-OP-1100.18. R3 20/04/2015 Harvesting;</p> <p>19. SOP AA-APM-OP-1100.19. R1 01/02/2009 FFB Transport;</p> <p>20. SOP AA-APM-OP-1100.20-R6 16/02/2017 Replanting;</p> <p>Gunung Melayu II POM has established a procedure to process the FFB to become CPO and PK begins from reception of FFB to dispatch of CPO and PKO:</p> <ol style="list-style-type: none"> 1. SOP AA-MPM-OP-1400.02.R2 FFB receiving station; 2. SOP AA-MPM-OP-1400.03.R1 Sterilizer station; 3. SOP AA-MPM-OP-1400.04.R1 Thresher station and loose fruit separation; 4. SOP AA-MPM-OP-1400.05-R1 Pressing station; 5. SOP AA-MPM-OP-1400.06-R1 Clarification station; 6. SOP AA-MPM-OP-1400.07-R1 Nut and fiber separation; 7. SOP AA-MPM-OP-1400.08-R1 Kernel station; 8. SOP AA-MPM-OP-1400.09-R1 Boiler station; 9. SOP AA-MPM-OP-1400.10-R1 Engine room station; 10. SOP AA-MPM-OP-1400.11-R1 Water treatment station; 11. SOP AA-MPM-OP-1400.12-R1 Laboratorium; 12. SOP AA-MPM-OP-1400.13-R1 Palm oil mill effluent treatment; 13. SOP AA-MPM-OP-1400.14-R2 CPO and kernel bulking and despatch operation; 14. SOP AA-MPM-OP-1400.15-R1 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>	
4.1.2	Checking or monitoring of operations procedures is	To checking and monitoring of operations procedures, PT Gunung Melayu has conducted internal audit	Comply

Criterion / Indicator	Assessment Findings	Compliance
<p>conducted at least once a year. - Minor compliance -</p>	<p>and visit both in estate and mill:</p> <ul style="list-style-type: none"> - PT Gunung Melayu follows procedure for internal audit under Standard Operating Procedures AA-SOP-ES-6001-R3 10/06/2015. The procedure stated internal audit performed 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 internal audit has been performed once a year as per procedure. The latest RSPO internal audit was done in 9 – 10 November 2017 for PT Gunung Melayu. Audit result findings can be demonstrated and the corrective action has been implemented to addressed issue found during audit. - R&D Agronomic Visit Report, conducted once a year to check and monitoring the implementation of Agronomy best management practices particularly for pest and disease control and plant upkeep. Latest visit performed in Batu Anam Estate on 13 – 14 June 2017 by Abdul Azis. During visit found some issue such as found some oil palm Etiolation in block H05B, H05A and F07D, company has follow it up by performing census and control the etiolation oil palm according to SOP AA-APM-OP-1100.10-R5. - R&D Pest and Disease Visit Report, conducted once a year to check and monitoring the implementation of integrated pest management and pest and disease monitoring. Last visit performed in Batu Anam Estate on 12 - 14 June 2017 by David Sinambela and on 13-14 June 2007 by Albertus Prasetyadi. During visit found some issue such as: found 1 oil palm attacked by Ganoderma in block H05C Batu Anam Estate. Census Ganoderma has been done by company and control according to SOP AA-APM-OP-1100.10-R5. There is no critical issue found in Sentral Estate during field visit, the pest and disease was under control. - Visiting Agent conducted once a year to check and monitoring the implementation of general Agronomy best management practices. Last visit performed in Batu Anam Estate on 02 – 07 October 2017 by Sinnaiha G. During visit found some issue: <ul style="list-style-type: none"> ✓ There were significant number palms with Ganoderma symptom but without fruiting body. Only palms with fruiting body were removed as per SOP Company has followed up by removal old boles near roadsides by manually. 	

Criterion / Indicator	Assessment Findings	Compliance
	<ul style="list-style-type: none"> ✓ Due to terrain in some sections, the water flow from hill tops have converged into strong current eroding the terraces and palm circles along the way. Company has followed up by diverting into frond stacks to break the flow and stack the EFB in narrows area to reduce the impact of erosion. - Visiting Agent in Sentral Estate performed in 17 – 22 September 2017 by Sinnaiha G. During visit found some issue such as: found some weeds uncontrol e.g solanum in path, asystasia, stenochlaena dan other hard weeds; company has taken action by manual weeds control immediately. All finding from VA has been followed up by organization by corrective action plan, target and time frame to address the issue has been determined and implemented well. - Visiting Engineering (VE) performed once a year to check and monitoring the implementation of mill operation procedure. Data verified: <ul style="list-style-type: none"> ✓ The latest Internal Audit for RSPO was conducted on 11 and 13th November 2017, there were 8 issues raised. The corrective action of nonconformities has been followed up and the status are closed – record available as evident. ✓ Engineer Visit Report to Gunung Melayu II POM, dated 23rd October 2017. The issues related to best management practices in mill operation. <p>Based on verification of document internal audit and visit above as well as the company correction and corrective action to the audit result indicated that the organization has well implemented of checking and monitoring of operations procedures.</p>	
<p>4.1.3</p> <p>Records of monitoring and any follow-up actions shall be available.</p> <p>- Minor compliance -</p>	<p>Records of monitoring and any follow up actions can be demonstrated during audit, such as:</p> <ul style="list-style-type: none"> - RSPO internal audit report, which done in 9 – 10 November 2017. Audit result findings can be demonstrated and and the corrective action has been implemented to addressed issue found during audit. - R&D Agronomic Visit Report Batu anam Estate No. KBA/R&D-AGRO/01-17 dated 13 - 14 June 2017 by Abdul Azis. All issue found during visit has been addressed by company as explained in indicator 4.1.2 above. - R&D Pest and Disease Visit Report Batu Anam Estate No. KBA/R&D-P&D/01-17 dated 12 - 14 June 	<p>Comply</p>

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Criterion / Indicator	Assessment Findings	Compliance
	<p>2017 by David Sinambela. All issue found during visit has been addressed by company as explained in indicator 4.1.2 above.</p> <ul style="list-style-type: none"> - R&D Pest and Disease Visit Report Sentral Estate No. KSN/R&D-P&D/01-2017 dated 13 - 14 June 2017 by Albertus Prasetyadi. All issue found during visit has been addressed by company as explained in indicator 4.1.2 above. - Visiting Agent Report Kebun Sentral No. KSN-VA-FULL 01-17, dated 17 – 22 September 2017 by Sinnaiha G. All issue found during visit has been addressed by company as explained in indicator 4.1.2 above. - Production Performance report, explained the FFB production performance and evaluation as well as determined production target for next year. Evaluation FFB production each block to date March 2018 can be demonstrated in “Laporan Unit Kebun Batu Anam Maret 2018” - Asian Agri Connected Plantation Application Record, contain the information result of check and monitoring of harvesting and FFB quality, FFB harvest estimation, block and quality inspection, FFB harvesting quantity, pest and disease cencus. - Daily Report Gunung Melayu II POM, contain information covering FFB receiving, FFB process: gross and net FFB processed, FFB stock, shift hour, process hour, press hour, press capacity, sterilizer process, Utility factor commercial and capacity, CPO and PK production, CPO and PK extraction rate, CPO and PK quality. Process performance evaluated each day by mill manager and some corrective action to addressed some issue has been develop by Gunung Melayu II POM. - Engineer Visit report (Mr. TC J Thomas) dated 23 October 2017. There were no main issues raised. However the VE reported 4 observations, such as: <ul style="list-style-type: none"> • Effluent Ponds – effluent fond acid level is high and the surface foamy due to continuous recycling of liquid from anaerobic ponds • Boiler 3 – the valve disk on safety valve fitted to the super heater had failed. <p>The corrective action has been implemented to address the observations found during audit. Record seen: Action Plan VE Mr TC J Thomas ke PGS dated 23 October 2017.</p>	

Criterion / Indicator	Assessment Findings	Compliance
<p>4.1.4 Records of the origins of all third-party FFB sourced (collector, deliver, Cooperative, Farmers Association and outgrower) shall be available. - Major compliance -</p>	<p>The Mill has recorded list of third party FFB supplier as recorded in "Laporan Harian Pabrik" (Mill Daily Report) PT Gunung Melayu – Gunung Melayu II POM and resume in document Mill Summary Operation. The FFB from third party coming from collectors, cooperative farmers association and outgrower. List of third party supplier that supplied FFB to Gunung Melayu II Palm Oil Mill are as follow:</p> <ul style="list-style-type: none"> a. Sinar Bakti b. STS (Sawit Trading Sejahtera) c. STS (A) d. STS (L) e. Ronauli tani f. Soelianto g. CSV KT makmur Abadi h. CSV KT Berdikari i. CSV KT Unggulan j. CSV KT Maju Bersama k. CSV KT Sinar Tani Saturday l. CSV KT Bina Tani Mandiri m. CSV KT Sari Gunung n. CSV KT Sejahtera Sidomulyo o. CSV KT Mekar Jaya p. CSV KT Berkat Tani Jaya q. CSV KT Makmur Tani Jaya r. CSV KT Sejahtera s. CSV KT Sukses Jaya t. CSV KT Suka Maju 	<p>Comply</p>

Criterion / Indicator		Assessment Findings	Compliance																
		u. CSV KT Berumbung AM v. CSV KT Jaya Tani w. CSV KT Rejeki Makmur Based on document "Laporan Harian Pabrik" dated 31 March 2018, FFB received from own and third-party since January – March 2018, are as follows: - Own estate: 37,633,574 kg - Third party: 21,780,487 kg - Total: 59,414061 kg																	
Criterion 4.2: Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.																			
4.2.1	A record of SOP implementation to maintain soil fertility that ensures optimal and sustained yield, shall be available. - Major compliance -	The company has established procedure soil fertility in "SOP AA-APM-OP-1100.09. R1" - SOP Pemupukan, consist of type and recommendation of fertilizer for immature and mature areas, cycle, dosage and when fertilizer is applied. To maintain soil fertility by placing palm frond above ground level (L shape) and empty bunch application.	Comply																
4.2.2	Records of fertilizer inputs shall be available. - Minor compliance -	The company has develop fertilizer recommendations each year and recorded in Recommendation Fertilization Batu Anam Estate and Sentral Estate 2018. Fertilizer realization in 2017 had completed 100% as recommendation both in Batu Anam and Sentral Estate. Fertilizer recommendation in 2017 and fertilizer application from January – December 2017 in Batu Anam Estate: <table border="1" data-bbox="645 1189 1883 1396"> <thead> <tr> <th>Volume (Kg)</th> <th>NPK</th> <th>ZA</th> <th>MOP</th> <th>Kieserite</th> <th>Dolomite</th> <th>HGFB</th> <th>CuSO4</th> </tr> </thead> <tbody> <tr> <td></td> <td>12.12.17.2 (dosage 1.5 – 2.0 kg/palm tree)</td> <td>(dosage 2.0 – 2.5 kg/ palm tree)</td> <td>(dosage 0,5 – 1.25 kg/ palm tree)</td> <td>(dosage 1.00 – 1.50 kg/ palm tree)</td> <td>(dosage 1,00 – 2.50 kg/ palm tree)</td> <td>(dosage 0,10 kg/ palm tree)</td> <td>(dosage 0,10 - 0.15 kg/ palm tree)</td> </tr> </tbody> </table>	Volume (Kg)	NPK	ZA	MOP	Kieserite	Dolomite	HGFB	CuSO4		12.12.17.2 (dosage 1.5 – 2.0 kg/palm tree)	(dosage 2.0 – 2.5 kg/ palm tree)	(dosage 0,5 – 1.25 kg/ palm tree)	(dosage 1.00 – 1.50 kg/ palm tree)	(dosage 1,00 – 2.50 kg/ palm tree)	(dosage 0,10 kg/ palm tree)	(dosage 0,10 - 0.15 kg/ palm tree)	Comply
Volume (Kg)	NPK	ZA	MOP	Kieserite	Dolomite	HGFB	CuSO4												
	12.12.17.2 (dosage 1.5 – 2.0 kg/palm tree)	(dosage 2.0 – 2.5 kg/ palm tree)	(dosage 0,5 – 1.25 kg/ palm tree)	(dosage 1.00 – 1.50 kg/ palm tree)	(dosage 1,00 – 2.50 kg/ palm tree)	(dosage 0,10 kg/ palm tree)	(dosage 0,10 - 0.15 kg/ palm tree)												

Criterion / Indicator		Assessment Findings							Compliance	
		Recom.	2,062,068	749,479	157,248	351,255	396,899	36,136	5,541	
		Application	2,027,484	747,238	158,100	349,810	391,028	35,570	5,746	
		%	98.32	99,70	100.54	99.58	98.52	98.43	103	
		Fertilizer recommendation in 2018 and fertilizer application from January – March 2018 in Batu Anam Estate:								
		Jumlah (Kg)	HGFB (dosage 0,10 kg/ palm tree)	NPK 12.12.17.2 (dosage 1.5 – 2.0 kg/palm tree)	Kieserite (dosage 1.00 – 1.50 kg/ palm tree)					
		Recom.	38,758	768,072	542,467					
		Application	38,752	763,812	541,047					
		%	100	99.45	99.74					
		Fertilizer recommendation in 2017 and fertilizer application from January – March 2018 in Sentral Estate:								
		Jumlah (Kg)	NPK 12.12.17.2 (dosage 2.0 – 2.5 kg/palm tree)	ZA (dosage 1.75 – 2.25 kg/ palm tree)	MOP (dosage 0,5 – 1.5 kg/ palm tree)	Kieserite (dosage 1.00 – 1.50 kg/ palm tree)	Dolomite (dosage 1,00 – 2.0 kg/ palm tree)	HGFB (dosage 0,08 – 0.10 kg/ palm tree)	CuSO4 (dosage 0,09 -0.1 kg/ palm tree)	
		Recom.	2,165,917	657,247	160.797	495,111	436,757	63,383	30,638	
		Application	715,691	-	-	489,044	-	35,968	1,274	
		%	33 %	0 %	0 %	99 %	0	57 %	4 %	
		Fertilizer recommendation in 2017 and fertilizer application from January – December 2017 in Sentral Estate:								

Criterion / Indicator		Assessment Findings							Compliance	
		Jumlah (Kg)	NPK 12.12.17.2 (dosage 1.5 – 1.75 kg/palm tree)	ZA (dosage 1.5 – 2.5 kg/ palm tree)	MOP (dosage 0,5 – 1.25 kg/ palm tree)	Kieserite (dosage 1.00 kg/ palm tree)	Dolomite (dosage 1,00 – 2.0 kg/ palm tree)	HGFB (dosage 0,10 kg/ palm tree)	CuSO4 (dosage 0,10 kg/ palm tree)	
		Recom.	1,769,194	608,085	127,201	291,962	435,076	46,722	22,521	
		Application	1,761,579	606,759	126,993	291,894	434,078	46,486	22,373	
		%	99.57%	99.78%	99.84%	99.98%	99.77%	99.49%	99.34%	
4.2.3	Records of periodical leaf, soil and visual analysis shall be available. - Minor compliance -	<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 2017 by PT Nusa Pusaka Kencana Analytical and QC Laboratory. Sample seen:</p> <p><u>Batu Anam Estate:</u></p> <ul style="list-style-type: none"> - Analysis report No. 115/INT/R&D/JUL/L/17 dated 27/07/17 number of sample 20 (Division II & IV planting year 2009 & 2011), - Analysis report No. 112/INT/R&D/JUL/L/17 dated 26/07/17 number of sample 54 (Division IV, planting year 2003, 2010, 2011), - Analysis report No. 114/INT/R&D/JUL/L/17 dated 27/07/17 number of sample 4 (Division II, planting year 2005), - Analysis report No. 036/INT/R&D/MEI/L/17 dated 20/05/17 number of sample 60 (Division I, planting year 2004, 2005, 2008), - Analysis report No. 105/INT/R&D/JUL/L/17 dated 21/07/17 number of sample 144 (Division II & III, planting year 2004, 2005, 2007, 2008, 2009, 2010, 2011), <p><u>Sentral Estate:</u></p> <ul style="list-style-type: none"> - Analysis report No. 116/INT/R&D/JUL/L/17 dated 31/07/17 number of sample 24 (Division I planting year 2010, 2012 & 2015), - Analysis report No. 123/INT/R&D/JUL/L/17 dated 31/07/17 number of sample 24 (Division I planting 							Comply	

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Criterion / Indicator		Assessment Findings	Compliance
		<p>year 2010, 2012 & 2015),</p> <ul style="list-style-type: none"> - Analysis report No. 126/INT/R&D/JUL/L/17 dated 02/08/17 number of sample 54 (Division II planting year 2008, 2009, 2010 & 2015), - Analysis report No. 098/INT/R&D/JUL/L/17 dated 18/07/17 number of sample 62 (Division III planting year 2009, 2011 & 2012), <p>Analysis report No. 081/INT/R&D/JUL/L/17 dated 04/07/17 number of sample 56 (Division IV planting year 2008 & 2010),</p>	
4.2.4	<p>A nutrient recycling strategy is recorded, including use of Empty Fruit Bunches (EFB), land application, and palm residues after replanting.</p> <ul style="list-style-type: none"> - Minor compliance - 	<p>The company applied EFB to increase the soil fertility with dosage 250 kg/palm tree.</p> <p>In year 2017 total EFB application in Batu Anam Estate was 25,919,470 kg. Applied in Division I in 25 block, total 2,000,800 kg; Division II in 26 block, total 2,818,620 kg; Division III in 28 block total 12,161,000 kg and Division IV in 28 block total 8,939,050 kg.</p> <p>In year 2018 total EFB applied in Batu Anam Estate was 4,674,330 kg : Division I total 828,000 kg; Division II total 629,600 kg; Division III total 1,901,100 kg, Division IV 1,315,630.</p> <p>While in Sentral Estate EFB application in 2017 was 19,169,980 Kg. Applied in Division I in 435 ha as much as 6,59,670 kg, Division II in 704 ha as much as 4,694,280 kg, Division III in 728 ha as much as 4,023,050 kg, Division IV in 717 ha as much as 3,932,980 kg.</p> <p>In year 2018 total EFB applied in Sentral Estate was 5,854,280 Kg: Division I 799,000 Kg, Division II 1,318,120 Kg, Division III 979,550 Kg, Division IV 2,757,610 Kg.</p>	Comply
Criterion 4.3:			
Practices minimise and control erosion and degradation of soils.			
4.3.1	<p>Maps of any fragile soils shall be available.</p> <ul style="list-style-type: none"> - Major compliance - 	<p>PT Gunung Melayu showed Peta Sebaran Satuan Tanah for Batu Anam Estate and Sentral Estate. The map indicated the predominant soil type consist of :</p> <ul style="list-style-type: none"> - Typic hapludults - Typic eutrudox - Typic endoaquepts 	Comply

Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> - Arenic hapludult <p>There is also topographic map indicating the elevation of Batu Anam Estate and Sentral Estate consist of 0-8% and >30%. The limitation for the area is steep slope on some area. PT Gunung Melayu did not open the area with steep slope > 30%. Topografi level consist of 40 – 90 m.</p>	
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>In procedure no. AA-SOP-OP-1100-05.R1 "Konservasi Tanah dan Air" has determined strategy control erosion particular in slope area, such as: 0 – 5° , 6 – 12° , 13 -20° , and more than 20°, The company has applied silt pit, L shape stacking frond and terracing in slope area to reduce erosion</p> <p>The realization of soil and water conservation work in Batu Anam Estate are:</p> <ol style="list-style-type: none"> 1. Maintenance of terraces, realization in 2017 total 111,247 m and in 2018 up to 03/2018 along the 29,477 meters. While in Sentral Estate terraces maintenance in 2017 was 101,636 m and in 2018 up to March was 20,784 m. 2. Maintenance "Tapak Kuda" individual platform, realization in 2017 Batu Anam Estate total 5,994 units and in 2018 up to 03/2018 total 409 units. While in Sentral Estate total 4,648 unit of individual platform maintenance in 2017 and in 2018 up to 03/2018 was 504 units. 	Comply
4.3.3	<p>A road maintenance program shall be in place.</p> <p>- Minor compliance –</p>	<p>Road maintenance program and progress was made and recorded in "Program dan Realisasi Pemeliharaan Jalan Manual, Mekanis dan Pengerasan Jalan 2017". Road maintenance implementation in Batu Anam Estate:</p> <ul style="list-style-type: none"> - Road maintenance mechanically using Grader/Road Grading in 2018 total 128,020 m (Afd I 43,300 m; Afd II 26,350 m; Afd III 20,260 m; Afd IV 38,110 m). Total in 2017 was 282,548 m from afd I – IV (Afd I 63,950 m; Afd II 66,970 m; Afd III 81,230 m; Afd IV 94,970 m) - Road maintenance manually and road service by spreading split stone in 2017 total 209,177 m and in 2017 ytd March 2018 was 269,353 m. - Road hardening in 2017 was 24,289 m with split stone volume 6,072 m³. <p>Road maintenance implementation in Sentral Estate:</p> <ul style="list-style-type: none"> - Road maintenance mechanically using Grader/Road Grading in 2017 total planed was 283,512 m from afd I – III. - Road maintenance manually and road service by spreading split stone in in 2017 total planed was 	Comply

Criterion / Indicator		Assessment Findings	Compliance
		<p>777,970 m and realization ytd May 2017 was 85,517 m from afd I – III.</p> <ul style="list-style-type: none"> - Road hardening planed in 2017 was 1,829 m3 split stone volume. <p>During field visit and audit in PT Gunung Melayu found that road condition was in good condition and well maintained.</p>	
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> <ul style="list-style-type: none"> - Major compliance – 	<p>According to Soil Map of PT Gunung Melayu "Peta Sebaran Satuan Tanah for Batu Anam Estate and Sentral Estate" there is no peat soil in PT Gunung Melayu. The map indicated the predominant soil type consist of :</p> <ul style="list-style-type: none"> - Typic hapludults - Typic eutrudox - Typic endoaquepts - Arenic hapludult <p>Therefore no subsidence of peat soil management needed.</p>	Comply
4.3.5	<p>Drainability assessments shall be required prior to replanting on peat to determine the long-term viability of the necessary drainage for oil palm growing.</p> <ul style="list-style-type: none"> - Minor compliance – 	<p>According to Soil Map of PT Gunung Melayu "Peta Sebaran Satuan Tanah for Batu Anam Estate and Sentral Estate" there is no peat soil in PT Gunung Melayu. The map indicated the predominant soil type consist of :</p> <ul style="list-style-type: none"> - Typic hapludults - Typic eutrudox - Typic endoaquepts - Arenic hapludult <p>Therefore no drainability assessment required.</p>	Comply
4.3.6	<p>A management strategy shall be in place for other fragile and problem soils (e.g. sandy, low organic matter, acid sulphate soils).</p>	<p>Based on soil analysis, there is no fragile soil in PT Gunung Melayu Batu Anam Estate, Sentral Estate and Aek tarum Estate. The Soil Type Map indicated the predominant soil type consist of :</p> <ul style="list-style-type: none"> - Typic hapludults - Typic eutrudox - Typic endoaquepts 	Comply

Criterion / Indicator		Assessment Findings	Compliance
	- Minor compliance –		
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 -	<p>The company has implemented water management plan based on related regulations. The management including the rainfall monitoring and all water usage, such as: water supply intake, water usage for consumption, mill process and total effluent.</p> <p>Data seen:</p> <p>Batu Anam Estate</p> <ul style="list-style-type: none"> - Izin Pengambilan Air Tanah, based on Keputusan Gubernur Sumatera Utara nomor 546.2/501/DPMPPTSP/6/XI.3b/VII/2017, dated 18th July 2017 - Water usage in Batu Anam Estate, year 2016 (53,519 m³), year 2017 (59,607 m³) and year 2018 until March (14,246 m³) <p>Sentral Estate:</p> <ul style="list-style-type: none"> - Izin Pengambilan Air Tanah, bases on Keputusan Gubernur Sumatera Utara nomor 546.2/499/DPMPPTSP/6/XI.3b/VII/2017, dated 18th July 2017 <p>Report of Water Usage (ABT), in July 2017 (9,726 m³), August 2017 (9,815 m³), September 2017 (9,396 m³), October 2017 (9,676 m³), November 2017 (9,498 m³) and December 2017 (9,599 m³).</p> <p>Gunung Melayu II Mill has a surface water permit permit, based on Decree of Governor of North Sumatera no. 610/2014/BPPTSU/2/12.1/XI/2015, dated November 18, 2015, on the Permission for Taking and Utilizing surface water from the Pinggul Toba River which is flowed into a holding pond, valid until November 18, 2018.</p> <p>The Company has regulated the use of water and has reported it to the District Revenue Office of Asahan Regency in the 4th Quarter/2017 period. The average water usage in December 2017 is 997 m³ or 8.04 m³/hour.</p>	Comply
4.4.2	Protection of water courses and wetlands, including securing	The organization has prepared the document on protection of water courses and wetlands, including securing and maintaining appropriate riparian and other buffer zones as in document "Praktek-praktek	Comply

Criterion / Indicator		Assessment Findings	Compliance														
	<p>and maintaining appropriate riparian and other buffer zones, at the time of or prior to replanting shall be demonstrated.</p> <p>- Major compliance -</p>	<p>Mempertahankan Kualitas dan Ketersediaan Air Permukaan dan Air Tanah” – Water Sustainable”.</p> <p>PT. Gunung Melayu also has developed a procedure to maintain soil fertility and water quality as stated in SOP for maintaining riparian zone is under SOP AA-APM-OP-1100.05. R1 “Konservasi Tanah dan Air”, it is stated that at during land clearing area along the river shall be conserved.</p> <p>Company has continuous terrace for hilly land, individual terrace for wave land, and drainage to collect rain water. 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>															
4.4.3	<p>Records for monitoring of effluent especially BOD (Biochemical Oxygen Demand) and efforts to comply with legal requirements, shall be available (see criteria 2.1 and 5.6).</p> <p>- Minor compliance –</p>	<p>Monitoring of effluent especially BOD (Biochemical Oxygen Demand) performed each month by accredited laboratory by Balai Teknik Kesehatan Lingkungan dan Pengendalian Penyakit (BTKLPP) Kelas I Medan. Based on the test results of BOD parameters are still below the quality standard in accordance PERMEN-LH No.KEP-51/MENLH/10/1995, Appendix B IV (100 mg/L).</p> <p>Report of flow meter to effluent and land application period March 2018, with volume effluent as 8638 m3.</p> <p>Monitored Well Measurement (Sumur pantau) in land application area was conducted on December 4, 2017 by Balai Teknik Kesehatan Environments and Disease Control (BTKLPP) Class I Medan at sample location at D08R Block of Sentral Estate, result: pH: 7.36 (Baku Mutu/BM: 6-9) and BOD 14.15 mg/L (BM: 5000 mg/L).</p> <p>Records for monitoring of effluent especially BOD (Biochemical Oxygen Demand), year 2017:</p> <table border="1"> <thead> <tr> <th>Month</th> <th>BOD in mg/L (std <5000)</th> </tr> </thead> <tbody> <tr> <td>January</td> <td>4,203.20</td> </tr> <tr> <td>February</td> <td>4,353.74</td> </tr> <tr> <td>March</td> <td>4,328.38</td> </tr> <tr> <td>April</td> <td>4,015.20</td> </tr> <tr> <td>May</td> <td>4,207.10</td> </tr> <tr> <td>June</td> <td>4,215.5</td> </tr> </tbody> </table>	Month	BOD in mg/L (std <5000)	January	4,203.20	February	4,353.74	March	4,328.38	April	4,015.20	May	4,207.10	June	4,215.5	Comply
Month	BOD in mg/L (std <5000)																
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Criterion / Indicator		Assessment Findings			Compliance																								
		July	4,180.64																										
		August	4,101.00																										
		September	4,322.20																										
		October	4,220.00																										
		November	4,278.40																										
		December	4,214.08																										
		Based on the test results of BOD parameters are still below the quality standard in accordance KepMenLH no 28-29 tahun 2003 Tentang Pedoman Syarat dan Tata Cara Perizinan Pemanfaatan Air Limbah Minyak Sawit di Perkebunan Kelapa Sawit.																											
4.4.4	Monitoring of mill water use per ton of FFB shall be recorded. - Minor compliance –	PT. Gunung Melayu, Gunung Melayu II POM recording the mill water use per tonne FFB each month. The record of water use available in "Pemakaian air dan HSD Oil per metrik FFB". In 2017, the budget of water use for FFB process sets at 1.4 m ³ /ton FFB processed: Monitoring of mill water use per ton of FFB year 2017: <table border="1" data-bbox="647 959 1256 1390"> <thead> <tr> <th>Month</th> <th>Water usage of POM (m³)</th> <th>Water usage per Ton FFB m³/ton FFB)</th> </tr> </thead> <tbody> <tr> <td>January</td> <td>19,525</td> <td>1.23</td> </tr> <tr> <td>February</td> <td>15,370</td> <td>1.44</td> </tr> <tr> <td>March</td> <td>19,179</td> <td>1.18</td> </tr> <tr> <td>April</td> <td>26,654</td> <td>1.19</td> </tr> <tr> <td>May</td> <td>31,739</td> <td>1.21</td> </tr> <tr> <td>June</td> <td>29,237</td> <td>1.25</td> </tr> <tr> <td>July</td> <td>34,181</td> <td>1.19</td> </tr> </tbody> </table>			Month	Water usage of POM (m ³)	Water usage per Ton FFB m ³ /ton FFB)	January	19,525	1.23	February	15,370	1.44	March	19,179	1.18	April	26,654	1.19	May	31,739	1.21	June	29,237	1.25	July	34,181	1.19	Comply
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Criterion / Indicator		Assessment Findings			Compliance
		August	35,361	1.15	
		September	33,636	1.22	
		October	31,675	1.31	
		November	26,246	1.21	
		December	28,196	1.30	
		Total	330,999	1.23	
Criterion 4.5:					
Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.					
4.5.1	Monitoring of Integrated Pest Management (IPM) plan implementation shall be available. - Major compliance -	<p>The company has Integrated Pest Management and its implemented, such as:</p> <p><u>Batu Anam Estate:</u></p> <ol style="list-style-type: none"> 1. Planting "Beneficial Plant" such as: Cassia tora, Antigonon leptosus and Tunera subulata were recorded every month in the "Monitoring Host plant", e.g. planting benefecial plant from January – December 2017: 8,553 spot of hostplan; while in 2018 from January – March was 9,889 spot of hostplan. 2. Barn owl introduction and conservation as a natural enemies of pest/rats. Summary of the owl census in January 2018: the number of owl barn as much as 125 units, 81 % an active owl barn and the number of owls 101 burung dewasa, 29 burung muda dan 51 telur. tails. eg in afdeling I; number of owl barn as much as 33 boxes, the number of active owl barn as many as 85% with owl total 28 mature birds, 2 young bird and 13 egg owl. 3. Rats and thirataba census which performed each 3 month to monitor the rats and thirataba attack. Based on lates monitoring on period March 2018, there is no attack of rats and thirataba. 4. Leaf eaters census recapitulation period January- March 2018, the leaf eater attack is below than 1% and control by biological ways using natural enemies. 5. Census ganoderma up to March 2018 palm attacked 2,468 palm and 2,468 palm was cut down, the rest is left because of the attack rate >20% per block. Grand total ganoderma census 2012-2018 was 			Comply

Criterion / Indicator		Assessment Findings	Compliance
		<p>30,044 palm attacked and palm suspect has been cutdown 29,095 palm tree.</p> <p><u>Sentral Estate:</u></p> <ol style="list-style-type: none"> 1. Planting "Beneficial Plant" such as: Cassia tora, Antigonon leptopus and Tunera subulata were recorded every month in the "Monitoring Host plant", e.g. planting benefecial plant from January – December 2017: 8,387 spot of hostplan; while in 2018 from January – March was 9,153 spot of hostplan. 2. Census Rats and Thirataba performed each 3 month, latest performed in March 2018 there were 21 palm attacked with average level of attack 0.3% categorized as light attack (Division I 0.12%, Division II 0.16% and Division III 0.07%). 3. Census Ganoderma up to March 2018 was 392 palm attacked and 392 palm has been cut down. 4. Summary of the owl census in January 2018: the number of owl barn as much as 114 units, 101 units an active owl barn and the number of mature owls 101, young owl 30 and 61 egg. For example in afdeling I; number of owl barn as much as 26 boxes, the number of active owl barn as many as 22 with owl totaled 22 mature owl, young owl 8 and egg owl 12. 5. Leaf eaters census recapitulation period January- March 2018, the leaf eater attack is below than 1% and control by biological ways using natural enemies. 	
4.5.2	<p>Training records of Integrated Pest Management (IPM) shall be available.</p> <p>- Minor compliance –</p>	<p>Integrated Pest management training has been conducted in Batu Anam Estate on 20 February 2108 by R&D team, attended by 16 PHT workers.</p> <p>While in Sentral Estate Integrated Pest management training conducted in 8 February 2018 by Tumpa Panjaitan (R&D Manager) attended by 14 PHT workers.</p> <p>Evidence of training can be demonstrated such as: attendant list, training material and photo documentation. Duirng interview with several PHT wokers can be demonstrated that they have a sufficient understanding on integrated pest management in Palm Oil Plantation.</p>	Comply
Criterion 4.6:			
Pesticides are used in ways that do not endanger health or the environment			
4.6.1	Documented evidence shall be	There is documented justification for all Agrochemical use determining the reason for the use of certain	Comply

Criterion / Indicator	Assessment Findings	Compliance																
<p>available to show that pesticide used based on regulations and the use of pesticide is specific to target species with appropriate dosage which have minimal impact on non-target species.</p> <p>- Major compliance -</p>	<p>chemicals. There is an updated register which records products used, when required, amounts to be used and frequency of use.</p> <p>The justification of pesticide used in PT Gunung Melayu is explained under company procedure. PT 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 (Musa spp), Aystasia. It does explain active ingredients use to control such weed, dosage per application, type of nozzle used and volume of spraying per application.</p> <p>In chapter V explains selection of pesticide and its active ingredients content, nature of the pesticide and target species.</p> <p>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.</p> <p>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> <p>Type of pesticide use by PT Gunung Melayu and its weeds target: Batu Anam Estate:</p> <table border="1" data-bbox="651 1018 1883 1351"> <thead> <tr> <th>Type of Pesticide</th> <th>Active Ingredients</th> <th>Register No.</th> <th>Weeds target</th> </tr> </thead> <tbody> <tr> <td>Dithane M-45</td> <td>Mankozeb 80%</td> <td>RI.010201197459, valid until 23 June 2016</td> <td>Fungi</td> </tr> <tr> <td>Agronil 75 WP</td> <td>Klorotanil 75%</td> <td>RI.01020120114105, valid until 9 January 2017</td> <td>Cerospora capsici, atraknosa, Colletrotrichum capsici</td> </tr> <tr> <td>Gramoxone</td> <td>Paraquat</td> <td>RI.010301197436, valid until 12/12/2020</td> <td>Stenohlaena, hard stems weeds, narrow and wide leafs weeds</td> </tr> </tbody> </table>	Type of Pesticide	Active Ingredients	Register No.	Weeds target	Dithane M-45	Mankozeb 80%	RI.010201197459, valid until 23 June 2016	Fungi	Agronil 75 WP	Klorotanil 75%	RI.01020120114105, valid until 9 January 2017	Cerospora capsici, atraknosa, Colletrotrichum capsici	Gramoxone	Paraquat	RI.010301197436, valid until 12/12/2020	Stenohlaena, hard stems weeds, narrow and wide leafs weeds	
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Criterion / Indicator		Assessment Findings				Compliance	
		Metsulindo 20WP	Metil Metsulfuron 20%	RI.01030119991484, valid until 05/5/2021	narrow and wide leafs weeds		
		Bionasa 480AS	Glifosat	RI.01030120031806 valid until 29/04/2018	narrow and wide leafs weeds		
		Elang 480 SL	Glifosat	RI.01030119941170 valid until 12/12/2021	narrow leafs weeds		
		Polydor 25EC	Lamda sihalotrin	RI.0101012004994 berlaku s.d 09/12/2018	Catterpillar		
		Kenrane	Floroksipir	RI.01010120114137, valid until 9 January 2017	narrow leafs weeds		
		Sentral Estate:					
		Type of Pesticide	Active Ingredients	Register No.	Weeds target		
		Nordox 86 WG		RI.01020120042112, valid until 17 October 2019	Oryctes		
		Ally	Metil Metsulfuron	RI.01010119921006, valid until 31 December 2019	narrow and wide leafs weeds		
		Gramoxone	Paraquat	RI.010301197436, valid until 12/12/2020	Stenohlaena, hard stems weeds, narrow and wide leafs weeds		
		Metsulindo 20WP	Metil Metsulfuron 20%	RI.01030119991484, valid until 05/5/2021	narrow and wide leafs weeds		
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		Solusi 865 SL	Karbaril 85%	RI.01030120031931, valid until 6 October 2022																																																																																														
4.6.2	Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per Ha and number of applications shall be available. - Major compliance -	<p>PT Gunung Melayu has recorded the pesticide use and reported each month in "Laporan unit Kebun". Below is the record of pesticide use including active ingredients used and their LD50, area treated, amount of active ingredients applied per Ha and number of applications.</p> <p><u>Batu Anam Estate:</u></p> <table border="1"> <thead> <tr> <th rowspan="2">Type of Pesticide</th> <th rowspan="2">Active Ingredients</th> <th colspan="2">Application</th> <th colspan="2">applied per ha</th> <th rowspan="2">LD50 mg/kg bw mouth</th> </tr> <tr> <th>2016</th> <th>in 2017 (ytd April)</th> <th>2016</th> <th>in 2017 (ytd April)</th> </tr> </thead> <tbody> <tr> <td>Agronil 75 WP</td> <td>Klorotalonil</td> <td>68 litre</td> <td>26 litre</td> <td>0.021</td> <td>0.008</td> <td>> 10,000</td> </tr> <tr> <td>Dithane M-45</td> <td>Mankozeb 80%</td> <td>163 litre</td> <td>50 litre</td> <td>0.051</td> <td>0.015</td> <td>> 5000</td> </tr> <tr> <td>Kenlon 480 EC</td> <td>Triclopir butoksi etil ester</td> <td>537 litre</td> <td>9 litre</td> <td>0.170</td> <td>0.002</td> <td>> 100</td> </tr> <tr> <td>Gramoxone</td> <td>Paraquat</td> <td>346 litre</td> <td>87 litre</td> <td>0.109</td> <td>0.027</td> <td>65</td> </tr> <tr> <td>Metsulindo 20WP</td> <td>Metil Metsulfuron 20%</td> <td>221 litre</td> <td>88.6 litre</td> <td>0.070</td> <td>0.028</td> <td>50</td> </tr> <tr> <td>Bionasa 480AS</td> <td>Glifosat</td> <td>1,690</td> <td>699.2 litre</td> <td>0.534</td> <td>0.221</td> <td>5,600</td> </tr> <tr> <td>Elang 480 SL</td> <td>Glifosat</td> <td>1,300 litre</td> <td>866.9 litre</td> <td>0.608</td> <td>0.274</td> <td>5,600</td> </tr> <tr> <td>Rhodiamine 865 SL</td> <td>2-4 Dimetil Amina</td> <td>5.372 litre</td> <td>1.7 litre</td> <td>0.0017</td> <td>0.00053</td> <td>> 5,000</td> </tr> </tbody> </table> <p><u>Sentral Estate:</u></p> <table border="1"> <thead> <tr> <th rowspan="2">Type of Pesticide</th> <th rowspan="2">Active Ingredients</th> <th colspan="2">Application in 2018 (Jan – March)</th> <th colspan="2">application</th> <th rowspan="2">LD50 mg/kg bw mouth</th> </tr> <tr> <th>Volume</th> <th>Active Ingredient</th> <th>Per ha</th> <th>Per kg FFB</th> </tr> </thead> <tbody> <tr> <td>Nordox 86 WG</td> <td></td> <td>5 kg</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Ally</td> <td>Metil Metsulfuron</td> <td>68,500 kg</td> <td>13,700</td> <td></td> <td></td> <td></td> </tr> </tbody> </table>				Type of Pesticide	Active Ingredients	Application		applied per ha		LD50 mg/kg bw mouth	2016	in 2017 (ytd April)	2016	in 2017 (ytd April)	Agronil 75 WP	Klorotalonil	68 litre	26 litre	0.021	0.008	> 10,000	Dithane M-45	Mankozeb 80%	163 litre	50 litre	0.051	0.015	> 5000	Kenlon 480 EC	Triclopir butoksi etil ester	537 litre	9 litre	0.170	0.002	> 100	Gramoxone	Paraquat	346 litre	87 litre	0.109	0.027	65	Metsulindo 20WP	Metil Metsulfuron 20%	221 litre	88.6 litre	0.070	0.028	50	Bionasa 480AS	Glifosat	1,690	699.2 litre	0.534	0.221	5,600	Elang 480 SL	Glifosat	1,300 litre	866.9 litre	0.608	0.274	5,600	Rhodiamine 865 SL	2-4 Dimetil Amina	5.372 litre	1.7 litre	0.0017	0.00053	> 5,000	Type of Pesticide	Active Ingredients	Application in 2018 (Jan – March)		application		LD50 mg/kg bw mouth	Volume	Active Ingredient	Per ha	Per kg FFB	Nordox 86 WG		5 kg					Ally	Metil Metsulfuron	68,500 kg	13,700				Comply
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Gramoxone	Paraquat	346 litre	87 litre	0.109	0.027	65																																																																																												
Metsulindo 20WP	Metil Metsulfuron 20%	221 litre	88.6 litre	0.070	0.028	50																																																																																												
Bionasa 480AS	Glifosat	1,690	699.2 litre	0.534	0.221	5,600																																																																																												
Elang 480 SL	Glifosat	1,300 litre	866.9 litre	0.608	0.274	5,600																																																																																												
Rhodiamine 865 SL	2-4 Dimetil Amina	5.372 litre	1.7 litre	0.0017	0.00053	> 5,000																																																																																												
Type of Pesticide	Active Ingredients	Application in 2018 (Jan – March)		application		LD50 mg/kg bw mouth																																																																																												
		Volume	Active Ingredient	Per ha	Per kg FFB																																																																																													
Nordox 86 WG		5 kg																																																																																																
Ally	Metil Metsulfuron	68,500 kg	13,700																																																																																															

Criterion / Indicator		Assessment Findings							Compliance
		Gramoxone	Paraquat	86 L	17 L	0.01		65	
		Metsulindo 20WP	Metil Metsulfuron 20%	73 L	14.6 L	0.57		50	
		Bionasa 480AS	Glifosat	69 L	57 L	0.02		5,600	
		Polydor 25EC	Lamda sihalotrin	670.10 L					
		Metafuron 20WP	Metil Metsulfuron 20%	10 kg	2 kg	0.08			
		Solusi 865 SL	Karbaril 85%	191.4 L	162.69 L	6.30			
4.6.3	Any use of pesticides shall be minimized 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 Indonesia Best Practice guidelines. - Major compliance -	<p>There is no used of prophylactic use of pesticides throughout the company.</p> <p>The use of pesticides has been minimised as part of a plan, and in accordance with Integrated Pest Management (IPM) plans. Use of pesticides in the field was always lower than the planned budget. It also shows the company's commitment to always reduce pesticide usage and give priority to the prevention of mechanical, biological and integrated pest management.</p> <p>Company also has a policy of paraquat usage No. 001/HP/INT/IX/2009 dated 1 September 2009 regarding reducing of usage herbicide containing paraquat.</p>							Comply
4.6.4	The evidence shall be available to demonstrate that use of Pesticides, categorized in Class 1A or 1B by World Health Organization, or those are listed in the Stockholm and Rotterdam Conventions, and paraquat are not used, except in specific situations identified in national Best Practice guidelines. The use of such pesticides shall be minimized and eliminated as part of a	<p>The company has demonstrated to reduce using paraquat and no using pesticides as categorized Class IA or 1B.</p> <p>Paraquat is still used in the Estates. Data of Paraquat used has been provided since 2012. Budget of Paraquat is decreased every year. It was observed that Paraquat used was under the target. To reduce Paraquat use, Estates implement Selective Spraying and Site Specific which agrochemical is only used in targeted weeds, no spraying in riparian buffer zones.</p> <p>Company also has a policy of paraquat usage No. 001/HP/INT/IX/2009 dated 1 September 2009 regarding reducing of herbicide usage containing paraquat.</p> <p>Below are the Paraquat usage (Gramoxone) from year 2015 – 2018 by PT Gunung Melayu:</p> <p>2015: 498 L 2016: 472.6 L 2017: 412.4 L</p>							Comply

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	<p>plan, and shall only be used in exceptional circumstances.</p> <p>- Minor compliance -</p>	
<p>4.6.5</p>	<p>Evidence of pesticide application by trained person and in accordance with application guidelines in product label and storage guidelines shall be available. Appropriate safety equipment shall be provided and utilized. All precautions attached to the products shall be properly observed, applied, and understood by workers (see Criterion 4.7).</p> <p>- Major compliance -</p>	<p>Comply</p>
<p>4.6.6</p>	<p>Storage of pesticides shall be according to recognised best practices. All pesticides</p>	<p>Comply</p>

Criterion / Indicator	Assessment Findings	Compliance
<p>containers shall be properly managed according to the existing regulations and or instructions enclosed on the containers (see criterion 5.3).</p> <p>- Major compliance -</p>	<p>No. AA-KL-06-EFP.</p> <p>The company already had a pesticides warehouse and pesticide containers washing and bathing places for the sprayers.</p> <p>Based on a field visit to the pesticides Warehouse in Sentral Estate (date 18th April 2018), 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 box <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>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>4.6.7</p> <p>Application of pesticides shall be by proven methods that minimize risk and negative impacts.</p>	<p>Based on field visit to Batu Anam Estate (date 17th April 2018) and Sentral Estate (date 18th April 2018 in block D12J division II), 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</p>	<p>Comply</p>

Criterion / Indicator	Assessment Findings	Compliance
- Minor compliance -	<p>path spray or selective weeding (wooden, bracken, or VOP). Nozzle calibration conducted regularly and recorded (weekly)– evident, e.g:</p> <ul style="list-style-type: none"> - Record of flow rate calibration (cc/minute) Nozzle, dated 23 March 2018, flow rate average (219 mL/minute). - Record of flow rate calibration (cc/minute) Nozzle, dated 16 March 2018, flow rate average (218 mL/minute). <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 checkup. Clean water and soap on the field are provided for sprayer. Supervisor equipped with first aid kit.</p>	
4.6.8	<p>Pesticides may only be applied aerially where there is a documented justification. Surrounding 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> <p>Not applicable N/A</p>
4.6.9	<p>Evidence of training on handling pesticide for workers and scheme smallholder (if any) shall be available.</p> <p>- Minor compliance -</p>	<p>PT. Gunung Melayu has provided limited pesticide training for sprayers. Latest training on limited pesticide use “Pelatihan Pestisida Terbatas” conducted on 22/08/2017, conducted by “Komisi Pengawasan Pupuk dan Pestisida – North Sumatera Propince), was attended by 25 workers, e.g: Mrs Lisnawati, Mrs Nurhayati, Mrs Nganina, Mr Chairul Sahar (chemical storekeeper)</p> <p>Material Data Safety Sheets (MSDS) are evident for all chemicals used and are available at the storage and areas of mixing.</p> <p>List of attendance of socialization on prohibition of spraying in riparian dated 24th January 2018, was</p> <p>Comply</p>

Criterion / Indicator	Assessment Findings	Compliance
	<p>attended by 25 workers. During interview with spraying workers in the field, indicated that they have a sufficient understanding related to pesticide handling such as: active ingredients, MSDS, spraying technique, weeds target, safe working practice, etc.</p> <p>No scheme smallholders.</p>	
<p>4.6.10 Proof that pesticide waste has been handled as per legal regulations and understood by worker and manager, shall be demonstrated.</p> <p>- Minor compliance -</p>	<p>Pesticide waste have been identified and documented under the "Evaluasi Aspek-Dampak Lingkungan" (Environmental Aspect impacts). PT Gunung Melayu has a waste management plan, identifying type and source of waste and the disposal plan.</p> <p>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.</p> <p>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 Indostar Cargo (SPK: no 003/AA-SDLI-ISC-PPLI/III-2017, dated 3rd March 2017)</p> <p>Records of empty containers pesticides stock and disposal were available in "Neraca Limbah B3" and "Manifest Limbah B3". During audit, indicated that company can be demonstrated the proper disposal of empty containers pesticides. Each quarter the waste management of empty containers pesticides also reported to local Environmental Agency of Asahan Regency and North Sumatera Province. Last report conducted for period October – December 2017, based on letter no 98/KSN-GME/Ext/Mgr/III/2018, dated 14th March 2018.</p>	<p>Comply</p>
<p>4.6.11 Annual medical records of pesticide operators, and follow-up treatment of medical results, shall be available.</p> <p>- Major compliance -</p>	<p>Company provides medical checkup for workers related to agrochemical and fertilizer. The test covers blood hematology (incl. cholinesterase), urine test, liver function, kidney function, and respiratory checks. The latest medical checkup carried out 16, 27 and 29 March 2018 in Batu Anam Estate and in Sentral Estate. MCU was attended by 188 workers.</p> <p>The result of MCU has communicated to workers and the follow-up treatment are available as evident.</p> <p>Batu Anam Estate:</p> <p>Company provides medical check up for workers related to agrochemical and fertilizer. The test covers blood hematology (incl. cholinesterase), urine test, liver function, kidney function, and respiratory checks.</p>	<p>Comply</p>

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		<p>The latest medical check up carried out on August 2017 in Batu Anam Estate to all employees.</p> <p>Medical check up performed by Laboratorium Gatot Subroto Medan against workers consist of 2 agrochemical storage workers, 14 spraying workers, 2 spraying foreman, 47 fertilizing workers and 2 fertilizing foreman.</p> <p>Based on MCU result by cholinesterase check, all workers indicated normal and there is no workers with signs of intoxication the health status of sprayers are fit to work.</p>	
4.6.12	<p>Records shall be available to show that spraying is not conducted by pregnant or breast-feeding women.</p> <p>- Major compliance -</p>	<p>Based on interview with female workers in spraying application (in Batu Anam Estate dated 17th April 2018 and in Sentral Estate dated 18th April 2018), there was confirmed that no pregnant and/or breast-feeding allowed to performed chemical/pesticides work, e,g Mrs Kasti, Mrs Rumiayati, Mrs Suningsih, Mrs Ramayani, Mrs Romenda.</p> <p>Estate management conducting monthly pregnancy check for all female workers (spraying team and fertilizer applicator) by test pack. Record of monthly pregnancy check recorded in "Logbook Monitoring Pemeriksaan Kehamilan" year 2018. Based on latest check in March 2018 both in Batu Anam Estate and Sentral Estate shown that there is no spraying workers and fertilizing workers who indicated positive pregnant.</p>	Comply
Criterion 4.7:			
An occupational health and safety plan is documented, effectively communicated and implemented. The health and safety plan shall cover the following:			
4.7.1	<p>A health and safety policy shall be in place. A health and safety plan shall be documented and implemented, and its effectiveness monitored.</p> <p>- Major compliance -</p>	<p>There was no any significant change related to OHS policy from previous visit. The OHS policy has 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</p> <p>PT. Gunung Melayu has prepared and documented the OHS Plan as in "Program Management K3 Tahun 2018", dated 24th January 2018. The health and safety program covers road maintenance monitoring, provide PPE for high risk worker, emergency infrastructure checklist, medical checkup for workers and provision of first aid kit, safety committee meeting, provide relevant training and communicating the health and safety policies.</p> <p>The record of implementation of OHS program explained at indicator 4.7.3.</p>	Comply

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	<p><u>Batu Anam Estate:</u></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</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 1 December 2010.</p> <p>Health and safety program as in "Program management K3 PT Gunung Melayu 2018 Kebun Batu Anam" approved in 11/01/2018 is evident. The health and safety program covers road maintenance monitoring, provide PPE for high risk worker, emergency infrastructure checklist, medical checkup for workers and provision of first aid kit, safety committee meeting, provide relevant training and communicating the health and safety policies. Interview with personnel involving in K3 program implementation (P2K3) indicated that they have understand and aware on the OHS program.</p>	
<p>4.7.2</p>	<p>A documented risk assessment shall be available and its implementation shall be recorded.</p> <p>- Major compliance -</p> <p>The company has prepared the procedure of risk assessment</p> <p>The document of risk assessment available under "Analisa Resiko KSN Tahun 2018", last review on 4th January 2018. The risk assessment has covered for all activities in plantation and mill, such as: chemical mixing, fertilizer warehouse, herbicide and pesticide sprayer, harvesting, road maintenance, HCV Monitoring, Boundary Monitoring, land application maintenance.</p> <p>Batu Anam Estate</p> <p>Company has document risk assessment, including for boiler operation, sterilizer operation, generator set operation, loading ramp activity, cleaning of CPO storage tank, chemical mixing, fertilizer warehouse, herbicide and pesticide sprayer, harvesting, road maintenance, HCV Monitoring, Boundary Monitoring, land application maintenance, etc.</p> <p>The company has conducted HIRADC for all areas and it was observed that the workers understood their risk, last updated in 4th January 2018.</p> <p>Engineering control was implemented to prevent hearing loss, e.g. install noise reduction agent and</p>	<p>Comply</p>

Criterion / Indicator	Assessment Findings	Compliance
	administrative by erected signboard of noise area, as described in Risk.	
<p>4.7.3</p> <p>Records of Occupational Health and Safety (OHS) program (see 4.8) and Personal Protective Equipment (PPE) training in accordance with the result of hazard identification and risk analysis shall be available to all workers.</p> <p>- Major compliance -</p>	<p>The company has prepared the Standard Operating Procedure on personal protective equipment No.AA-SOP-OP-101.3-R0 dated 14/08/2013.</p> <p>The record of implementation of OHS program year 2017 were available, such as:</p> <ul style="list-style-type: none"> - Training on first aid/emergency response, dated 5th October 2017, attended by 58 workers - HIRACD training, dated 22th February 2017, attended by 43 workers - Training on basic fire, carried out on 8th December 2017, was attended by 57 workers - Checklist on inspection of PPE using (daily) "Daftar Periksa Alat Pelindung Diri", e.g: in Division III for harvester in January, February and March 2018 – evident. - Record of handover of PPE and uniform for employee, e.g: on 6th March 2018 for operator in workshop (safety shoes), on 15th January 2018 for harvesters in Division III. - Report of annual medical checkup for all employee, conducted by Laboratorium Gatot Subroto Medan, last MCU carried out in August 2017 - Sample record of Form Medical Check Up, e.g: dated 14th March 2018 namely Mr Edy R, Mr Wardianto, Mr Suratirim. - Fire drill/simulation dated 19 January 2018, location in Gunung Melayu POM. Evident verified: scenario, evaluation, recommendation, list of attendance. <p><u>Batu Anam Estate:</u></p> <p>Records of Occupational Health and Safety (OHS) program available in "program manajemen K3 PT Gunung Melayu –Kebun Batu Anam (KBA) 2018" approved by Estate Manager and Mill manager, including to reducing working accident, OHS campaign, meeting of OHS committee, medical surveillance to certain workers.</p> <p>Training and monitoring regarding PPE usage has conducted in accordance to risk Assessment conducted on monthly based as recorded on January February March and April, 2018. Morning muster consist PPE checking conducted on daily base.</p>	<p>Comply</p>

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		<p><u>Gunung Melayu II POM:</u> OHS Program available covering OHS socialization, implementation, monitoring and measurement including regular Training PPE which is conducted every Monday as Toolbox meeting and inspection of PPE usage.</p>	
4.7.4	<p>The responsible person(s) for occupational health and safety shall be identified and there shall be records of periodical meetings on health and safety issues.</p> <p>- Major compliance -</p>	<p>PT. Gunung Melayu has assigned Mr. Kiki Fadli as responsible person for occupational Health and safety implementation (AK3-Umum, OHS expert).</p> <p>The safety committee has established based on "Surat Keputusan Kepala Dinas Tenaga Kerja Sumatera Utara Nomor KEP.1025-7/DTK/SU/2017", dated 8th June 2017.</p> <p>Periodical meeting conducted regularly on monthly base, last meeting on 3rd April 2018. The minute of meeting available as evident.</p> <p><u>Batu Anam Estate:</u> Company assigned Mr. Christofel L. Tobing as responsible person for occupational Health and safety implementation for Batu Anam Estate. Periodical meeting conducted on monthly base regularly. Meeting on 25 March 2018 is evident discussing health & safety issues.</p> <p><u>Gunung Melayu II POM:</u> Mr. Toni H. Siregar assigned as responsible person for OHS implementation.</p> <p>Record of periodical meeting available, for example meeting on March, 2018 discussion regarding accident recording, updating PPE Checklist, monitoring of PPE handover to workers.</p> <p>Three month report of P2K3 to Dinas Tenaga Kerja Asahan Regency for period January – March 2018, reported on 22nd March 2018.</p>	Comply
4.7.5	<p>A procedure for emergency and work accident shall be available in Indonesian Language; and the workers, who have attended First Aids training, are available in the working areas.</p>	<p>There was no change related to a procedure for emergency and work accident, such as: Accidents and emergency procedures no. AA-EMS-446-PR (operation control), AA-EMS-447-PR (Kesiagaan & Tanggap darurat/Emergency preparedness), AA-EMS-001-FM (Emergency plan), AA-EMS-003-FM (Emergency incident), and AA-EMS-004-FM (Emergency incident Reporting).</p> <p>Those procedures is socialized and available in notice board in site, during interviewed with workers, it was seen that they understood. Emergency call phone also is available in all site operation</p>	<p>NC #1621854-201804-N2 OPEN</p>

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- Minor compliance -	<p>PT Gunung Melayu has assigned the first aider namely Mr Elvinaria Situmorang (license No 22/P3K/2016), dated 1 June 2016.</p> <p>The company also carried out the training on first aid/emergency response, dated 5th October 2017, attended by 58 workers.</p> <p>Document seen: Laporan Kasus Kecelakaan Kerja Tahap I (formulir 3 KK 1) BPJS Ketenagakerjaan, dated 19th December 2017, namely Mr Abd M (harvester). The accident has been investigation and the correction has implemented.</p> <p>Accidents and emergency procedures no. AA-EMS-446-PR (operation control), AA-EMS-447-PR (Kesiagaan & Tanggap darurat/Emergency preparedness), AA-EMS-001-FM (Emergency plan), AA-EMS-003-FM (Emergency incident), and AA-EMS-004-FM (Emergency incident Reporting).</p> <p>Those procedures is socialized and available in notice board in site, during interviewed with workers, it was seen that they understood. Emergency call phone also is available in all site operation.</p> <p>Assigned trained in First Aid sighted present with First Aid Kit available in various workplace on monthly based. Training and monitoring record for January until April 2017 available.</p> <p>Training first aid Kit conducted for several employee, however some of harvesting and spraying employee can not demonstrate or explain how to conduct first aid. The person who served as the first aider and brought the first aid kit was the Foreman/Mandor, so that the handling of related minor accidents requiring first aid carried by the foreman/Mandor. During interview and field visit Foreman/mandor can be demonstrated the understanding of first aid handling and has completed by first aid kit.</p> <p>First aid training conducted to all field mandor as recorded on July 14th, 2016 in Batu Anam Estate and in June 20th 2016 in Aek Tarum Estate.</p> <p>Based on visit in fertilizer store in Sentral Estate (date 18-04-2018), auditor found some of medicines in first aid box was expired. Example: bethadine (ED September 2016), Bioplacenton (ED January 2017)</p>	
4.7.6	<p>All workers provided with medical care, and covered by accident insurance (BPJS Kesehatan and Company Medical Facility).</p> <p>For new temporary worker medical care covered by company medical facility untill national insurance</p>	Comply

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<p>critierion 6.5.3). - Minor compliance –</p>	<p>program issued. Based on visit in Poliklinik in Batu Anam Estate (date 17 April 2018) and in Sentral Estate (dated 18 April 2018) there were a company doctor (namely dr. Widianty), nurse (namely Mrs Elvinaria Situmorang). Batu Anam Estate All workers as many 571 employees are provided with medical care, and covered by accident insurance (BPJS Kesehatan and Company Medical Facility). Example Mr. Aji Siregar, workshop mechanic has provided by BPJS Kesehatan. For new temporary worker medical care covered by company medical facility until national insurance program issued. Data verified: - Izin Sarana Pelayanan Kesehatan based on Surat Izin Bupati Asahan nomor 503/BPS/BPPPM/0855/V/2013, dated 29th May 2013 valid until 5 years. - Payment on BPJS Kesehatan for period April 2018 (date 13/4/2018), amount Rp XX.226.576 – reference number 46524618041317084131915. - Payment on BPJS Ketenagakerjaan for period April 2018 (dated 13/4/2018), amount Rp XX.131.101 – reference number 4652461804131708413195</p>	
<p>4.7.7 Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics. - Minor compliance</p>	<p>The organization has recorded the occupational injuries using LTA metrics. Since 2017 in Sentral Estate, there were 66 incidents reported with LTA is 58 man days. <u>Batu Anam Estate</u> Lost time injuries recorded and reported to authorized party, as defined in OHS Committee report three monthly period. During year 2017 total lost time injuries was 2 (two) days. During year 2017 until end of May 2017 total lost time injuries was 2 (two) days). Up to March 2018 Lost time injury record was 2 days.</p>	<p>Comply</p>
<p>Criterion 4.8: All staff, workers, smallholders and contract workers are appropriately trained.</p>		

Criterion / Indicator	Assessment Findings	Compliance
<p>4.8.1 Records of training program related to the aspects of RSPO Principles and Criteria shall be available.</p> <p>- Major compliance -</p>	<p>The organization has shown the document of Training Program as in "Program Pelatihan Environment and Sustainability" year 2018, developed by Asian Agri Learning Institute. The training program such as:</p> <ul style="list-style-type: none"> - Sustainability awareness - Traceability and Mass balances training - HCV awareness training - Training on environmental management, monitoring and reporting - Training on basic fire - Training on first aid - Training on handling of hazardous waste <p>Record of training related to RSPO PnC (Bukti Realisasi Pelatihan), e.g:</p> <ul style="list-style-type: none"> - List of Attendance on training of Investigation, dated 28th April 2017, attended by 25 workers - List of Attendance on HIRACD training, dated 22th February 2017, attended by 43 workers - List of attendance on first aid training, dated 5th October 2017, attended by 58 workers <p>Training on basic fire, carried out on 8th December 2017, was attended by 57 workers.</p>	<p>Comply</p>
<p>4.8.2 Records of training for each employee shall be maintained.</p> <p>- Minor compliance –</p>	<p>The organization has prepared the training record for each employee as in document "Personal Data Training – Staff dan Karyawan".</p> <p>Data seen of Personal Data Training, e.g:</p> <ul style="list-style-type: none"> - Mr Selamat (upkeep supervisor) - training records: corporate culture (2012), first aid training (2013) - Mr Tumino (spraying supervisor) – training records: corporate culture (2012) - Mr Siden Tarigan (upkeep woker) – training record nill - Gatot Sibuea (estate manager) <p>However, the training record has not updated (last updated in 2013), total employee in Batu Anam Estate 571 (SKUB/H and BHL) and 7 staff.</p>	<p>NC</p> <p>#1621854-201804-N1</p> <p>OPEN</p>
<p>Principle 5: Environmental responsibility and conservation of natural resources and biodiversity</p>		

Criterion / Indicator	Assessment Findings	Compliance
<p>Criterion 5.1: Aspects of plantation and mill management, including replanting, that have environmental impacts are identified, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.</p>		
<p>5.1.1</p>	<p>Environmental impact assessment document(s) shall be available. - Major compliance -</p> <p>Batu Anam Estate has identified environmental impact assessment in whole operation as documented in "Evaluasi Aspek dan Dampak Lingkungan", last updated on 13th January 2018 in each activities in estate, e.g: planting of oil plam, road maintenance, emplacement.</p> <p>In ASA-3, there are no any changes related to environment document.</p> <p>PT Gunung Melayu 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 18th April 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> <p>PT. Gunung Melayu also has shown the document of environmental evaluation "Dokumen Evaluasi Lingkungan Hidup (DELH)". The document has approved by "Badan Lingkungan Hidup Provinsi Sumatera Utara, no 806/BLH-SU/BTL.A/2015 tentang Arahan Dokumen Lingkungan Hidup", dated April 2015. The team on prepared the DELH document: Mr Lintong M I Pane, S.Si; Mrs Setia Megawati, SKM, M.Si; Mr Ir. Ramli Lubis, M.Si.</p> <p>The scope of DELH: PT Gunung Melayu, location Aek Nangali village, Gonting Malaha village, Batu Anam Village, Sidomulyo village, Asahan Regency, North Sumatera Province.</p>	<p>Comply</p>

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<p>5.1.2 Environment management plan document to prevent negative impacts, its implementation report and revision (if the identification of impact requires changes in current company's practices) shall be available. The company's management shall appoint the responsible person(s) for the implementation of the document.</p> <p>- Minor compliance -</p>	<p>PT Gunung Melayu has prepared report on Environmental Management and Monitoring implementation (Laporan RKL-RPL) and submit to the government regularly (per semester), e.g RKL-RPL report semeseter I 2017 (period January-June 2017, reported to KLHK Jakarta on; DLH Kabupaten Asahan on 27th October 2017) and semester II 2017 (Period July – December 2017, reported to DLH Kabupaten Asahan on 15th February 2018 "Laporan Pelaksanaan Rencana pengelolaan Lingkungan Hidup (RKL) dan Rencana Pemantauan Lingkungan Hidup (RPL)</p> <p>The Management Plan incorporated in the "Rencana Pengelolaan Lingkungan dan Rencana Pemantauan Lingkungan" as mentioned in Bab IV at document of DELH, consist of:</p> <ul style="list-style-type: none"> • Penerimaan Tenaga Kerja (job opportunity) • Peningkatan Pendapatan (increase of income) • Hazardous waste source • Terganggunya keberadaan satwa liar • Penurunan kualitas udara (air quality) • Peningkatan kebisingan (noise) • Solid waste source • Liquid waste source • Munculnya sikap dan persepsi masyarakat <p>PT Gunung Melayu was assigned Estate and Mill Manager who responsible person on implementation the management plan.</p>	<p>Comply</p>
<p>5.1.3 Environment monitoring plan document, its implementation report, and the corrective plan (if non-conformance arised from the monitoring result) shall be available. This plan is reviewed on two-yearly basis.</p>	<p>Environment monitoring plan document, its implementation report, and the corrective plan (if non-conformance arised from the monitoring result) available under Report on Environmental Management and Monitoring implementation (Laporan RKL-RPL) and submit to the government regularly (per semester).</p> <p>The company also has conducted monitoring of environmental impact year 2017, such as:</p> <ul style="list-style-type: none"> - Analysis Report of air emission, no certificate 08956/CLACAK, dated 8 November 2017, conducted by SUCOFINDO, sample test location: Boiler No 02 and Boiler No 3. The result was complied with 	<p>Comply</p>

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<p>- Minor compliance –</p>	<p>KepMenLH No 7 Tahun 2017 Lampiran I.</p> <ul style="list-style-type: none"> - Analysis Report of noise, temperature, humidity, vibration and ambient air, no certificate 08954/CLACAK, dated 8 November 2017 conducted by SUCOFINDO, sample test location: Gunung Melayu POM. The result was complied with relevant regulation (Nilai Ambang Batas – Permenakertrans N0 13/MEN/X/2011, KEPMENLH No 48/MENLH/11/1996). - Analysis Report of Kebauan, no certificate: 08953/CLACAK, dated 8 November 2017 conducted by SUCOFINDO, sample test location: Gunung Melayu POM. The result was complied with KepMenLH No 50/MENLH/II/1996 - Report of Testing of water waste, no 7047/K/AL/10/2017 dated 2nd October 2017 conducted by BTKLPP (Balai Teknik Kesehatan Lingkungan dan Pengendalian Penyakit Kelas I Medan. Ther results are still below the quality standard in accordance KepMenLH no 28-29 tahun 2003 Tentang Pedoman Syarat dan Tata Cara Perizinan Pemanfaatan Air Limbah Minyak Sawit di Perkebunan Kelapa Sawit. Detail record available at indicator 4.4.3 - Matrik Pelaksanaan Pemantauan RKL PT Gunung Melayu (July-December 2017), e.g: <ul style="list-style-type: none"> • Potential erosion, in Batu Anam Estate (6.74 – 32.24 ton/ha/year), in Sentral Estate (2.38 – 24.78 ton/ha/year). • Social conflict – surrounding community who are working in PT Gunung Melayu 1,155 people. 	
<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 and operations managed to best ensure that they are maintained and/or enhanced.</p>		
<p>5.2.1</p>	<p>Record(s) on the results of High Conservation Value (HCV assessment) that includes both the planted area and the relevant wider landscape-level considerations (such as wildlife corridors) shall be available.</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</p>	<p>Comply</p>

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<p>- Major compliance -</p>	<p>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 HCVRN member) on 01/2014.</p> <p>In the previous assessment, 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>Currently PT Gunung Melayu is divided into three estate namely the Sentral estate, Batu anam Estate and the new estate Aek Tarum estate. The total HCV area remains the same 200.35 ha, but the proportion of the spread of HCV area in each estate is changed: Sentral Estate 64,94 ha, Batu Anam Estate 95,85 ha and Aek Tarum Estate 39,56 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>5.2.2</p> <p>Where rare, threatened or endangered (RTE) species and or other HCVs are present or affected by the plantation and mill operations, an appropriate measures that are expected to maintain 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 Pengelolaan Tumbuhan dan Satwa" period Semester II 2017 shows in the area of Batu Anam and Aek Tarum Estate team identified 4 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 2017, 71% of planted vetiver were well grown. Wildlife monitoring recorded in</p>	<p>Comply</p>

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	<p>Daftar Temuan Satwa Liar, latest monitoring in January 2018 shown presence of species such as: Macaca nemestrina, Macaca fascicularis, Halcyon chloris, Varanus salvator.</p> <p>Company also installed identity signboard and warning signboard on the field.</p>	
<p>5.2.3</p> <p>Program(s) to socialize the status of protected, rare, threatened or endangered (RTE) to all workers shall be available, including records of appropriate sanction disciplinary measures to any individual working for the company who is found to capture, harm, collect or kill these species.</p> <p>- Minor compliance –</p>	<p>Company has demonstrate consistency in providing communication and HCV management training, carried out on 17/11/2017 and attended by 29 participants, field supervisor level. HCV socialization has been performed by company, for example in Batu Anam Estate performed on 12 January 2018 and 24 March 2018 to surrounding community.</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> <p>Refreshment and awareness regarding HCV and wildlife protection performed by company through master morning in each division/afdeling PT Gunung Melayu.</p>	<p>Comply</p>
<p>5.2.4</p> <p>Once the management plan is prepared, continuous monitoring documentation and report regarding the status of the RTE and HCVs are affected by the operations of the plantation and palm oil mill shall be available, and the results of monitoring are to be used to follow-up on the improvement of the management plan.</p> <p>- Minor compliance –</p>	<p>Company has prepared Conservation Management Plan, detailing location of HCV area, hectare of HCV area, management objective, management program, method, person in charge, target of implementation and monthly status.</p> <p>Company has consistently monitors the status of HCV area, as well as protected flora and fauna species. This is recorded in "Laporan Monitoring Tumbuhan dan Satwa Liar PT Gunung Melayu periode Semester II 2016" – monitoring period June - Desember 2016. The report explains the monitoring on status of pland and wildlife, disturbance and damage to the protected area.</p> <p>Wildlife observations are conducted monthly by Mandor HCV in each Afdeling. Last observation in May 2017 documented in the "Daftar Temuan satwa liar di areal kebun" observed several protected species such as: cekakak belukar (Halcyon smyrnensis), honey bird sriganti (Nectarinia jugular), Crimson Sunbird (Aethopyga siparaja). Types of animal such as Felis bengalensis, Tragulus javanica, Muntiacus muntjak, Manis javanica is rarely seen at the time of observation</p> <p>Based on field verification, company has demonstrated effort for management and monitoring of HCV area.</p>	<p>Comply</p>

Criterion / Indicator	Assessment Findings	Compliance
<p>5.2.5 Where HCV areas overlapped with an identified local community's land, there shall be evidence of a negotiated agreement that optimally safeguard their HCVs and the local community's rights.</p> <p>- Minor compliance –</p>	<p>All HCV and conservation areas within the company areas. Based on document verification, field visit and interview with stakeholders, there was no HCV area under existing rights of local community.</p>	<p>Not Applicable N/A</p>
<p>Criterion 5.3: Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.</p>		
<p>5.3.1 A documented identified source of all waste and pollution, shall be available.</p> <p>- Major compliance -</p>	<p>The organization has defined the document of identification on sources of all waste and pollution as in "Evaluasi Aspek-Dampak Lingkungan" (Environmental Aspect impacts). This document is updated once a year, last review on 13th January 2018.</p> <p>PT. Gunung Melayu prepared a procedure to handle hazardous waste titled "Prosedur Penanganan Limbah B3" No.AA-KL-03-EFP explains methods to collecting the waste, recording in balance and disposal through licensed third party transporter.</p>	<p>Comply</p>
<p>5.3.2 There shall be evidence that all chemicals and their empty containers are disposed of responsibly.</p> <p>- Major compliance -</p>	<p><u>Batu Anam Estate:</u> Record of hazardous waste management:</p> <ul style="list-style-type: none"> - Record of hazardous sent dated 13th April 2018, consist of oil used (110 liter - from workshop), filter fuel used (8 pcs – from workshop), chemical bottle used (80 pcs – from chemical storage) - Record of hazardous sent dated 5th April 2018, consist of oil used (45 liter – from workshop), filter fuel used (8 pcs – from workshop), battery used (2 pcs – from workshop) - Record of hazardous sent dated 22 March 2018, consist of oil used (60 liter – from workshop), fuel filter used (15 pcs), battery used (2 pcs), chemical container used (60 pcs – form chemical storage). <p><u>Sentral Estate:</u> PT. Gunung Melayu collects all hazardous waste from each estates and mill into temporary hazardous</p>	<p>Comply</p>

Criterion / Indicator	Assessment Findings	Compliance
	<p>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 consortiums PT. Prasadha Pamunah Limbah Industri, including PT. Inti Indosawit Subur (affiliation), PT. Sumatera Deli Lestari Indah- PT. Indostar Cargo and PT. Prasadha Pamunah Limbah Industri, based on the agreement between Hazardous Waste Management between PT SSL and PPLI, no. 003/AA-SDLI-ISC-PPLI / III-2017 dated March 3, 2017 valid for 1 year. As a transporter is PT. Indostar Cargo which has license from the Ministry of Environment Lingkungna RI no. B.4674/Dep.IV/LH PDAL/05/2015, dated May 27, 2015 on Recommendation of Transport of Hazardous and Toxic Wastes shall be valid for 5 years.</p> <p>The Hazardous Waste Storage Report of PT GM - KSN, Quarter III and IV of 2017 has been reported to DLH dated 13/10/2017</p> <p>Minutes of Handover of Hazardous Waste from PT. Gunung Melayu – Sentral Estate to PT. Indostar Cargo, dated June 5, 2017, consisting of: 780 kg used oil, 175 Kg of Chemical Exhaust and 184 kg used Filters, with Surat Jalan on June 5, 2017 using truck Box Hino Super Ranger, vehicle no. BK 8891 DD, driver: Erik Estrada Siregar.</p> <p>Hazardous Waste Manifest LB3 No.OL0022232 PT Gunung Melayu-Kebun Sentral, type: liquid (used lubricant oil) of 0.78 tons, dated June 5, 2017.</p> <p>Hazardous Waste Manifest LB3 No.OL0022233 PT Gunung Melayu-Kebun Sentral, type: solid (B3 contaminated waste) as much as 0,184 ton, dated June 5, 2017.</p> <p>Temporary hazardous waste storage permit (TPS LB3) at Gunung Melayu II Mill, based on SK Bupati No.503/LB3/DPMPPTSP/001/II/2018, dated 23 February 2018, is valid for 5 years.</p> <p>Hazardous waste balance period January – March 2018:</p> <p>Used oil from generator No.2, balance 40 liters per 13th March 2018.</p> <p>Waste ash from generator no. 2, the balance as of date 13th March 2018 as much as 5 kg.</p> <ul style="list-style-type: none"> - Delivery of hazardous waste on 12th June 2017, using Hazardous Waste Manifest, No.OL0022280, 	

Criterion / Indicator	Assessment Findings	Compliance
	<p>used paint cans of 0,05 ton sent by: PT. Indostar Cargo to PT. PPLI.</p> <ul style="list-style-type: none"> - Delivery of hazardous waste 12th June 2017, berdasarkan Hazardous Waste Manifest, No.OL0022281, for accu battery of 0,03 tons sent by: PT. Indostar Cargo to PT. PPLI. - Delivery of hazardous waste on 12th June 2017, based on Hazardous Waste Manifest, No.OL 0022280, type of used packaging waste (paint cans) of 0.05 tons shipped by: PT. Indostar Cargo to PT. PPLI. - Delivery of hazardous waste on 12th June 2017, based on Hazardous Waste Manifest, No.OL 0022281, the type of waste used battery of 0.03 tons sent by: PT. Indostar Cargo to PT. PPLI. 	
<p>5.3.3</p> <p>A documented waste management plan to avoid or reduce pollution and its implementation shall be available.</p> <p>- Minor compliance –</p>	<p>Waste management plan is documented in “Evaluasi Aspek – Dampak Lingkungan”, updated 13th January 2018.</p> <p>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 an organic waste is separated in line site, organic waste to the landfill and some of anorganic waste is collected for re-cycle.</p> <p>Record seen:</p> <ul style="list-style-type: none"> - Program dan Realisasi Penaburan EFB tahun 2018, total application in division I (828.000 tons), in division II (629,600 ton), division III (1,901,100 ton), in division IV (4,674,330 ton) - Rekomendasi dan Realisasi Pemupukan Janjang Kosong January-March 2018, in division I (799,000 Kg), division III (979,550 Kg). <p><u>Sentral Estate:</u></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> <p>Environmental measurements for emissions are carried out by Sucofinso and have been reported on Air</p>	<p>NC</p> <p>#1487836-201706-N3</p> <p>CLOSED on 9 June 2018</p> <p>Comply</p>

Criterion / Indicator		Assessment Findings	Compliance
		<p>Quality Monitoring (Based on KepMenLH No. 7/2007 and Kep Men LH No.48/1996) Semester II Year 2017 to the Environment Agency:</p> <ul style="list-style-type: none"> - Air emissions (Boiler and Genset: still below the quality standard - Air ambient: still below the quality standard 	
<p>Criterion 5.4: Efficiency of fossil fuel use and the use of renewable energy is optimised.</p>			
5.4.1	<p>A plan for improving efficiency of the use of fossil fuels and to optimize renewable energy shall be in place and monitored.</p> <p>- Minor compliance –</p>	<p>PT. Gunung Melalyu has prepared a plant for improving efficiency of the use of fossil fuels and to optimize renewable energy under "Program Management Lingkungan 2018" dated 9th January 2018. The program consist of:</p> <ul style="list-style-type: none"> - Usage of electricity (KWH) from 26 kwh/ton FFB in 2017 to 25 kwh/ton FFB in 2018 - Water usage for mill operation from 1.2 m³/ton FFB in 2017 to 1.18 m³/ton FFB in 2018 - Reducing of GHG <p>Fossil fuel usage is recorded for operational purpose, including the efficiency analysis year 2017: Fiber: 31,191 ton. Shell: 16,593 ton. Fossil Fuel: 32,818 liters. Usage of electricity (KWH): 26.83 kwh/ton FFB.</p> <p><u>Sentral Estate:</u> All energy used in both mills is monitored and recorded under document of "Pemakaian Energi 2017". Fossil fuel records are maintained and trends shown. Energy use records include accurate measurements of renewable energy use per ton of FFB processed. Company already maximizes the renewable energy use. All the shell and fiber is consumed internally as boiler fuel. Fossil fuel usage is recorded for operational purpose, including the efficiency analysis. Renewable energy in 2017:</p>	Comply

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		Fiber: 31.191 ton Shell: 16.593 ton Fossil Fuel: 328.181 liters, Electrical produce by Steam turbine: 7,514130 kwh or 26,83 Kwh/Ton TBS.	
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	Records of land clearing with zero burning shall be available, referring to the ASEAN Policy on Zero Burning (2003) or other recognised techniques based on the existing regulations. - Major compliance -	No open burning was noted during field visit and interviewed with local communities and workers. No replanting program in the near future. All areas have been replanted in 2003 – 2011. - Patrol report indicating any fire incident. In 2017 and 2018 there were no any fire reported.	Comply
5.5.2	Where fire has been used for eradication of pest during replanting, the records of the analysis of the use of fire and permit from the authorised agency shall be available. - Minor compliance -	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, weather index.	Comply
Criterion 5.6: Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.			
5.6.1	Document(s) assessing pollution and emission sources, including gaseous, particles, soot emissions and effluent,	There are no any significant changes related to document on assessing pollution and emission sources from last assessment. Based on Significant pollution and GHG emission was identified, for estates comes from using of	Comply

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	shall be available. (see Criterion 4.4) - Major compliance -	pesticides, action plan to reducing pesticide was made such as program of integrated pest control where minimize to use chemical/pesticides. Graph of emission and pollutant were provided to monitor trend of them in monthly basis. <ul style="list-style-type: none"> - Using EFB as organic fertilizer. - Planting beneficial plant - Efficiency of fossil fuel. - Using fibre and shell for boiler - Capturing methane gas from POME - Increasing renewable energy usage as electricity from methane capture facility Identification of significant pollution and GHG emission in each unit/station as documented in "Environmental Aspect & Impact List", updated on 15 th February 2018, consist of: input, environmental aspect, caused, environmental impact potential, and control. Company has develop mitigation program to reduce GHG emission.	
5.6.2	Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plan to reduce or minimize them implemented. - Major compliance -	Identification of pollutant and GHG, such as: usage of an-organic 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 fiber and sell for boiler, and capturing POME by Biogas Plant by Kubota. Thermophillic anaerobic process.	Comply
5.6.3	A monitoring plan and results of regular reporting on emission and pollutants from estate and mill operations using appropriate methods, shall be available. - Minor compliance –	Emission monitoring system by using "RSPO PalmGHG" system calculation. Emission from estate and mill operation was calculated and monitored, emission reduction achieved. Monitoring of any pollutant has been done in daily, weekly and monthly basis, report of monitoring was recorded in the "RKL/RPL" report, and this report submitted to the related institution every 6 month. 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	Comply

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		<p>downstream), effluent water quality, noise, etc.</p> <p>Regular monitoring and calculation of polluting and emission from estate and mill available using Palm GHG Calculator V.3.0.1. Emission from estates and mill activities during year 2017 are 6.71tCO₂e/tCPO and 6.71tCO₂e/tPK. Detail of Summary of net GHG emissions from PalmGHG calculator available in appendix.</p>	
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	<p>A social impact assessment (SIA) including records of meetings shall be documented.</p> <p>- Major compliance -</p>	<p>Social Impact Assessment was conducted as documented in "Laporan Identifikasi dan Upaya Kelola Sosial" which covering social impact assessment dated in 2017, the company has published a report on the effectiveness of social management efforts of PT. Gunung Melayu and PT Saudara Sejati Luhur Group Gunung Melayu Estate, Asahan Regency, North Sumatra Province, by Team Corporate Social Responsibility 2017.</p> <p>During the preparation for Social Impact assessment team and company management have involved communities through interviews and meetings with village peoples, farmers, village officials and regency officials. Record of meeting with affected parties and stakeholder are available and can be demonstrated</p>	Comply
6.1.2	<p>There shall be evidence that the assessment has been conducted with the participation of affected parties.</p> <p>- Major compliance -</p>	<p>Social impact aspect assessment is done by:</p> <ul style="list-style-type: none"> - Focus group discussions (DKF) - Deep interview - Structured Interviews - Field observation <p>During the preparation for Social Impact assessment team and company management have involved communities through interviews and meetings with village peoples, farmers, village officials and regency officials.</p> <p>Record of meeting with affected parties and stakeholder are available and can be demonstrated. Latest</p>	Comply

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		meeting with stakeholder and affected parties conducted on June 2017. Feedback from the stakeholder was serving as inputs in creating a social impact mitigation and management program 2017.	
6.1.3	Plans for management and monitoring of social impacts to avoid or reduce negative impacts and promote positive ones, based on social impact assessment, through consultation with the affected parties, shall be available, documented and timetabled, including responsibilities for implementation. - Major compliance -	Planning and programming and monitoring of social impacts in the period prior to the year 2017 have been reported through the "Matriks Arahan Program", such as: <ul style="list-style-type: none"> - Education: Limited ability of village views to establish educational facilities, program: assistance in the provision of education facilities for schools / madrasah - Infrastructure: Limited ability to make clean and healthy water facilities, program: Water supply - Lack of public awareness of the importance of health and environmental sanitation, the program: facilitating health education activities and environmental sanitation. Non conformity: According to the SIA Report of " Laporan Identifikasi Efektifitas Upaya Kelola Sosial" period 2017, the company has established a social impact management and program plan that is " Matriks Arahan Program". The program's directives are not relevant to the current social conditions and do not consistently discuss the impacts that arise in SIA Report, but only address issues related to CSR.	Comply
6.1.4	The documented plan for management and monitoring of social impacts, shall be reviewed at least on two-yearly basis. If necessary, the plan should be updated. There shall be evidence that the review process includes participation of all affected parties. - Minor compliance –	The Company has performed re-assessed and re-identified the social impact aspect for the period of 2017 in SIA Report "Laporan Identifikasi Efektifitas Upaya Kelola Sosial", so that the program is planned to be reviewed for 2 years ahead in 2019, but there is insufficient evidence to take corrective action to close this non conformity. Based on the assessment and identification report: <ul style="list-style-type: none"> - It still seems inconsistent in the discussion with the determination of the social impact management program "Matriks Arahan Program". See NC 6.1.3 - Does not specify the period/time of the social impact assessment done - Does not specify assessment team and its competency From previous minor finding escalated to major finding.	NC #1487836-201706-N4 CLOSED on 9 June 2018 Comply
6.1.5	Particular attention shall be paid to the impacts of smallholder schemes (where the plantation	No scheme smallholders managed by company or associated with company.	Not applicable N/A

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	includes such a scheme). - Minor compliance -		
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	Communication and consultation procedures shall be documented. - Major compliance -	Company has developed a communication procedure under "Mekanisme Penanganan Permintaan Informasi Stakeholder "(No. SOP; AA-GL-5008.1-R1) dated 22 nd August 2011, which explains the company responses against all information request sent by stakeholders including response time of 14 working days after information request accepted. Based on interviews with several village heads (Sidomulyo Village Head: Mr. Suardi and Village Head of Gonting Malaha: Mr. Sopian), the company always communicates and transmit information transparently, eg information for labor needs, providing information related to CSR assistance etc.	Comply
6.2.2	The company shall have official(s) who is responsible for consultation and communications with parties. - Minor compliance -	The company has appointed officers responsible to carried out communication and consultation with local communities is Public Relations Department. Based on interviews with several community leaders and village heads around, the company has appointed responsible personnel, ie a "HUMAS/Public Relations" or Public Relations Department Mr. Agus Salim.	Comply
6.2.3	The company shall have a list of stakeholders, records of communications, 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. - Minor compliance -	List stakeholders are available and records of stakeholders' communication and consultation were being documented into "Buku Masuk". There were several information request and others from Stakeholder in 2017, sample seen: - From Kepala Subag Tata Usaha Badan Pusat Statistik Asahan Regency letter no. B-058/BPS/1208/01/2017, dated 1 January 2017, regarding "Survey Tahunan Perusahaan Perkebunan Besar Pelaksanaan Tahun 2017" has been responded on 5 January 2017 by send email for the data. - From H. Syamsul Bahri on behalf of Pengurus Daerah Federasi Serikat Pekerja Pertanian dan Perkebunan-SPSI Prov. Sumatera Utara, dated 23th February 2017, related "Kesepakatan Bersama BKS-PPS PD FSP.PP-SPSI Sumatera Utara related Upah pekerja anggota BKS-PPS", has been	Comply

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		<p>responded on 27 February 2017.</p> <ul style="list-style-type: none"> - Dated 12 April 2017, from Dinas Pertanian dan Perkebunan, regarding "Laporan Pemantauan Kebakaran Lahan", has been responded on 15 April 2017 by send a "Laporan Kebakaran di Gunung Melayu Estate period January – March 2017. 	
<p>Criterion 6.3: There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all effected parties.</p>			
6.3.1	<p>The mechanism, open to all affected parties, shall resolve disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants and whistleblowers, where requested, as long as that information is supported with adequate initial evidence.</p> <p>- Major compliance -</p>	<p>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-AAHR-3008-R0 05).</p> <p>Company has also prepared "Mekanisme Jaminan Pelapor dan Pengungkapan Kasus" prepared by Public Relation officer PT. Gunung Melayu on 1st December 2015. The mechanism has explained policy to protect complainant/whistle blower anonymity – if requested.</p> <p>These mechanisms has been communicated to external parties and disseminated to all employees. Based on interview with local communities, Gender committee leader and worker union leader; they understood the procedure and mechanism to communicating complaint and/or grievance to company.</p>	Comply
6.3.2	<p>There shall be records of process and outcome of dispute resolution.</p> <p>- Major compliance -</p>	<p>Workers and stakeholder grievance recorded in the log book "Monitoring Keluhan Karyawan". Based on the Employee Complaint Book up to March 2018 there are 21 complaints in Batu Anam Estate, 17 in Central Garden and 3 complaints at Gunung Melayu II Mill</p> <p>Sample seen:</p> <ul style="list-style-type: none"> - Date 28th March 2018 from Sugeng (traction employee), complaint related to bathroom door damage, has been responded and repaired on 31st March 2018. - Date 2nd April 2018 from Suwito (harvester Afdl I), a related complaint: a leaking zinc roof, has been responded and repaired on 4th April 2018. - Date 4th March 2018 from Warsito, complaint: Broken window and porous wall, has been responded on 27th March 2018. 	Comply

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		- Dated 15 th March 2018 from Agus, the complaint window was broken and has been addressed and fixed on 16 th March 2018. Based on public consultation with surrounding community, with worker union representative and gender committee – audit team found no complaint from internal or external parties.	
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 available, referring to decision of the Constitution Court. - 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 dispute within company’s HGU. Land ownership from previous landowner becomes important document in order to continue negotiation process against land claim. Land claim without supporting evidence of land ownership, will be treated with approach and legal manner.	Comply
6.4.2	A procedure for calculating and distributing fair compensation shall be established, implemented, monitored and evaluated in a participatory way. Corrective actions are taken as a result of this evaluation.	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. The compensation calculated based on agreement of both parties through negotiation – upon participative measurement, and recorded under an agreement.	Comply

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- Minor compliance –		
6.4.3 Compensation claims, process and outcome of any negotiated agreements shall be documented, with evidence of the participation of affected parties. - Major compliance –	<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>No any land compensation due to no customary land and/or local community land rights within the company area.</p> <p>Based on management statement, information from Pulau Maria Village and Batu Anam Village, and hectare statement shows there is no land dispute between PT. Gunung Melayu with other party.</p>	Comply
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.		
6.5.1 Documentation of pay and conditions for employees based on the existing manpower regulations shall be available. - Major compliance -	<p>The company determines minimum wages based on the Government regulation every year, the minimum wages in 2017 as regulated in "Surat Keputusan Governor of North Sumatera No.188.44/99/KPTS/Tahun 2017, dated 7th March 2017 Agriculture sector in Asahan District is Rp. 2,385,490/month and minimum wages for 2018 based on "Surat Keputusan Gubernur Sumatera Utara No.188.44/12/KPTS/2018", dated 1st November 2017 effective from 17th January 2018 for agriculture sector. Specific for oil palm plantation sector sets at Rp. 2,569,254/month.</p> <p>However, at the time of this audit is still using UMSK wage in 2017 (based on Governor Decree No. 188.44/99/KPTS/Tahun 2017, whereby sets at Rp. 2,385,490/month) and will be conducted wage adjustment in May 2018.</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.</p> <p>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> <p><u>Sentral Estate:</u></p>	Comply

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	<p>Minimum wage on March 2018 on behalf of Manahan Sinaga (PHL) for 25 working day, basic salary Rp. 2,363,400; Premi : Rp. 250,000. So that his total income amounts to Rp. 2,536,875. Jamsostek payments are fully made by the Company.</p> <p>Workers on behalf of Kadiman (SKU-H) for 25 working days paid Rp. 1,974,400; additional for fringe benefit as many Rp. 473,856; Premi Rp. 2,254,582. Total income amounts to Rp. 4,602,667. And deduction for Jamsostek at Rp. 50,085.</p> <p><u>Gunung Melayu II Mill</u> On period January 2018</p> <p>Workers on behalf of Supurnomo (PHL) for 20 working day basic salary Rp. 1,890,720; overtime Rp. 1,297,822; deduction for (Pension, Jamsostek and BPJS-Kesehatan) as many Rp. 94,536. Total income amounts to Rp. 3,094,006.</p> <p>Workers on behalf of Sutan Sitorus (SKUH) for 26 working days: basic salary Rp. 2,053,376; additional for premi giling as many Rp. 12,337; deduction for (Pension, Jamsostek and BPJS-Kesehatan) at Rp. 100,097. Total income amounts to Rp. 2,560,496.</p> <p>Based on review document of list payment, it was found that the company has paid salary as regulated by government.</p>	
<p>6.5.2</p>	<p>Collective Labor Agreement /Company Regulation, in accordance with the manpower regulations, shall be available in understandable language; and explained by the management or Labor Union to the workers.</p> <p>- Major compliance -</p>	<p>Comply</p>

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	All employees also has signed contract with detail term and condition, included temporary workers.	
<p>6.5.3 Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, where such public facilities are unavailable or inaccessible.</p> <p>- Minor compliance –</p>	<p>The company has prepared facilities for their workers, such as: housing, educational facilities (elementary and early childhood), polyclinics, religious facilities (mosques, churches and temples), and sports facilities (soccer field, badminton, table tennis and field, volley). Below are the list of facilities:</p> <ul style="list-style-type: none"> - Housing Type B/CM (1 unit), Type C (5 Unit), Type D (6 unit), type E (99 Unit), - Polidinic (1 units) - Mosque (2 units) - Church (1 unit) - School bus (1 units) - Ambulance (1 unit) - Sport facilities <p>The Company has conducted clean water testing which is used by the employees on 10th January 2017 by Balai Teknik Kesehatan Kesehatan and Pengendalian Penyakit (BTKLPP) Class I Medan, for example: water source from KBA Well Well I. Testing based on Permenkes No.492/Menkes/PER/IV/2010, regarding drinking water quality requirements.</p> <p>The company has also facilitated its employees for water supply by building pump wells in each emplacement (in Pondok Seng and Pondok coklat) and electricity with the distribution of PLN (and its payments are subsidized by the company, for each house Rp. 40,000 per month).</p>	Comply
<p>6.5.4 There shall be demonstrable efforts to 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. Price in minimarket was affordable and cheaper than traditional market nearby company area. Price control by cooperative and all member including workers and company management.</p>	Comply
<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</p>		

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and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.			
6.6.1	<p>A record of the company's policy in understandable language 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 1st December 2014 "Menghormati hak setiap karyawan untuk membentuk atau menjadi serikat pekerja sesuai 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 easily accessed. The company also has involved forming labor union for workers, named "PUK SPSI PT. GM/SSL".</p>	<p>Comply</p>
6.6.2	<p>Records of meetings with labor unions or workers representatives shall be available.</p> <p>- Minor compliance –</p>	<p><u>Sentral Estate:</u> Company has had labor unions base on letter decree of Pengurus Cabang SPSI Asahan Regency, no. 340/ORG/PC FSP.PP-AS/VII/2013, regarding "pengesahan dan penguhan komposisi pengurus unit serikat pekerja masa bakti 2013-2018". And has been registered by Disnakertrans on 30th August 2001 recorded on "Bukti pencatatan di Disnakertrans" No.26/DTK-VIII/2001, dated 30th August 2001.</p> <p><u>Gunung Melayu II POM:</u> Has a union labor based on decree of DPC F SPTI – K SPSI Asahan Regency, No.SK.129/ORG/PC FSP.PP-AS/VIII/2017, dated 26th August 2017 related: "Penguhan pimpinan unit kerja serikat pekerja pertanian dan perkebunan-Serikat Pekerja Indonesia, dengan masa bakti 2017-2022" and has been recorded in Dinas Tenaga Kerja Kisaran, No.26/DTK-VIII/2001, dated 30th August 2001.</p> <p>Records of meetings of PUK SP.PP F-SPSI</p> <p><u>Sentral Estate:</u></p> <ol style="list-style-type: none"> 1. On 29th November 2017; Review basic borong harvester and premium berondol, Working hours of harvesters (07.00 am) attended by 14 participants. 2. 15th March 2018; Ratification of personnel composition of PUK SP.PP-SPSI PT. Gunung Melayu and PT. SSL and review of Bipartite LKS Semester I Year 2018. 	<p>Comply</p>
<p>Criterion 6.7: Children are not employed or exploited.</p>			

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<p>6.7.1 There shall be documented evidence that minimum age requirements are met. - Major compliance –</p>	<p>The company has own policed signed by management on 1st December 2014 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 less than 18 years. List of employee called by "Daftar Karyawan" consisted of private worker's data including their age showed that there were no underage workers. Cross checked randomly on field observation, it was confirmed that there were no underage children are being employed. Sample taken: The youngers workers is Mr. Nurul Huda birth on 11th July 1989 as harvester Afdeling 2, joint in the company on 1st July 2011 or in age 21 year. Mr. Surya Bakti birth on 14th March 1985 as production, joined to the company on 4th January 2011 or in age 24 years and 8 month. Mr. Suharto birth on 19th December 1988 as workshop staff, joined to the company on 6th January 2011 or in age 22 years and 11 month.</p>	<p>Comply</p>
<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>		
<p>6.8.1 A company's policy on equal opportunity and treatment for work shall be available and documented. - 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 "Treats employees fairly, whether in terms of acceptance, judgment, conditions and work environment, and representation irrespective of race, tribe, caste, national origin, religion/faith, disability, gender, sexual orientation, union membership, political affiliation and/or age. This policy has been informed to all employees and being placed into public area easlily accessed. Company also has SOP about the new employment recruitment. According on SOP CR. 01.01 about "Penerimaan Karyawan Baru" (Reqrutment and Selection of Employee), the company will accept new employee based on their capabilities and qualifications.</p>	<p>Comply</p>

Criterion / Indicator	Assessment Findings	Compliance
<p>6.8.2 Evidence shall be provided that employees and groups including local communities, women, and migrant workers have not been discriminated. - Major compliance –</p>	<p>At the time of audit performed 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.</p>	<p>Comply</p>
<p>6.8.3 Records of evidence that equal opportunity and treatment for work shall be available. – Minor compliance -</p>	<p>The company has had procedure hiring workers regulated that hiring and promotion of workers based on skill, work experiences, and job evaluation.</p> <p>The company is conduct performance evaluation of workers annually as documented in "Rekapitulasi Appraisal PB 2017, with scoring for work quality, work quantity, behavior/attitude, team work, discipline, responsibility.</p> <p>Based on interview with workers, both of male and female were confirmed that there was no discrimination on working opportunities, all workers were treated equally. Records of employee's promotion and its letter appointment agreement were available.</p> <p>Letter of Proposal for appointment (promosotion) of non-permanent employee (PHL) to permanent employee (SKUH), this letter is made by Estate Manager and Mill Manager addressed to HRD in Head Office:</p> <ol style="list-style-type: none"> 1. Batu Anam Estate, on 9th September 2017 on behalf of Sugeng Harianto Sinaga (PHL Afdeling III) base on Memorandum from HR Ops. Manager Plantation-I, no. 210/HR-R01/MEMO/09/2017, dated 9th September 2017. 2. Gunung Melayu I Mill, on 16th February 2017 on behalf of Sdri. Boby T. (PHL Factory G. Melayu). 	<p>Comply</p>
<p>Criterion 6.9: There is no harassment or abuse in the work place, and reproductive rights are protected.</p>		
<p>6.9.1 A policy to prevent sexual and all other forms of harassment and violence, shall be documented, implemented and</p>	<p>The company has policy to prevent sexual and all other forms of harassment and violence as stated in policy "Kebijakan perusahaan", dated 01st December 2014 "Prevent sexual harassment and other forms of violence against women and protect their reproductive rights".</p>	<p>Comply</p>

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	communicated to all levels of the workforce. - Major compliance –	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.	
6.9.2	A policy to protect the reproductive rights, shall be documented, implemented and communicated to all levels of the workforce. - Major compliance –	As it is found in company policy that's signed by Managing Director, dated 1 st 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 (To prevent any sexual or physical abuses happen to women as well as to protect their reproductive rights)". There is a gender committee actively meets and discussing general agenda and other issue related to handling sexual harassment, dissemination of sexual harassment prevention. Based on interview with Gender Committee, company has implemented the protection of women reproductive rights, in form of maternal leave, period leave, regular pregnancy check for female sprayers and strictly prohibit pregnant and/or breastfeeding female worker applying pesticides.	Comply
6.9.3	A specific grievance mechanism which respects anonymity of complainants where requested, and as long as they are supported with adequate information, shall be documented, implemented, and communicated to all workforce. - Minor compliance –	The company has had Standard Operating Procedure, No. SOP: XX-HR-308.5-RO; Revision: 0, dated 11 th December 2009: Employees complaints: submission and settlement Mechanism for complaints management where it needs to protect its confidentiality for complaint submitter was found in company policy's document as in one of points of this policies stated that: "To provide appropriate information for those who inquiry it and to ported 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. 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.	Comply
Criterion 6.10:			
Growers and mills deal fairly and transparently with smallholders and other local businesses.			
6.10.1	Current and past prices paid for Fresh Fruit Bunches (FFB), shall	The company has displayed the FFB price in Mill's notice board in front of the weighbridge station, all FFB suppliers can see it and able to access the FFB price by phone.	Comply

Criterion / Indicator	Assessment Findings	Compliance
<p>be publicly available. - Minor compliance -</p>	<p>The company cooperates with the surrounding community in terms of purchasing FFB and recorded in "Pernyataan dan Jaminan" - Statement and Guarantee as a supplier of FFB. The document stated that:</p> <ol style="list-style-type: none"> 1. FFB that supplied to Tanjung Selamat POM came from land that has been owned/controlled/cultivated in accordance with the legislation, especially in the field of land and plantation. 2. FFB supplied does not originate from unauthorized areas, such as: <ol style="list-style-type: none"> a. Protected Forest Area b. Industrial Forest Area c. Production Forest Area d. Conservation area <p>Record seen: "Statement and Guarantee" on behalf of Ronauli Tani as FFB supplier from Dusun Sukamakmur Mandoge for ± 500 Ha planting area year 2001/2002.</p>	
<p>6.10.2 Pricing mechanisms for Fresh Fruit Bunches (FFB) and inputs/services shall be explained and documented (where these are under the control of the mill or plantation). - Major compliance -</p>	<p>FFB Pricing for third party is determined by market mechanism and set every day and recorded in the pricing of FFB Tanjung Selamat Palm Oil Mill. FFB price establishment was documented by company under "Mekanisme Penetapan Harga TBS". Formula of FFB price from third parties is as follow :</p> $((\text{CPO Price}/\text{Tax } 1.1\%) - \text{Transport cost}) \times \text{OER} = X$ $(\text{PK price} - \text{Transport cost}) \times \text{KER} = Y$ $X + Y - \text{Processing cost} - \text{other cost} = \text{FFB Price}$ <p>For Example FFB Price for 26 February 2018:</p> $(7,890 - 200) \times 18.3\% = 1,407$ $(6,350 - 160) \times 5.2\% = 322$ $1,407 + 322 - 69 - 20 = 1,640$ <p>Price changes will be informed one day before the changes, and it applicable for large size FFB (more than 8 kg). Mechanism for FFB price has been known, understood and explained to FFB suppliers. Based</p>	<p>Comply</p>

Criterion / Indicator		Assessment Findings	Compliance
		on interview with a number of FFB supplier, they can demonstrate their understanding.	
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 -	The agreement/contract documents between third party FFB supplier and organisation is sighted and presented in "Perjanjian Kerjasama Kemitraan". Fro example "Perjanjian Kerjasama Kemitraan antara PT Gunung MElayu dengan PT Kelompok Tani Berkat Tani Jaya Nomor: 16/BTJ/CSV/IX/2017". All contracts are acknowledged by all parties as part that contain of contract are well understood. The contract contains all relevant information such as payment method, work requirements, force majeure, contract period, cancellation of contract, etc. Contract documents are acknowledged by all parties. Based on document review that agreement between company and third party FFB supplier confirmed that contract is made fairly, legal and transparent.	Comply
6.10.4	Agreed payments shall be made in a timely manner. - Minor compliance -	A review to several payment records January - March 2018 demonstrated that the payment has been made via bank transfer. It was appropriate with the related MOU/Agreement. The payment was also been made periodically according to the contract agreement.	Comply
Criterion 6.11:			
Growers and millers contribute to local sustainable development where appropriate.			
6.11.1	Records of contributions to local development based on the results of consultation with local communities shall be available. - Minor compliance -	Local contribution is detailed in CSR, consist of Business Partnership, Ecomony Development, Education, Health & Donation. Company prepared annual CSR program. For example in 2017, Sentral Estate have 26 types of activity, categorized under 5 agenda: <ul style="list-style-type: none"> - 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 	Comply

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		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.	
6.11.2	Where there are scheme smallholders, there shall be evidence that efforts and/or resources have been allocated to improve scheme smallholder productivity. - Minor compliance -	No scheme smallholders.	Not applicable N/A
Criterion 6.12: No forms of forced or trafficked labour are used.			
6.12.1	There shall be evidence that no forms of forced or trafficked labor are used. - Major compliance -	Based on interview with worker union committee and gender committee, there was no indication of forced labour and/or human trafficking. All employees have had work agreement, regulating the rights and obligation of company and employee. The work agreement including working hour and salary payment. Based on document verification and salary payment, shows employee have been paid in accordance to minimum wage regulation.	Comply
6.12.2	It shall be demonstrated that no contract substitution has occurred. - Minor 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.	Comply
6.12.3	Where migrant/foreign/honorary workers are employed, a special	Based on interview with worker union committee and gender committee, as well as the employee it can be demonstrated that there is no use of migrant/foreign/honorary worker. During document review of employee data and list of employee shown that there is no migrant/foreign/honorary workers are	Comply

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	<p>worker policy and procedures and the evidence of implementation shall be available.</p> <p>- Major compliance -</p>	<p>employed by company.</p> <p>All employee including temporary workers have work agreement; regulating the scope of work, work agreement timeframe, working hour, salary payment, overtime and Jamsostek. Procedures against employee has been set by company in HR procedure regarding workers/employee. Company also has determined the policy to protect the employee presented in Company Policy that's signed by Managing Director, dated 1st December 2014.</p>	
<p>Criterion 6.13: Growers and millers respect human rights.</p>			
6.13.1	<p>A policy to respect human rights shall be documented and communicated to all levels of the workforce and operations.</p> <p>- Major compliance -</p>	<p>The company has established human rights policy, 2012, it has been communicated to the workforce.</p> <p>Company has a Company Policy, acknowledged by Managing Director on 01/12/2014 stating that company respects human rights by: "treat all employees in fair manner, in terms of recruitment, appraisal and representation without discrimination against tribe, caste, nationality, religion, disability, gender, sexual orientation, worker union, political affiliation and/or age".</p> <p>The company has communicated this policy. The company policy is available on notice boards. Company conducted dissemination sessions: In Aek Tarum Estate, date 09/04/2017 attended by 27 workers, Gunung Melayu Mill on February 2017 attended by 45 employees.</p> <p>Based on interview with worker union committee and gender committee stating that there was no indication of human right violation.</p>	Comply
<p>Principle 7: Responsible development of new plantings</p>			
<p>Criterion 7.1: A comprehensive and participatory independent social and environmental impact assessment is undertaken prior to establishing new plantings or operations, or expanding existing ones, and the results incorporated into planning, management and operations.</p>			
7.1.1	<p>An independent social and environmental impact assessment (SEIA), undertaken through a participatory</p>	<p>The company has started replanting in 2003, no any new planting area/developing area since November 2005.</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</p>	<p>Not Applicable N/A</p>

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Criterion / Indicator		Assessment Findings	Compliance
	methodology including the relevant affected stakeholders, shall be documented. - Major compliance -	Kabupaten Asahan – Sumatera Utara”, prepared by CV Andalen Persada Konsultan. The environment document has been 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.	
7.1.2	Appropriate management planning and operational procedures shall be developed and implemented to avoid or mitigate identified potential negative impacts. - Minor compliance -	The company has started replanting in 2003, no any new planting area/developing area since November 2005.	Not Applicable N/A
7.1.3	Where the development includes an outgrower scheme, the impacts of the scheme and the implications of the way it is managed shall be given particular attention. - Minor compliance -	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.	Not Applicable N/A
Criterion 7.2:			
Soil surveys and topographic information are used for site planning in the establishment of new plantings, and the results are incorporated into plans and operations.			
7.2.1	Soil suitability maps or soil surveys adequate to establish the long-term suitability of land for oil palm cultivation shall be available and taken into account in plans and	The company has started replanting in 2003, no any new planting area/developing area since November 2005. 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.PT Gunung Melayu showed Peta Sebaran Satuan Tanah for Batu Anam Estate and Aek Tarum. The map indicated the predominant soil type consist of :	Not Applicable N/A

Criterion / Indicator		Assessment Findings	Compliance
	operations. - Major compliance -	- Typic hapludults - Typic eutrudox - Typic endoaquepts	
7.2.2	Topographic information adequate to guide the planning of drainage and irrigation systems, roads and other infrastructure shall be available and taken into account in plans and operations. - Minor compliance -	There is also topographic map indicating the elevation of Batu Anam Estate and Aek Tarum Estate consist of 0-8% and >30%. The limitation for the area is steep slope on some area. PT Gunung Melayu did not open the area with steep slope > 30%. Topografi level consist of 40 – 90 m.	Not Applicable N/A
Criterion 7.3:			
New plantings since November 2005 have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.			
7.3.1	There shall be evidence that no new plantings have replaced primary forest, or any area required to maintain or enhance one or more High Conservation Values (HCVs), since November 2005. New plantings shall be planned and managed to best ensure the HCVs identified are maintained and/or enhanced (see Criterion 5.2). - Major compliance –	The company has started replanting in 2003, no any new planting area/developing area since November 2005.	Not Applicable N/A
7.3.2	Reports of comprehensive HCV assessment, which involves	The company has started replanting in 2003, no any new planting area/developing area since November 2005.	Not Applicable

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Criterion / Indicator		Assessment Findings	Compliance
	stakeholder consultation and includes record of land-use change since November 2005, shall be available. This HCV assessment shall be conducted prior to any conversion or new planting. - Major compliance –	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.	N/A
7.3.3	Records of land preparation and clearing dates shall be available. - Minor compliance –	The company has started replanting in 2003, no any new planting area/developing area since November 2005.	Not Applicable N/A
7.3.4	An action plan shall be developed that describes operational actions consequent to the findings of the HCV assessment, and that references the grower’s relevant operational procedures. (see Criterion 5.2) - Major compliance –	The company has started replanting in 2003, no any new planting area/developing area since November 2005. Company has prepared Conservation Management Plan, detailing location of HCV area, hectare of HCV area, management objective, management program, method, person in charge, target of implementation and monthly status.	Not Applicable N/A
7.3.5	Areas required by affected communities to meet their basic needs, taking into account potential positive and negative changes in livelihood resulting from proposed operations, shall be identified in consultation	The company has started replanting in 2003, no any new planting area/developing area since November 2005. The HCV identification carried out in 2014 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 HCVRN member) on 01/2014.	Not Applicable N/A

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Criterion / Indicator		Assessment Findings	Compliance
	with the communities and incorporated into HCV assessments and management plans (see Criterion 5.2). - Minor compliance -		
Criterion 7.4: Extensive planting on steep terrain, and/or marginal and fragile soils, including peat, is avoided.			
7.4.1	Maps identifying marginal and fragile soils, including excessive gradients and peat soils, shall be available and used to identify areas to be avoided. - Minor compliance -	The company has started replanting in 2003, no any new planting area/developing area since November 2005. PT Gunung Melayu showed Peta Sebaran Satuan Tanah for Batu Anam Estate and Aek Tarum. The map indicated the predominant soil type consist of : <ul style="list-style-type: none"> - Typic hapludults - Typic eutrudox - Typic endoaquepts There is no peat soil and fragile soil identified.	Not Applicable N/A
7.4.2	Where limited planting on fragile and marginal soils, including peat, is proposed, plans shall be developed and implemented to protect them without incurring adverse impacts. - Major compliance -	The company has started replanting in 2003, no any new planting area/developing area since November 2005. PT Gunung Melayu showed Peta Sebaran Satuan Tanah for Batu Anam Estate and Aek Tarum. The map indicated the predominant soil type consist of : <ul style="list-style-type: none"> - Typic hapludults - Typic eutrudox - Typic endoaquepts There is no peat soil and fragile soil identified. In procedure no. AA-SOP-OP-1100-05.R1 "Konservasi Tanah dan Air" has determined strategy control erosion particular in slope area, such as: 0 – 5° , 6 – 12° , 13 -20° , and more than 20°, The company has applied silt pit, L shape stacking frond and terracing in	Not Applicable N/A

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Criterion / Indicator		Assessment Findings	Compliance
		<p>slope area to reduce erosion</p> <p>The realization of soil and water conservation work are:</p> <ol style="list-style-type: none"> 1. Maintenance of terraces, realization in 2016 total 210,632 m and in 2017 up to 05/2017 along the 43,387 meters. 2. Maintenance "Tapak Kuda" individual platform, realization in 2016 total 11,545 units and in 2017 up to 05/2017 along the 4,089 units. 	
<p>Criterion 7.5:</p> <p>No new plantings are established on local peoples' land where it can be demonstrated that there are legal, customary or user rights, without their free, prior and informed consent. This is dealt with through a documented system that enables these and other stakeholders to express their views through their own representative institutions.</p>			
7.5.1	<p>Evidence shall be available that affected local peoples understand they have the right to say 'no' to operations planned on their lands before and during initial discussions, during the stage of information gathering and associated consultations, during negotiations, and up until an agreement with the grower/miller is signed and ratified by these local peoples.</p> <p>- Major compliance -</p>	<p>The company has started replanting in 2003, no any new planting area/developing area since November 2005.</p>	<p>Not Applicable N/A</p>
<p>Criterion 7.6:</p> <p>Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.</p>			

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Criterion / Indicator	Assessment Findings	Compliance
<p>7.6.1 Documented identification and assessment of demonstrable legal, customary and user rights shall be available. - Major compliance -</p>	<p>The company has started replanting in 2003, no any new planting area/developing area since November 2005.</p>	<p>Not Applicable N/A</p>
<p>7.6.2 A system for identifying people entitled to compensation shall be in place. - Major compliance -</p>	<p>The company has started replanting in 2003, no any new planting area/developing area since November 2005.</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>Based on mechanism, public relation officer will receive information of any complaint, grievance and land dispute/claims and records under the logbook.</p> <p>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 dispute within company's HGU. Land ownership from previous landowner becomes important document in order to continue negotiation process against land claim. Land claim without supporting evidence of land ownership, will be treated with approach and legal manner.</p>	<p>Not Applicable N/A</p>
<p>7.6.3 A system for calculating and distributing fair compensation (monetary or otherwise) shall be in place. - Major compliance -</p>	<p>The company has started replanting in 2003, no any new planting area/developing area since November 2005.</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.</p> <p>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</p>	<p>Not Applicable N/A</p>

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Criterion / Indicator		Assessment Findings	Compliance
		participative measurement, and recorded under an agreement.	
7.6.4	Communities that have lost access and rights to land for plantation expansion shall be given opportunities to benefit from plantation development. - Minor compliance -	The company has started replanting in 2003, no any new planting area/developing area since November 2005. As an output from land dispute resolution process, an agreement between both parties and/or copy of court ruling will be required. 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.	Not Applicable N/A
7.6.5	The process and outcome of any compensation claims shall be documented and made publicly available. - Minor compliance -	The company has started replanting in 2003, no any new planting area/developing area since November 2005.	Not Applicable N/A
7.6.6	Evidence shall be available that the affected communities and rights holders have access to information and advice, that is independent of the project proponent, concerning the legal, economic, environmental and social implications of the proposed operations on their lands. - Minor compliance -	The company has started replanting in 2003, no any new planting area/developing area since November 2005.	Not Applicable N/A
Criterion 7.7:			
No use of fire in the preparation of new plantings other than in specific situations, as identified in the ASEAN guidelines or other regional best practice.			
7.7.1	There shall be no land	The company has started replanting in 2003, no any new planting area/developing area since November	Not

Criterion / Indicator		Assessment Findings	Compliance
	preparation by burning, other than in specific situations, as identified in the 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions. - Major compliance -	2005. No open burning was noted during field visit and interviewed with local communities and workers. - Patrol report indicating any fire incident. In 2017 and 2018 there were no any fire reported.	applicable N/A
7.7.2	In exceptional cases where fire has to be used for preparing land for planting, there shall be evidence of prior approval of the controlled burning as specified in 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions. - Minor compliance -	PT. 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, weather index.	Not applicable N/A
Criterion 7.8:			
New plantation developments are designed to minimise net greenhouse gas emissions.			
7.8.1	The carbon stock of the proposed development area and major potential sources of emissions that may result directly from the development shall be identified and estimated.	The company has started replanting in 2003, no any new planting area/developing area since November 2005.	Not applicable N/A

Criterion / Indicator	Assessment Findings	Compliance
- Major compliance -		
7.8.2 There shall be a plan to minimise net GHG emissions which takes into account avoidance of land areas with high carbon stocks and/or sequestration options. - Minor compliance -	<p>The company has started replanting in 2003, no any new planting area/developing area since November 2005.</p> <p>The company also has minimized pollutant and GHG through using EFB as organic fertilizer, implementing IPM to reduce pesticides usage, using fiber and sell for boiler, and capturing POME by Biogas Plant by Kubota. Thermophillic anaerobic process.</p>	<p>Not applicable N/A</p>
Principle 8: Commitment to continual improvement in key areas of activity		
Criterion 8.1: Growers and millers regularly monitor and review their activities, and develop and implement action plans that allow demonstrable continual improvement in key operations.		
8.1.1 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. As a minimum, these shall include, but are not necessarily be limited to: <ul style="list-style-type: none"> Reduction in use of pesticides(Criterion 4.6); 	<p>A continuous improvement plan has been prepared and internal audit conducted to identify compliance to the RSPO P&C. Internal audit has been conducted to monitor implementation of RSPO P&C, based on consideration of social and environment impact, good agriculture practice for estate, best manufacturing practice for mill, OHS aspect, etc. The latest Sustainability internal audit was done in 9 – 10 November 2017 for PT Gunung Melayu. Audit result findings can be demonstrated and and the corrective action has been implemented to addressed issue found during audit.</p> <p>Evidence of several improvements was shown, e.g.</p> <p>A. Best Agriculture and Manufacturing Practices:</p> <ol style="list-style-type: none"> Increase productivity of <i>Oryctes</i> spraying (Chemical) from 5 Ha/manday to be 6 Ha/manday. Water Management Reduce use of paraquat usage Introduction of new approach (mapping system) for spraying gang, in order to achieve time efficiency; Applied EFB ashes as fertilizer, fibre and shell are burned in boiler for electricity. 	<p>Comply</p>

Criterion / Indicator	Assessment Findings	Compliance
<ul style="list-style-type: none"> • 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>	<ol style="list-style-type: none"> 6. Planting beneficial plant for natural predator. 7. Applied fertilizer in frond stacking to increase absorbing fertilizer. 8. Increase rendement CPKO by reducing losses PKE (Palm kernel expeller/pulp). 9. Improve the efficiency in water use, using condensate water circulation tank during extraction process in mill laboratory. The recycled condensed water then used as dilution water. Maintenance of water plumbing also planned. <p>B. Environment</p> <ul style="list-style-type: none"> • Continuing dispose hazardous waste to the approval collector. • Improvement in monitoring of fuel consumption by calibrating fuel injection pumps and check fuel nozzle pipe. • Improvement in monitoring of domestic water consumption by installing flow meter to monitor water consumption in housing • Recycle the water cooler turbine discharge water basin; • Recycle the condensate water discharge water dilution; • Minimize duration of mill cleaning to be every two weeks. • Reduce the use of chemicals in water treatment using water at two different reservoirs. <p>C. Pollution and emissions:</p> <ul style="list-style-type: none"> • Reduction of potential particulate release to the atmosphere by increase boiler ash capture by the chimney • Environment monitoring and management implementation according to AMDAL/ RKL-RPL • Monitoring the emission regularly and calculate the Green House Gas emission each year using Palm GHG Calculator. <p>D. Biodiversity conservation</p> <ul style="list-style-type: none"> • Sign board installation for HCV protection and awareness to conserve biodiversity and HCV area • Reserve HCV areas. 	

Criterion / Indicator	Assessment Findings	Compliance
	<ul style="list-style-type: none"> • Planting native species/local species trees along river riparian to prevent river contamination and prevent erosion; <p>E. Social impacts</p> <ul style="list-style-type: none"> • Economic empowerment of the surrounding community, e.g. goods procurement using local supplier. <p>Implementing CSR program.</p>	

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Appendix B: Approved Time Bound Plan

Name of Mill	Address	Time bound for certification	Status as of February 2018
Buatan I	Delik & Pangkalan Kerinci Village, Bunut Langgam District, Pelalawan Regency, Riau	2010	Certified on 16 th September 2010
Buatan II	Delik & Pangkalan Kerinci Village, Bunut Langgam District, Pelalawan Regency, Riau	2010	Certified on 16 th September 2010
Ukui I	Ukui Village, Ukui District, Pelalawan Regency, Riau	2010	Certified on 1 st March 2011
Ukui II	Ukui Village, Ukui District, Pelalawan Regency, Riau	2010	Certified on 1 st March 2011
Tungkal Ulu	Pulau Pauh / Penyabungan / Merlung Village, Tungkal Ulu District, Tanjung Jabung Regency, Jambi	2011	Certified on 15 th August 2012
Muara Bulian	Singoan / Bukit Sari / Bulian Jaya Village, Muara Bulian / Pematang District, Batang Hari Regency, Jambi	2011	Certified on 28 th August 2012
Topaz	Petapahan Village, Tapung District, Kampar Regency, Riau	2013	Certified on 30 th March 2015
Taman Raja	Lubuk Bernai / Kampung Baru / Pelabuhan Dagang / Pematang Pauh Village, Tungkal Ulu District, Tanjung Jabung Regency, Jambi	2013	Certified on 20 th February 2015
Segati	Langkan / Penarikan / Tambak / Sotol Village, Langgam District, Pelalawan Regency, Riau	2014	Main Audit in December 2014. Re-Audit in 2017
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 th March 2015
Teluk Panjie	Teluk Panjie Village, Kampung Rakyat District, Labuhan Batu Regency, North Sumatera	Brought Forward from 2015 to 2013	Certified on 21 st April 2015
Peranap	Simelinyang / Pauh Ranap / Sengkilo Village, Peranap District, Indragiri Hulu Regency, Riau	Brought Forward from 2016 to 2013	Certified on 7 th 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	Gonting Mahala Village, Bandar Pulau District, Asahan Regency, North Sumatera	2017	Certified on 8 th July 2015
Negri Lama I	Negri Lama Seberang Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatera	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 Sumatera	2018	Certified on 3 rd December 2015
Buatan Estate	Delik & Pangkalan Kerinci Village, Bunut Langgam District, Pelalawan Regency, Riau	2010	Certified on 16 th September 2010
Ukui & Soga Estate	Ukui Village, Ukui District, Pelalawan Regency, Riau	2011	Certified on 1 st March 2011
Buatan (Plasma)	Kerinci Kanan, Pangkalan Kerinci, Dayun Village, Siak & Pelalawan Regency, Riau	2011	Certified on 13 th March 2012

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Ukui (Plasma)	Ukui & Lubuk Batu Jaya District, Pelalawan & Inhu Regency, Riau	Brought forward from 2012 to 2011	Certified on 11 th June 2012
Tungkal Ulu Estate	Pulau Pauh/Penyabungan/Merlung Village, Tungkal Ulu District, Tanjung Jabung Regency, Jambi	2011	Certified on 15 th August 2012
Muara Bulian Estate	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 th January 2013
Tungkal Ulu (Plasma)	Renah Mendalo, Merlung, Muara Papalik District, Tanjung Jabung Barat Regency, Jambi	2012	Certified on 11 th July 2013
Muara Bulian (Plasma)	Maro Sebo Ilir District, Batanghari Regency, Jambi	2012	Certified on 12 th July 2013
Muara Bulian (KKPA)	Maro Sebo Ilir District, Batanghari Regency, Jambi	2012	Certified on 12 th July 2013
Topaz & Seed Garden Estate	Petapahan Village, Tapung District, Kampar Regency, Riau	2013	Certified on 30 March 2015
Taman Raja & Badang Estate	Lubuk Bernai / Kampung Baru / Pelabuhan Dagang / Pematang Pauh Village, Tungkal Ulu District, Tanjung Jabung Regency, Jambi	2013	Certified on 20 th February 2015
Segati Estate	Langkan / Penarikan / Tambak / Sotol Village, Langgam District, Pelalawan Regency, Riau	2014	Main Audit in December 2014 Re-Audit in 2017
Penarikan & Gondai Estate	Pangkalan Sarik / Baru Village, Langgam / Siak Hulu District, Pelalawan / Kampar Regency, Riau	2014	Main Audit in December 2014 Re-Audit in 2017
Penarikan (KKPA)	Pangkalan Sarik / Baru Village, Langgam / Siak Hulu District, Pelalawan / Kampar Regency, Riau	2018	Moved to 2019 NPP Pogress
Gunung Sahilan (KKPA)	Gunung Sahilan Village, Lipat Kain District, Pelalawan Regency, Riau	2018	Moved to 2019 NPP progress
Bahilang Estate	Bahilang Village, Tebing Tinggi District, Serdang Bedagai Regency, North Sumatra	Brought Forward from 2015 to 2013	Certified 18 th May 2015
Tanah Datar Estate	Tanah Datar Petatal Village, Talawi District, Asahan Regency, North Sumatra	Brought Forward from 2015 to 2013	Certified 18 th May 2015
Aek Nabara Estate	S1-S3 / Sukadame Village, Bilah Hulu / Kota Pinang District, Labuhan Batu Regency, North Sumatra	Brought Forward from 2015 to 2013	Certified on 6 th March 2015
Teluk Panjie Estate	Teluk Panjie Village, Kampung Rakyat District, Labuhan Batu Regency, North Sumatra	Brought Forward from 2015 to 2013	Certified on 21 st April 2015
Peranap Estate	Simelinyang / Pauh Ranap / Sengkilo Village, Peranap District, Indragiri Hulu Regency, Riau	Brought Forward from 2016 to 2013	Certified on 7 th January 2015
Bungo Tebo Estate	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	Certified 7 th February 2017
Tanjung Selamat Estate	Kampung Padang Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatra	Brought Forward from 2017 to 2014	Certified 26 th May 2015
Pangkatan Estate	Sennah Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatra	Brought Forward from 2017 to	Certified 26 th May 2015

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		2014	
Sentral, Aek Tarum & Batu Anam Estate	Gonting Mahala Village, Bandar Pulau District, Asahan Regency, North Sumatra	Brought Forward from 2017 to 2014	Certified 8 th July 2015 Note: 645.5 ha from HGU area (10,414.33 ha) is occupied by surrounding community and exclude from certified area.
Pulau Maria Estate	Rahuning Village, Bandar Pulau District, Asahan Regency, North Sumatra	Brought Forward from 2017 to 2014	Certified 7 th September 2015
Negri Lama Estate	Negri Lama Seberang Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatra	Brought Forward from 2018 to 2013	Certified on 6 th April 2015
Aek Kuo Estate	Aek Korsik Village, Aek Natas District, Labuhan Batu Regency, North Sumatra	Brought Forward from 2016 to 2013	Certified on 6 th April 2015

Appendix C: GHG Reporting Executive Summary

The GHG emissions that were produced in **2017** for **Gunung Melayu II POM** and supply base was calculated using the PalmGHG Calculator version 3.0.1. The assessment team had verified the data input in the PalmGHG Calculator against operations records. PalmGHG Calculation Options selected 'Full version' and 'Exclude LUC Emission' calculation option is not applied. The records verified includes:

- i. Estates area planted data
- ii. Fuel consumed
- iii. Mill datas include CPO produced, PKO Produced and FFB Processed
- iv. Fertilizer consumed data for both estates and smallholders.

The summary of the Net GHG emitted in **2017** for **Gunung Melayu II POM** and supply base are as following:

Emission per product	tCO ₂ e/tProduct
CPO	6.71
PKO	6.71

Extraction	%
OER	22.53
KER	4.75

Production	t/yr
FFB Process	265,232
CPO Produced	59,760
PK Produced	12,598

Land Use	Ha
OP Planted Area	8,350
OP Planted on peat	0
Conservation (forested)	200.36
Conservation (non-forested)	0
Total	9,768.83

Summary of Field Emission and Sink

	Own Crop			Group			3 rd Party			Total		
	tCO ₂ e	tCO ₂ e /Ha	tCO ₂ e /FFB	tCO ₂ e	tCO ₂ e /Ha	tCO ₂ e / FFB	tCO ₂ e	tCO ₂ e /Ha	tCO ₂ e / FFB	tCO ₂ e	tCO ₂ e /Ha	tCO ₂ e/ FFB
Emission												
Land Conversion	81,728.11	9.88	0.47	81.19	9.88	0.39	0	0	0			
CO ₂ Emission from fertilizer	16,001.73	1.93	0.09	16.5	2.01	0.08	0	0	0			
NO ₂ Emmision	20,840.36	2.52	0.12	19.83	2.41	0.1	0	0	0			
Fuel Consumption	1289.57	0.16	0.01	1.09	0.13	0.01	0	0	0			
Peat Oxidation	0	0	0	0	0	0	0	0	0			
Sink												
Crop Sequestration	-77,467.41	-9.36	-0.45	-76.95	-9.36	-0.37	0	0	0			
Conservation Sequestration	0	0	0	0	0	0	0	0	0			

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Total	42,392.36	5.12	0.25	41.66	5.07	0.2	0	0	0			
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Summary of Mill Emission and Credit

	tCO ₂ e	tCO ₂ e/tFFB
Emission		
POME	12,072.22	0.05
Fuel Consumption	502.23	0
Grid Electricity Utilisation	0	0
Credit		
Export of Grid Electricity	-229.57	0
Sales of PKS	-24,565.2	-0.09
Sales of EFB	0	0
Total	-12,220.32	-0.05

Summary of Kernel Crusher Emission and Credit (if applicable)

Emissions	tCO ₂ e
PK from own mill	0
PK from other source	0
Fuel Consumptions	0
Total Crusher emissions	0

*This mill has no kernel crusher operation.

Palm Oil Mill Effluent (POME) Treatment:	
Divert to Compost (%)	0
Divert to anaerobic diversion (%)	100

POME Diverted to Anaerobic Digestion:	
Divert to anaerobic pond (%)	100
Divert to methane captured (flaring) (%)	0
Divert to methane captured (energy generation) (%)	0

Appendix D: General Chain of Custody Requirements for the Supply Chain

5.1 Applicability of the general chain of custody requirements for the supply chain			
	Requirement	Evidence	Compliance (Yes / No or N/A) For any N/A raised, justification is required.
5.1.1	The General Chain of Custody requirements of the RSPO Supply Chain Standard shall apply to any organization throughout the supply chain that takes legal ownership and physically handles RSPO Certified Sustainable oil palm products at a location under the control of the organization including outsourced contractors. After the end product manufacturer, there is no further requirement for certification.	The General Chain of Custody requirements of the RSPO Supply Chain Standard is applicable for PT Gunung Melayu – Gunung Melayu II Palm Oil Mill. Gunung Melayu II Palm Oil Mill physically process RSPO Certified FFB into Certified Sustainable Palm Oil (CSPO) and Palm Kernel (CSPK). Gunung Melayu II Palm Oil Mill also process non-certified FFB into non-certified CPO and PK, therefore the applicable RSPO SCC model is Module E - CPO Mills: Mass Balance. No change in the supply chain module since last assessment.	Yes
5.1.2	Traders and distributors require a licence obtained from RSPO Secretariat to sell RSPO certified product but do not themselves require certification. When selling RSPO certified products, a licensed trader and/or distributor shall pass on the certification number of the product manufacturer and the applicable supply chain model.	PT Gunung Melayu – Gunung Melayu II Palm Oil Mill is not a trader or distributors. This unit was physically process Fresh Fruit Bunch (FFB) into CPO and PK. This clause is not applicable for the certification unit.	Yes
5.1.3	Either the operator at site level or its parent company seeking certification shall be a member of the RSPO and shall register on the	PT Gunung Melayu – Gunung Melayu II Palm Oil Mill is a subsidiary of PT Inti Indosawit Subur, which is a member of RSPO with membership number 1-0022-06-000-00, since 6	Yes

	RSPO IT platform.	February 2006. PT Gunung Melayu – Gunung Melayu II Palm Oil Mill has been registered in RSPO IT Platform with ID number RSPO_PO1000002608, sub licence ID CB58443.	
5.1.4	Processing aids do not need to be included within an organization’s scope of certification.	PT Gunung Melayu – Gunung Melayu II Palm Oil Mill does not include any processing aid into organization’s scope of certification.	Yes
5.2 Supply chain model			
5.2.1	The site can only use the same supply chain model as its supplier or go to a less strict system. Declassification/downgrading can only be done in the following order: Identity Preserved -> Segregated -> Mass Balance.	The site is a palm oil mill that uses RSPO supply chain model Mass Balance, therefore the site can process FFB from certified and non-certified sources. Management of PT Gunung Melayu – Gunung Melayu II Palm Oil Mill aware that they can only claim their product (CPO and PK) as Mass Balance.	Yes
5.2.2	The site can use one (1) or a combination of supply chain models as audited and certified by the CB.	PT Gunung Melayu – Gunung Melayu II Palm Oil Mill uses Mass Balance as their RSPO Supply Chain Certification model, therefore the site can only claim its product as Mass Balance.	Yes
5.3. Documented Procedures			
5.3.1	The site shall have written procedures and/or work instructions or equivalent to ensure the implementation of all elements of the applicable supply chain model specified. This shall include at minimum the following: <ul style="list-style-type: none"> • Complete and up to date procedures covering the implementation of all the elements of the supply chain model requirements. 	PT Gunung Melayu – Gunung Melayu II Palm Oil Mill can demonstrates: <ol style="list-style-type: none"> 1. Standard Operating Procedures – Traceability (AA-MPM-OP-1400.17.R6) dated 1 Sept 2017. The procedures cover traceability of CPO and PK, since FFB receiving from Tanjung Selamat and Pangkatan Estate, processing up to shipping of CPO and PK as well as daily production report. The procedure also regulates the internal audit by Sustainability Internal Audit Manager. Traceability records are to be kept for 10 years. 2. Standard Operating Procedure – Book Keeping (AA-MPM-OP-1400.18-R4). The procedure explains method to check only certified product received. The book keeping mass balance stated every 3 months: January-March, April-June, July-September, and October-December each year. Head of Environment and Sustainability will inform to Certification Body in the case of projected overproduction. 3. SOP of Palm Oil Mill operation: 	Yes

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		<ul style="list-style-type: none"> a. SOP AA-MPM-OP-1400.02.R2, dated 1 September 2011, Stasiun Penerimaan (FFB Receiving Station) b. SOP AA-MPM-OP-1400.03.R1, dated 1 February 2009, Stasiun Rebusan (Sterilizer) c. SOP AA-MPM-OP-1400.04.R1, dated 1 February 2009, Stasiun Pemisahan Berondolan (Loose Fruit Separation) d. SOP AA-MPM-OP-1400.05-R1, dated 1 February 2009, Stasiun Pengadukan dan Pengempaan (Pressing Station) e. SOP AA-MPM-OP-1400.06-R1, dated 1 February 2009, Stasiun Pemurnian (Clarification) f. SOP AA-MPM-OP-1400.07-R1, dated 1 February 2009, Stasiun Pemisahan Nut dan Fiber (Nut and Fiber separation) g. SOP AA-MPM-OP-1400.08-R1, dated 1 February 2009, Stasiun Kernel (Kernel Station) h. SOP AA-MPM-OP-1400.09-R1, dated 1 February 2009, Stasiun Boiler i. SOP AA-MPM-OP-1400.10-R1, dated 1 February 2009, Stasiun Engine Room j. SOP AA-MPM-OP-1400.11-R1, dated 1 February 2009, Stasiun Water Treatment k. SOP AA-MPM-OP-1400.12-R1, dated 1 February 2009, Laboratorium l. SOP AA-MPM-OP-1400.13-R1, dated 1 February 2009, Stasiun Pengelolaan Limbah (Palm Oil Mill Effluent Treatment) m. SOP AA-MPM-OP-1400.14-R2, dated 1 September 2011, Stasiun Penimbunan dan Pengiriman CPO dan Kernel (CPO and PK Storage and Despatch) n. SOP AA-MPM-OP-1400.15-R1, dated 1 February 2009, Perawatan (Preventive Maintenance and Repair) 	
	<ul style="list-style-type: none"> • Complete and up to date records and reports that demonstrate compliance with the supply chain model requirements (including training records). 	<p>PT Gunung Melayu – Gunung Melayu II Palm Oil Mill is able to demonstrate complete and up-to-date records and report demonstrating compliance with the supply chain’s general requirement and modular requirement, including training records (see Clause 5.8 – Training).</p>	<p>Yes</p>

	<ul style="list-style-type: none"> • Identification of the role 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 organization's procedures for the implementation of this standard. 	As per Procedure of Traceability (AA-MPM-OP-1400.17-R6), the responsible person in charge to the supply chain system is Mill Manager. During audit, the mill manager was able to demonstrate sufficient knowledge and understanding on RSPO supply chain implementation for palm oil mill.	Yes
5.3.2	<p>The site shall have a written procedure to conduct annual internal audit to determine whether the organization;</p> <p>i) conforms to the requirements in the RSPO Supply Chain Certification Standard and the RSPO Market Communications and Claims Documents.</p>	As per Procedure of Traceability (AA-MPM-OP-1400.17-R6) chapter 6.7, Sustainability Internal Audit Manager conducted internal audit 2 times in a year, to ensure all operational and documentation activities are comply to the requirement in RSPO Supply Chain Certification Standard and the RSPO Market Communications and Claims Documents.	Yes
	ii) effectively implements and maintains the standard requirements within its organization	The site has effectively implements and maintains the standard requirement by performing internal audit. 20 February 2017 by Welly Joel Chandra, against RSPO SCCS 2017 – RSPO General Chain of Custody requirements and Module E: Mass Balance.	Yes
	Any non-conformities found as part of the internal audit shall be issued corrective action. The outcomes of the internal audits and all actions taken to correct non-conformities shall be subject to management review at least annually. The organization shall be able to maintain the internal audit records and reports.	Audit result findings can be demonstrated and the corrective action has been implemented to address issue found during audit. The outcomes of the internal audits and all actions taken to correct non-conformities subjected to management review annually.	Yes
5.4. Purchasing and goods in			

<p>5.4.1</p>	<p>The receiving site shall ensure that purchases of RSPO certified oil palm products are in compliance and the following minimum information for RSPO certified products is made available by the supplier in document form:</p> <ul style="list-style-type: none"> • The name and address of the buyer; • The name and address of the seller; • The loading or shipment/delivery date; • The date on which the documents were issued; • A description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance or the approved abbreviations); • The quantity of the products delivered; • Any related transport documentation; • Supply Chain certificate number of the seller; • A unique identification number 	<p>PT Gunung Melayu – Gunung Melayu II POM has demonstrated SOP of Traceability (AA-MPM-OP-1400.7.R6), chapter 5.1 indicates the Weighbridge Clerk has responsibility to input data and print weighbridge card based on “Surat Pengantar TBS”, covering information e.g. estate name and block number, mill name, date of delivery, product description and quantity, RSPO certificate number, transporter identity and unique identification number.</p> <p>PT Gunung Melayu – Gunung Melayu II POM receive FFB from certified and non-certified source. Certified source consist of own estate (Sentral, Batu Anam and Aek Tarum Estate. Non-certified FFB sourced from third party supplier, e.g.: Sinar Bakti, STS (Sawit Trading Sejahtera), STS (A), STS (L), Rosnauli Tani, Soelianto, CSV KT makmur Abadi, KT Berdikari, KT Unggulan, KT Maju Bersama, KT Sinar Tani Saturday, KT Bina Tani Mandiri, KT Sari Gunung, KT Sejahtera Sidomulyo, KT Mekar Jaya, KT Berkat Tani Jaya, KT Makmur Tani Jaya, KT Sejahtera, KT Sukses Jaya, KT Suka Maju, KT Berumbang AM, KT Jaya Tani, KT Rejeki Makmur</p> <p>Document “Surat Pengantar TBS” (FFB Delivery Note) and Kartu Timbangan (Weighbridge Card) described identity and location of FFB source and other item required e.g.</p> <p>Certified FFB received:</p> <ul style="list-style-type: none"> - Weighbridge Ticket No. PGDA118202442 dated 13/02/2018, commodity: certified FFB; source: Batu Anam Estate Afdeling 4; to Gunung Melayu II Palm Oil Mill; net weight: 6,400 kg; amount: 424 bunch; Block: G03H, G03J & G10J; RSPO Cert: RSPO620707; Transporter: Internal; Vehicle: BM 8095 TK; Driver: Jumadi; Batch number: 13-100-16462017-27009993. - Weighbridge Ticket No. PGDA118202442 dated 13/02/2018, commodity: certified FFB; source: Sentral Estate Afdeling 1; to Gunung Melayu II Palm Oil Mill; net weight: 3,640 kg; amount: 575 bunch; Block: C12B; RSPO Cert: RSPO620707; Transporter: Internal; Vehicle: BM 8094 TK; Driver: Junaidi; Batch number: 13-100-16462017-27010125. <p>Non-certified FFB received:</p> <ul style="list-style-type: none"> - Surat Pengantar No. 26 dated 18/04/2018 from CV Ronauli Tani to PT GM-GM II POM; amount: 400 bunch, Truck No. BK 8050 YM, Driver: Lias 	<p>Yes</p>
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		<ul style="list-style-type: none"> - Weighbridge Ticket No. PGDA518203276 dated 18/04/2018, commodity: outside FFB; source: CV Ronauli Tani; ID: ST00132; to PT GM-GM II Palm Oil Mill; net weight: 7,778 kg; amount: 400 bunch; Transporter: general; Vehicle: BK 8050 YM; Driver: Lias. - Surat Pengantar No. 25 dated 13/02/2018 from PT STS (A) to PT GM-GM II POM; amount: 273 bunch, Truck No. BA 8582 AW, Driver: Jumali <p>Weighbridge Ticket No. PGDA518201336 dated 13/02/2018, commodity: outside FFB; source: PT STS (A); ID: ST00121; to PT GM-GM II Palm Oil Mill; net weight: 6,173 kg; amount: 267 bunch; Transporter: general; Vehicle: BA 8582 AW; Driver: Jumali.</p>	
	<ul style="list-style-type: none"> • Information shall be complete and can be presented either on a single document or across a range of documents issued for RSPO certified oil palm products (for example, delivery notes, shipping documents and specification documentation). 	<p>Information is complete and presented in couple document, e.g. Surat Pengantar TBS and Weighbridge Ticket. Report of FFB receiving are documented in Laporan Harian Pabrik (Mill Daily Report), Laporan Unit Kebun (Monthly Mill Report) and Mill Summary Report.</p>	<p>Yes</p>
	<ul style="list-style-type: none"> • The site receiving RSPO certified oil palm products shall ensure that the products are verified as being RSPO certified. For sites that are required to announce and confirm trades in the RSPO IT platform, this shall include making Shipping Announcements/Announcements and Confirmations on the RSPO IT platform per shipment or group shipments. Refer to section 5.7.1 of this document for further guidance. 	<p>PT Gunung Melayu – Gunung Melayu II Palm Oil Mill has ensured that FFB received are RSPO certified based on the source of FFB. The Mill only received certified FFB from own estate (Sentral Estate, Aek Tarum Estate and Batu Anam Estate) which have been certified as supply bases of Gunung Melayu II POM. Other than that are non-certified FFB.</p>	<p>Yes</p>
	<ul style="list-style-type: none"> • A check of the validity of the Supply Chain Certification of suppliers is required for all sites that are SC certified. This shall be checked via the list of RSPO Supply Chain 	<p>The site does not need to check the certificate validity of the FFB source, because it is fall under PT Gunung Melayu – Gunung Melayu II Palm Oil Mill.</p>	<p>Yes</p>

	<p>Certified sites on the RSPO website (www.rspo.org) at least annually or through the RSPO IT Platform by confirmation of (shipping) announcements.</p>		
	<ul style="list-style-type: none"> The validity of licence for traders and distributors shall also be checked via the RSPO website at least annually or through the RSPO IT platform by confirmation of shipping announcements / announcements. 	The site has never purchased any certified FFB from traders or distributors.	Yes
5.4.2	The site shall have a mechanism in place for handling non-conforming oil palm products and/or documents.	<p>In the case on non-conforming raw material entering the process, PT Gunung Melayu – Gunung Melayu II Palm Oil Mill has the mechanism to handle non-conforming material and/or document according to “Mekanisme Ketidakesesuaian Proses Pengolahan CPO & PK Nomor: 18/MGR/PGD/AGST/17 and “Mekanisme Penanganan Komplain Kualitas CPO/PK” PT Gunung Melayu – Gunung Melayu II Palm Oil Mill demonstrated the simulation on recall of non-conforming material.</p> <p>Until this 3rd annual surveillance assessment, there has been no case of non-conforming material entering the process.</p>	Yes
5.5. Outsourcing activities			
5.5.1	<p>In cases where an operation seeking or holding certification outsources activities to independent third parties (e.g. subcontractors for storage, transport or other outsourced activities), the operation seeking or holding certification shall ensure that the independent third party complies with the requirements of the RSPO Supply Chain Certification Standard. A CPO mill and independement mil cannot outsource processing activities like refining or crushing.</p>	<p>The transport for RSPO certified sustainable CPO delivery was carried out by CV Jasa Sahabat Abadi and PK delivery was carried out by CV Jasa Sumber Asahan. This contractor was appointed, contracted and instructed by the buyer (PT Sari Dumai Sejahtera). The contract is between buyer and transporters. PT Sari Dumai Sejati is also has certified RSPO with certificate number CU-RSPO SCC-821960 dated 30-08-2017 valid until 29-08-2022.</p> <p>PT Gunung Melayu – Gunung Melayu II Palm Oil Mill does not have control for shipping/transport instruction.</p> <p>Audit team concluded that there is no outsources activities operated in PT Gunung Melayu – Gunung Melayu II Palm Oil Mill.</p>	N/A

	This requirement is not applicable to outsourced storage facilities where the management of the oil palm product(s) and instructions for tank movements are controlled by the certified organization (not the tank farm manager).		
5.5.2	Sites which include outsourcing within the scope of their RSPO Supply Chain certificate shall ensure the following:	Refer to 5.5.1	N/A
	a. The site has legal ownership of all input material to be included in outsourced processes;		
	b. The site has an agreement or contract covering the outsourced process with each contractor through a signed and enforceable agreement with the contractor. The onus is on the site to ensure that certification bodies (CBs) have access to the outsourcing contractor or operation if an audit is deemed necessary.	Refer to 5.5.1	N/A
	c. The site has a documented control system with explicit procedures for the outsourced process which is communicated to the relevant contractor.	Refer to 5.5.1	N/A
	d. The site seeking or holding certification shall furthermore ensure (e.g. through contractual arrangements) that independent third parties engaged provide	Refer to 5.5.1	N/A

	relevant access for duly accredited CBs to their respective operations, systems, and any and all information, when this is announced in advance.		
5.5.3	The site shall record the names and contact details of all contractors used for the processing or physical handling of RSPO certified oil palm products.	Refer to 5.5.1	N/A
5.5.4	The site shall at its next audit inform its CB of the names and contact details of any new contractor used for the processing or physical handling of RSPO certified oil palm products.	Refer to 5.5.1	N/A
5.6. Sales and goods out			
5.6.1	<p>The supplying site shall ensure that the following minimum information for RSPO certified products is made available in document form.</p> <ul style="list-style-type: none"> • The name and address of the buyer; • The name and address of the seller; • The loading or shipment/ delivery date; • The date on which the documents were issued; • A description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance or the approved abbreviations); • The quantity of the products delivered; • Any related transport documentation; 	<p>PT Gunung Melayu – Gunung Melayu II Palm Oil Mill has demonstrated SOP of Traceability (AA-MPM-OP-1400.7.R6), chapter 5.2 indicates the Marketing Manager issued Delivery Order (DO) with information: name and address of production unit, name and address of buyer, contract number, type of product transportation (land/sea), distance, type of product (CPO or PK, certified or non-certified), quantity of product, delivery date, product qualification specification (CPO or PK: FFA, water content, dirt, etc), Supply chain model (Mass Balance).</p> <p>At the Mill, weighbridge operator printed out CPO or PK weighbridge ticket, based on DO from marketing which indicates: type of commodity, CPO or PK certified or not-certified; source and destination address; Supply Chain model: (Mass Balance); Certificate number of the Mill; date of delivery, Product quality specification (moisture, FFA, dirt); Contract number/DO number; Quantity, Transport detail (driver name, vehicle number); Buyer address.</p> <p>Sampled of Delivery Order/DO verified:</p> <ul style="list-style-type: none"> - Delivery Order #10301/DC27/02/17 dated 02/10/2017; Seller is PT Gunung Melayu – Gunung Melayu II POM; Buyer is PT Dumai Paricipta Abadi; Commodity is RSPO 	Yes

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<ul style="list-style-type: none"> Supply chain certificate number of the seller; A unique identification number 	<p>certified CPO; Supply Chain Model is Mass Balance; Quantity is 720,000 kg; Supply Chain Certificate is RSPO 620707.</p> <ul style="list-style-type: none"> Delivery Order #02001/DC27/13/18; dated 08/02/2018; Seller is PT Gunung Melayu – Gunung Melayu II POM; Buyer is PT Saudara Sejati Luhur Kernel Crushing Plant; Commodity is RSPO certified Palm Kernel; Supply Chain Model is Mass Balance; Quantity is 200,000 kg; Supply Chain Certificate is RSPO 620707. <p>Sampled of certified CPO Delivery:</p> <ul style="list-style-type: none"> Weighbridge Ticket #PGDC117201619 dated 09/10/2017; Seller is PT Gunung Melayu – Gunung Melayu II POM; Buyer is PT Gunung Melayu Bulking Dumai Paricippta Abadi; Delivery date is 09/10/2017; Commodity is CPO Certified RSPO; Supply Chain Model is Mass Balance; Quantity is 28,930 kg; based on DO #10301/DC27/02/17; Transporter is CV Jasa Sahabat Abadi, BK 9113 VP; Supply Chain Certificate number RSPO 620707; FFA: 4.28%; water: 0.210%; dirt: 0.020%; Seal number 4044850-4044856. Weighbridge Ticket #PGDC117201633 dated 11/10/2017; Seller is PT Gunung Melayu – Gunung Melayu II POM; Buyer is PT Gunung Melayu Bulking Dumai Paricippta Abadi; Delivery date is 11/10/2017; Commodity is CPO Certified RSPO; Supply Chain Model is Mass Balance; Quantity is 23,180 kg; based on DO #10301/DC27/02/17; Transporter is CV Jasa Sahabat Abadi, BK 9983 VP; Supply Chain Certificate number RSPO 620707; FFA: 4.41%; water: 0.210%; dirt: 0.022%; Seal number 0296581-0296587. <p>Sampled of certified PK Delivery:</p> <p>Weighbridge Ticket #PGDC218200053 dated 26/02/2018; Seller is PT Gunung Melayu – Gunung Melayu II POM; Buyer is PT Saudara Sejati Luhur Kernel Crushing Plant; Delivery date is 26/02/2018; Commodity is PK Certified RSPO; Supply Chain Model is Mass Balance; Quantity is 26,340 kg; based on DO #02001/DC27/13/18; Transporter is CV Jasa Sumber Asahan, BK 8655 LV; Supply Chain Certificate number RSPO 620707; FFA 0.21%, broken: 17.85%; water: 6.83%; dirt: 6.72%; Seal number 0423818-0423827.</p>		
<ul style="list-style-type: none"> Information shall be complete and can be presented either on a single document or across a range of documents issued for RSPO certified oil palm products (for 		<p>Informations are complete and presented in couple document, e.g. Delivery Order and Weighbridge Ticket. Report of CPO and PK deliveries are documented in Laporan Harian Pabrik (Mill Daily Report), Mill Operation Report and Book Keeping Mass Balance Report.</p>	<p>Yes</p>

	example, delivery notes, shipping documents and specification documentation).		
	<ul style="list-style-type: none"> For sites that are required to announce and confirm trades in the RSPO IT platform, this shall include making Shipping Announcements / Announcements and Confirmations on the RSPO IT platform per shipment or group of shipments. Refer to section 5.7.1 of this document for further guidance. 	<p>PT Gunung Melayu – Gunung Melayu II POM has made Shipping Announcement in RSPO IT Platform to announce sales of RSPO certified CPO or PK per group of shipments (DO).</p> <p>For example:</p> <ul style="list-style-type: none"> - Shipping Announcement, with transaction ID No. TR-187e172-c76a for 312.89 MT CSPO Mass Balance; from PT Gunung Melayu – Gunung Melayu II Mill as Seller to Buyer PT Sari Dumai Sejati (RSPO_PO1000006430). B/L number GENG/LUB-523. Confirmation has been made by Buyer on 06/12/2017. - Shipping Announcement, with transaction ID No. TR-f9691edc-0497 for 720 MT CSPO Mass Balance; from PT Gunung Melayu – Gunung Melayu II Mill as Seller to Buyer Josovina Comodities Pte Ltd. B/L number SFT051705. Confirmation has been made by Buyer on 25/10/2017. <p>Shipping Announcement, with transaction ID No. TR-cf35a02f-2b8c for 1,260.78 MT CSPK Mass Balance; from PT Gunung Melayu – Gunung Melayu II Mill as Seller to Buyer PT Saudara Sejati Luhur Gunung Melayu I KCP. B/L number LBG/RTM-04. Confirmation has been made by Buyer on 27/06/2017.</p>	Yes
5.7. Registration of transactions			
5.7.1	<p>Supply chain actors who:</p> <ul style="list-style-type: none"> are mills, traders, crushers and refineries and; take legal ownership and/or physically handle RSPO Certified Sustainable oil palm products that are available in the yield scheme of the RSPO IT Platform (Figure 2 and 3, Refer Annex 1) shall register their transaction in the RSPO IT platform and 	<p>PT Gunung Melayu – Gunung Melayu II POM is a palm oil mill which takes legal ownership and physically handled RSPO certified sustainable oil palm product, therefore the site has been registered in RSPO IT Platform with ID number RSPO_PO1000002608.</p>	Yes

	confirm upon receipt where applicable.		
5.7.2	<p>The involved supply chain actors mentioned in 5.7.1 shall do the following actions in the RSPO IT Platform:</p> <ul style="list-style-type: none"> Shipping Announcement / Announcement: When RSPO certified volume is sold as certified, the volumes of products that are in the yield scheme (Figure 2 and 3, refer Annex 1) shall be registered as a Shipping Announcement / Announcement in the RSPO IT Platform. The declaration time to do Shipping announcement / Announcement is based on members' own standard operating procedures. 	<p>PT Gunung Melayu – Gunung Melayu II POM has made Shipping Announcement for certified CPO and PK sold.</p> <p>For example:</p> <ul style="list-style-type: none"> Shipping Announcement, with transaction ID No. TR-187e172-c76a for 312.89 MT CSPO Mass Balance; from PT Gunung Melayu – Gunung Melayu II Mill as Seller to Buyer PT Sari Dumai Sejati (RSPO_PO1000006430). B/L number GENG/LUB-523. Confirmation has been made by Buyer on 06/12/2017. Shipping Announcement, with transaction ID No. TR-f9691edc-0497 for 720 MT CSPO Mass Balance; from PT Gunung Melayu – Gunung Melayu II Mill as Seller to Buyer Josovina Comodities Pte Ltd. B/L number SFT051705. Confirmation has been made by Buyer on 25/10/2017. <p>Shipping Announcement, with transaction ID No. TR-cf35a02f-2b8c for 1,260.78 MT CSPK Mass Balance; from PT Gunung Melayu – Gunung Melayu II Mill as Seller to Buyer PT Saudara Sejati Luhur Gunung Melayu I KCP. B/L number LBG/RTM-04 (Ship. Confirmation has been made by Buyer on 27/06/2017.</p>	Yes
	<ul style="list-style-type: none"> Trace: When RSPO certified volumes are sold as RSPO certified to actors in the supply chain beyond the refinery, the volume shall be traced at least annually. Tracing triggers the generation of a trace document with a unique traceability number. Tracing can be done in a consolidated way at least annually. 	<p>PT Gunung Melayu – Gunung Melayu II POM has made Shipping Announcement for certified CPO and PK sold.</p> <p>For example:</p> <ul style="list-style-type: none"> Shipping Announcement, with transaction ID No. TR-187e172-c76a for 312.89 MT CSPO Mass Balance; from PT Gunung Melayu – Gunung Melayu II Mill as Seller to Buyer PT Sari Dumai Sejati (RSPO_PO1000006430). B/L number GENG/LUB-523. Confirmation has been made by Buyer on 06/12/2017. Shipping Announcement, with transaction ID No. TR-f9691edc-0497 for 720 MT CSPO Mass Balance; from PT Gunung Melayu – Gunung Melayu II Mill as Seller to Buyer Josovina Comodities Pte Ltd. B/L number SFT051705. Confirmation has been made by 	Yes

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		Buyer on 25/10/2017. Shipping Announcement, with transaction ID No. TR-cf35a02f-2b8c for 1,260.78 MT CSPK Mass Balance; from PT Gunung Melayu – Gunung Melayu II Mill as Seller to Buyer PT Saudara Sejati Luhur Gunung Melayu I KCP. B/L number LBG/RTM-04 (Ship. Confirmation has been made by Buyer on 27/06/2017.	
	<ul style="list-style-type: none"> Remove: RSPO certified volumes sold under other scheme or as conventional, or in case of underproduction, loss or damage shall be removed. 	<p>Non Conformity: According to Book Keeping record October – December 2017 PT GM – GM II POM there was CPO delivery as ISCC certified as much as 10,315.49 MT and in January – March 2018 CPO delivery as ISCC certified was 6,202.100 MT. However company done "Remove" the CSPO in the RSPO IT Platform was 6,249.26 MT.</p> <p>Correction and corrective action taken by company: Company has performed additional removal for CPO sold as other sheme certified (ISCC) for the period of October 2017 - Mar 2018 as much as 11,988.31 MT. Record of removal detail can be demonstrated during audit and record in Palm trace. The number of removal for CPO sold as other scheme has been met.</p> <p>PT Gunung Melayu has re-examine the units and volumes sold for other certification schemes (ISCC) before the submit button is submitted at RSPO, and remove according to the period and volume sold as another certification scheme (ISCC). Company has performed removal stock of RSPO certified CPO according to actual voume of CPO sold as other sheme certified (ISCC).</p>	<p>NC #1621854-201804-M1 CLOSED on 9 June 2018 Comply Yes</p>
	<ul style="list-style-type: none"> Confirm: Acknowledge the purchase of RSPO certified volume by confirming Shipping Announcements / Announcements. 	PT Gunung Melayu – Gunung Melayu II POM is a palm oil mill which does not need to confirm any purchase of FFB.	Yes
5.8. Training			
5.8.1	The organization shall have a training plan on RSPO Supply Chain Standards requirements, which is subject to on-going review and is	PT Gunung Melayu – Gunung Melayu II POM has prepared a training program to staff, who is involved in RSPO Supply Chain Certification Standard implementation. As per training program, "Program Pelatihan Environmental & Sustainability Tahun 2018 PT	Yes

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	supported by records of the training provided to staff.	Gunung Melayu – Gunung Melayu II POM” the RSPO supply chain and traceability refreshment training was conducted on 3 April 2017. Competency and training records of all staff involved in RSPO Supply Chain were able to be demonstrated.	
5.8.2	Appropriate training shall be provided by the organization for personnel carrying out the tasks critical to the effective implementation of the supply chain certification standard requirements. Training shall be specific and relevant to the task(s) performed.	Latest training on “Supply Chain, Mass Balance and Traceability” performed on 3 April 2017 attended by Mill Manager, production supervisor, weighbridge operators, dispatch operators and administrative controller. Training module attendance list were sighted.	Yes
5.9. Record Keeping			
5.9.1	The organization shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these RSPO Supply Chain Certification Standard requirements.	Based on review of PT Gunung Melayu – Gunung Melayu II POM document and record, the Mill is able to demonstrate complete, up-to-date and accessible records and reports covering all aspects of RSPO Supply Chain Certification Standard requirements. Records and report verified are as follows: <ul style="list-style-type: none"> • Laporan Harian Pabrik (Mill Daily Report); dated 31/12/2017 and 31/03/2018. • Book Keeping – Mass Balance – CPO and PK period of January – March 2017, April – June 2017, July – September 2017, October – December 2017, January – March 2018; • Kartu Timbangan (Weighbridge Ticket) FFB; • Kartu Timbangan (Weighbridge Ticket) CPO; • Kartu Timbangan (Weighbridge Ticket) PK; 	Yes
5.9.2	Retention times for all records and reports shall be a minimum of two (2) years and shall comply with legal and regulatory requirements and be able to confirm the certified status of raw materials or products held in stock.	The procedure of Traceability (AA-MPM-OP-1400.7.R6), requires that all records and reports related to traceability and book keeping are retained for a period of 10 years.	Yes
5.9.3	The organization shall be able to provide the estimate volume of palm oil/palm kernel oil	PT Gunung Melayu – Gunung Melayu II POM is able to provide estimate volume of CPO and PK in a year period as in “Distribusi Produksi Bulanan Anggaran Tahun 2018” consists	Yes

	<p>content (separate categories) in the RSPO certified oil palm product and keep an up to date record of the volume purchased (input) and claimed (output) over a period of twelve (12) months.</p>	<p>estimate of FFB receiving from Tanjung Selamat Estate, Pangkatan estate and Third Party supplier, Extraction rates, Processing capacity, working hour, utilisation, etc. The Mill also keep an up to date record of the FFB volume received, CPO and PK produced over a period of twelve (12) month, as in "Book Keeping Mass Balance Report".</p>	
<p>5.10. Conversion factors</p>			
<p>5.10.1</p>	<p>Where applicable a conversion rate shall be applied to provide a reliable estimate for the amount of certified output available from the associated inputs. Organizations may determine and set their own conversion rates which shall be based upon past experience, documented and applied consistently. Guidance on conversion rates is published on the RSPO website (www.rspo.org); RSPO Rules for Physical Transition of Oleochemicals and its Derivaties. This is relevant for derivatives of Palm Oil and Palm Kernel Oil, as used in the oleochemical and personal care industries.</p>	<p>Conversion rate is applied to provide reliable estimation of CPO and PK produced. For year 2018, the budget for conversion from FFB into CPO are: a. For FFB from Sentral Estate: 24.40% b. For FFB from Batu Anam Estate: 25.20% c. For FFB from Aek Tarum Estate: 24.70% d. For FFB from third-party: 20.45 % For year 2018, the budget for conversion from FFB into PK are: e. For FFB from Sentral Estate: 4.75 % f. For FFB from Batu Anam Estate: 4.75 % g. For FFB from Aek Tarum Estate: 4.75 % h. For FFB from third-party: 4.75 % For actual 2017, actual conversion ratios from FFB into CPO are: i. For FFB from Sentral Estate: 24.00 % j. For FFB from Batu Anam Estate: 25.50 % k. For FFB from Aek Tarum Estate: 24.75 % l. For FFB from third-party: 20.70 % For actual 2017, actual conversion ratios from FFB into PK are: m. For FFB from Sentral Estate: 4.30 % n. For FFB from Batu Anam Estate: 4.50 % o. For FFB from Aek Tarum Estate: 4.50 %</p>	<p>Yes</p>

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		For FFB from third-party: 4.55 %	
5.10.2	Conversion rates shall be periodically updated to ensure accuracy against actual performance or industry average if appropriate.	<p>The actual conversion ratio is monitored on daily basis through sounding result and documented in daily report. Gunung Melayu POM is able to demonstrate the work instruction for analysis of oil content.</p> <p>Based on Laporan Harian Produksi dated 17/04/2018, the sounding result and production report shows that actual conversion ratios from FFB into CPO are:</p> <ul style="list-style-type: none"> a. For FFB from Sentral Estate: 24.40% b. For FFB from Batu Anam Estate: 25.20% c. For FFB from Aek Tarum Estate: 24.70% d. For FFB from third-party: 20.45 % <p>And actual conversion ratios from FFB into PK are:</p> <ul style="list-style-type: none"> e. For FFB from Sentral Estate: 4.75 % f. For FFB from Batu Anam Estate: 4.75 % g. For FFB from Aek Tarum Estate: 4.75 % <p>For FFB from third-party: 4.75 %</p>	Yes
5.11. Claims			
5.11.1	The site shall only make claims regarding the use of or support of RSPO certified oil palm products that are in compliance with the RSPO Rules on Market Communications and Claims.	PT Gunung Melayu – Gunung Melayu II POM has made claims regarding the support of RSPO certified oil palm products in compliance with the RSPO Rules on Market Communications and Claims. However the RSPO trademark was not being used on products.	Yes
5.12. Complaints			
5.12.1	The organization shall have in place and maintain documented procedures for collecting and resolving stakeholder complaints.	Based on document review, there has been no complaint from stakeholder related with certified CPO or PK from PT Gunung Melayu – Gunung Melayu II POM. In the case of any complaint, the mill provided procedure AA-GL-5.08-R1 related to information request from any stakeholders to resolving stakeholder complaints.	Yes
5.13. Management Review			

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5.13.1	The organization is required to hold management reviews annually at planned intervals, appropriate to the scale and nature of the activities undertaken.	PT Gunung Melayu – Gunung Melayu II POM has Standard Operating Procedures for Internal Audit and Management Review (AA-SOP-ES-6001-R1). The management review planned once a year at minimum, considering the critical area. The Standard Operating Procedures of Traceability (AA-MPM-OP-1400.17.R6) dated 1 Sept 2017 has also regulates the internal audit by Sustainability Internal Audit Manager, that planned 2 times in a year at minimum.	Yes
5.13.2	The input to management review shall include information on: <ul style="list-style-type: none"> • Results of internal audits covering RSPO Supply Chain Certification Standard. • Customer feedback. • Status of preventive and corrective actions. • Follow-up actions from management reviews. • Changes that could affect the management system. • Recommendations for improvement. 	The latest Internal audit carried out on 20 February 2017 by Welly Joel Chandra, against RSPO SCCS 2017 – RSPO General Chain of Custody requirements and Module E: Mass Balance. The organization shows issues discussed during management review and attendance list, dated 27 February 2018. The management review inputs include information on: <ul style="list-style-type: none"> - The result of audits: based on result from internal audit on 18 February 2018; - customer feedback – no customer complaint; - Review Continual improvement. Management review was attended by key personnel involved in implementation of RSPO Supply Chain certification Standard. Minute of management review meeting and attendance register were available. Non conformity: The management review input was not cover the information on: <ul style="list-style-type: none"> • Status of preventive and corrective actions. • Follow-up actions from management reviews. • Changes that could affect the management system. 	NC #1621854-201804-M2 CLOSED on 9 June 2018 Comply Yes
5.13.3	The output from the management review shall include any decisions and actions related to: <ul style="list-style-type: none"> • Improvement of the effectiveness of the management system and its processes. • Resource needs. 	Non Conformity: The output from management review was not include the decision and action related to: <ul style="list-style-type: none"> • Improvement of the effectiveness of the management system and its processes. • Resource needs. 	NC #1621854-201804-M3 CLOSED on 9 June 2018

			Comply Yes
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CPO Mill Supply Chain Assessment Report (Module E - CPO Mills: Mass Balance)

Requirements	Compliance												
E.1 Definition													
<p>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.</p>	<p>PT Gunung Melayu – Gunung Melayu II POM holds current RSPO P&C Certificate No. RSPO 620707. In the current certificate, PT Gunung Melayu – Gunung Melayu II POM uses Mass Balance supply chain system. The mill only claimed the FFB proportion from certified supply bases which comprise of company-own estate and sister company estate. The other supply base, were come from third party suppliers as non-certified FFB source.</p>												
E.2 Explanation													
<p>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>	<p>The projection for certified FFB and production of certified CPO and PK in Gunung Melayu II POM has been recorded in BSI’s public summary report and registered in RSPO IT Platform.</p> <p>CB has been submitted to the RSPO Palm Trace Gunung Melayu II POM the projection of FFB, CPO and PK production.</p> <p>The actual CPO and PK produced verified during each subsequent visit to ensure that certified mill only deliver the allowed tonnage for the year. The projection of production in Palm Trace and actual as below:</p> <table border="1" data-bbox="1025 1086 1527 1299"> <thead> <tr> <th>Description</th> <th>Projection in 2017</th> <th>Actual in 2017</th> </tr> </thead> <tbody> <tr> <td>FFB</td> <td>167,296 MT</td> <td>172,434 MT</td> </tr> <tr> <td>CPO</td> <td>41,467 MT</td> <td>41,233 MT</td> </tr> <tr> <td>PK</td> <td>7,417 MT</td> <td>8,189 MT</td> </tr> </tbody> </table> <p>During this assessment, the actual of production CPO and PK is recorded in daily, monthly and yearly basis.</p>	Description	Projection in 2017	Actual in 2017	FFB	167,296 MT	172,434 MT	CPO	41,467 MT	41,233 MT	PK	7,417 MT	8,189 MT
Description	Projection in 2017	Actual in 2017											
FFB	167,296 MT	172,434 MT											
CPO	41,467 MT	41,233 MT											
PK	7,417 MT	8,189 MT											

<p>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).</p>	<p>PT Gunung Melayu – Gunung Melayu II POM has met registration and reporting requirement as it has been registered in RSPO IT Platform (PalmTrace) with ID number RSPO_PO1000002608, sub licence ID CB58443.</p>
<p>E.3 Documented procedures</p>	
<p>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 procedures covering the implementation of all the elements in these requirements;</p>	<p>PT Gunung Melayu – Gunung Melayu II Palm Oil Mill can demonstrates:</p> <ol style="list-style-type: none"> 1. Standard Operating Procedures – Traceability (AA-MPM-OP-1400.17.R6) dated 1 Sept 2017. The procedures cover traceability of CPO and PK, since FFB receiving from Tanjung Selamat and Pangkatan Estate, processing up to shipping of CPO and PK as well as daily production report. The procedure also regulates the internal audit by Sustainability Internal Audit Manager. Traceability records are to be kept for 10 years. 2. Standard Operating Procedure – Book Keeping (AA-MPM-OP-1400.18-R4). The procedure explains method to check only certified product received. The book keeping mass balance stated every 3 months: January-March, April-June, July-September, and October-December each year. Head of Environment and Sustainability will inform to Certification Body in the case of projected overproduction. 3. SOP of Palm Oil Mill operation: <ol style="list-style-type: none"> a. SOP AA-MPM-OP-1400.02.R2, dated 1 September 2011, Stasiun Penerimaan (FFB Receiving Station) b. SOP AA-MPM-OP-1400.03.R1, dated 1 February 2009, Stasiun Rebusan (Sterilizer) c. SOP AA-MPM-OP-1400.04.R1, dated 1 February 2009, Stasiun Pemisahan Berondolan (Loose Fruit Separation) d. SOP AA-MPM-OP-1400.05-R1, dated 1 February 2009, Stasiun Pengadukan dan Pengempaan (Pressing Station) e. SOP AA-MPM-OP-1400.06-R1, dated 1 February 2009, Stasiun Pemurnian (Clarification)

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	<ul style="list-style-type: none"> f. SOP AA-MPM-OP-1400.07-R1, dated 1 February 2009, Stasiun Pemisahan Nut dan Fiber (Nut and Fiber separation) g. SOP AA-MPM-OP-1400.08-R1, dated 1 February 2009, Stasiun Kernel (Kernel Station) h. SOP AA-MPM-OP-1400.09-R1, dated 1 February 2009, Stasiun Boiler i. SOP AA-MPM-OP-1400.10-R1, dated 1 February 2009, Stasiun Engine Room j. SOP AA-MPM-OP-1400.11-R1, dated 1 February 2009, Stasiun Water Treatment k. SOP AA-MPM-OP-1400.12-R1, dated 1 February 2009, Laboratorium l. SOP AA-MPM-OP-1400.13-R1, dated 1 February 2009, Stasiun Pengelolaan Limbah (Palm Oil Mill Effluent Treatment) m. SOP AA-MPM-OP-1400.14-R2, dated 1 September 2011, Stasiun Penimbunan dan Pengiriman CPO dan Kernel (CPO and PK Storage and Despatch) n. SOP AA-MPM-OP-1400.15-R1, dated 1 February 2009, Perawatan (Preventive Maintenance and Repair)
<p>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.</p>	<p>As per Procedure of Traceability (AA-MPM-OP-1400.17-R6), the responsible person in charge to the supply chain system is Mill Manager. During audit, the mill manager, Mr. Windy K.T, was able to demonstrate sufficient knowledge and understanding on RSPO supply chain implementation for palm oil mill.</p>
<p>E.3.2 The site shall have documented procedures for receiving and processing certified and non-certified FFBS.</p>	<p>PT Gunung melayu – Gunung Melayu II Palm Oil Mill has had documented procedures for receiving and processing of Certified and Non-certified FFBS in form of SOP AA-MPM-OP-1400.17-R6 "Traceability" and SOP for FFB Receiving Station (AA-MPM-OP-1400.02-R2). The Mill uses RSPO Supply Chain model Mass Balance, therefore does not required to separated receiving and processing of certified and non-certified FFB.</p>
<p>E.4 Purchasing and goods in</p>	
<p>E.4.1 The site shall verify and document the volumes of certified and non-certified FFBS received.</p>	<p>Responsible Person is able to demonstrate mechanism to verify and documented the volumes of Certified and Non-certified FFBS received, which contains:</p> <ul style="list-style-type: none"> • Name of Estate, Division and Block (Sources of certified FFB)

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	<ul style="list-style-type: none"> • Date of harvesting • Certificate Number <p>Sample taken during audit:</p> <p>Certified FFB received from own certified estate:</p> <ul style="list-style-type: none"> - Weighbridge Ticket No. PGDA118202442 dated 13/02/2018, commodity: certified FFB; source: Batu Anam Estate Afdeling 4; to Gunung Melayu II Palm Oil Mill; net weight: 6,400 kg; amount: 424 bunch; Block: G03H, G03J & G10J; RSPO Cert: RSPO620707; Transporter: Internal; Vehicle: BM 8095 TK; Driver: Jumadi; Batch number: 13-100-16462017-27009993. - Weighbridge Ticket No. PGDA118202442 dated 13/02/2018, commodity: certified FFB; source: Sentral Estate Afdeling 1; to Gunung Melayu II Palm Oil Mill; net weight: 3,640 kg; amount: 575 bunch; Block: C12B; RSPO Cert: RSPO620707; Transporter: Internal; Vehicle: BM 8094 TK; Driver: Junaidi; Batch number: 13-100-16462017-27010125. <p>Non-certified FFB received:</p> <ul style="list-style-type: none"> - Surat Pengantar No. 26 dated 18/04/2018 from CV Ronauli Tani to PT GM-GM II POM; amount: 400 bunch, Truck No. BK 8050 YM, Driver: Lias - Weighbridge Ticket No. PGDA518203276 dated 18/04/2018, commodity: outside FFB; source: CV Ronauli Tani; ID: ST00132; to PT GM-GM II Palm Oil Mill; net weight: 7,778 kg; amount: 400 bunch; Transporter: general; Vehicle: BK 8050 YM; Driver: Lias. - Surat Pengantar No. 25 dated 13/02/2018 from PT STS (A) to PT GM-GM II POM; amount: 273 bunch, Truck No. BA 8582 AW, Driver: Jumali - Weighbridge Ticket No. PGDA518201336 dated 13/02/2018, commodity: outside FFB; source: PT STS (A); ID: ST00121; to PT GM-GM II Palm Oil Mill; net weight: 6,173 kg; amount: 267 bunch; Transporter: general; Vehicle: BA 8582 AW; Driver: Jumali.
<p>E.4.2 The site shall inform the CB immediately if there is a projected</p>	<p>Standard Operating Procedure – Book Keeping (AA-MPM-OP-1400.18-R4). The procedure explains method to check only certified product received. The book keeping</p>

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<p>overproduction.</p>	<p>mass balance stated every 3 months: January-March, April-June, July-September, and October-December each year. Head of Environment and Sustainability will inform to Certification Body in the case of projected overproduction. Until this 3rd annual surveillance audit, there is no overproduction reported to CB.</p>
<p>E.5 Record keeping</p>	
<p>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. (b) All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO. c) The site can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three months. However, a site is allowed to sell short.(ie product can be sold before it is in stock.)</p>	<p>PT Gunung Melayu – Gunung Melayu II POM has record and balances all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on three-monthly basis, as shown in Book Keeping Mass Balance Report. Three monthly report was generated from weighbridge card, summarized daily in mill daily report, summarized monthly in Mill Operation Summary, then summarized in Book Keeping Mass Balance Report. Records and report verified are as follows:</p> <ul style="list-style-type: none"> • Laporan Harian Pabrik (Mill Daily Report); dated 31/12/2017 and 31/03/2018. • Book Keeping – Mass Balance – CPO and PK period of January – March 2017, April – June 2017, July – September 2017, October – December 2017, January – March 2018; • Kartu Timbangan (Weighbridge Ticket) FFB; • Kartu Timbangan (Weighbridge Ticket) CPO; • Kartu Timbangan (Weighbridge Ticket) PK;
<p>E.5.2 In cases where a mill outsources activities to an independent palm kernel crush, the crush still falls under the responsibility of the mill and does not need to be separately certified. The mill has to ensure that the crush is covered through a signed and enforceable agreement</p>	<p>No outsourcing</p>

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Supply Chain Declaration *(Applicable For Appendix E)*

A. Monthly Records of Certified and Uncertified FFB Received since the last audit				
No.	Month - Year	Volume of FFB from certified supply bases (MT)	Volume of FFB from uncertified supply bases (MT)	Total FFB/Month (mt)
1	Apr 2017	12,513	9,383	21,895
2	May 2017	16,797	8,994	25,791
3	June 2017	15,884	7,261	23,145
4	July 2017	20,469	7,849	28,318
5	August 2017	21,058	9,340	30,397
6	September 2017	18,269	8,850	27,119
7	October 2017	15,706	8,123	23,830
8	November 2017	14,759	6,621	21,380
9	December 2017	13,313	8,033	21,345
10	January 2018	10,243	6,359	16,602
11	February 2018	7,470	5,731	13,202
12	March 2018	7,173	6,067	13,240
TOTAL		173,654	92,611	266,264

B. Monthly Records of Certified CPO & PK since the last audit			
No.	Month - Year	Certified CPO (MT)	Certified PK (MT)
1	Apr 2017	2,962	602
2	May 2017	3,948	816
3	June 2017	3,803	705
4	July 2017	4,832	968
5	August 2017	5,092	1,032
6	September 2017	4,394	786
7	October 2017	3,737	782
8	November 2017	3,475	629
9	December 2017	3,263	660
10	January 2018	2,555	481
11	February 2018	1,885	356
12	March 2018	1,784	340
TOTAL		41,730	8,157

C. Records of Certified CPO & PK Sold under PalmTrace to Buyers since last audit				
No.	Buyers Name	Palmtrace Trading No	Certified CPO Sold (MT)	Certified PK Sold (MT)
1	PT Sari Dumai Sejati	TR-1de3858507ed	84.21	-
2	PT Sari Dumai Sejati	TR-e0f5428f-9df2	105.26	-
3	PT Sari Dumai Sejati	TR-9af183d3-660a	315.8	-
4	PT Sari Dumai Sejati	TR-40d5ceb9-29ac	470.91	-
5	KCP Gunung Melayu I	TR-efe921cb-24ac	-	281.78
6	KCP Gunung Melayu I	TR-bde5233f-d19c	-	348.68
7	KCP Gunung Melayu I	TR-326dde62-d31c	-	368.13

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8	KCP Gunung Melayu I	TR-d38663b9-a73a	-	279.5
9	PT Sari Dumai Sejati	TR-1873e172-c76a	312.89	-
10	KCP Gunung Melayu I	TR-7538c7e6-e7f2	-	420.91
11	KCP Gunung Melayu I	TR-827a58e7-0e18	-	444.44
12	KCP Gunung Melayu I	TR-59b0afc2-a75f	-	1,179.2
13	PT Sari Dumai Sejati	TR-35433f2c-ffb1	687.11	-
14	KCP Gunung Melayu I	TR-b55a0756-48be	-	220.98
15	Josovina	TR-f9691edc-0497	720	-
16	KCP Gunung Melayu I	TR-d79e0ff0-b072	-	154.13
17	KCP Gunung Melayu I	TR-90822a6d-6ca8	-	377.64
18	KCP Gunung Melayu I	TR-d805455f-e0e5	-	955.69
Total			2,696.18	5,031.08

D. Records of CPO & PK Sold under other schemes to Buyers since the last audit (License Period August 2017 – July 2018)

No.	Buyers Name	Scheme Name	CPO Sold (MT)	PK Sold (MT)
1	Classified	ISCC	33,625.33	0

E. Records of CPO & PK Sold as conventional to Buyers since the last audit (License Period August 2017 – July 2018)

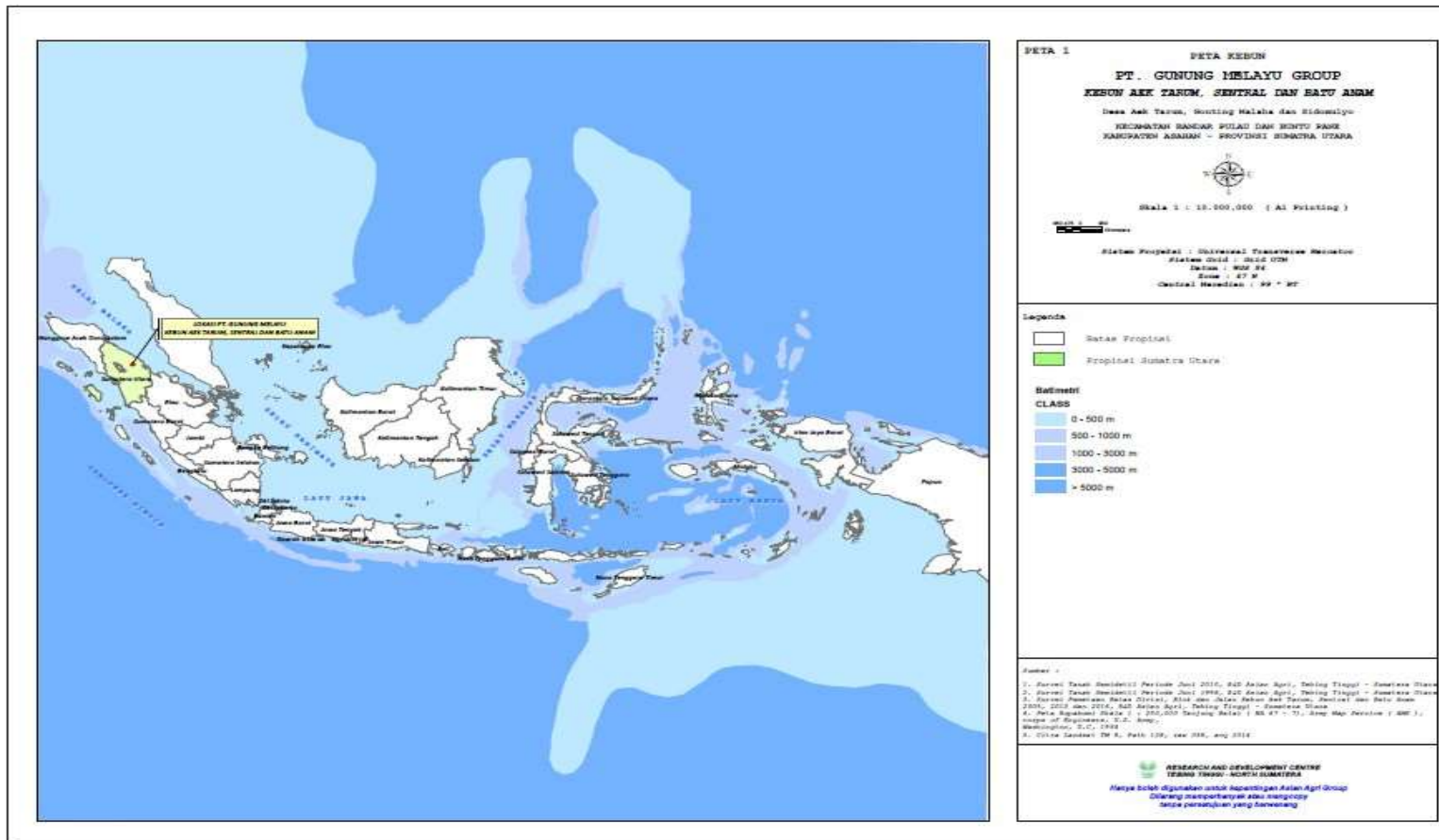
No.	Buyers Name	CPO Sold (MT)	PK Sold (MT)
Nil	Nil	Nil	Nil

F. Records of Certified CPO Sold under RSPO Credits to Buyers since the last audit (License Period August 2017 – July 2018)

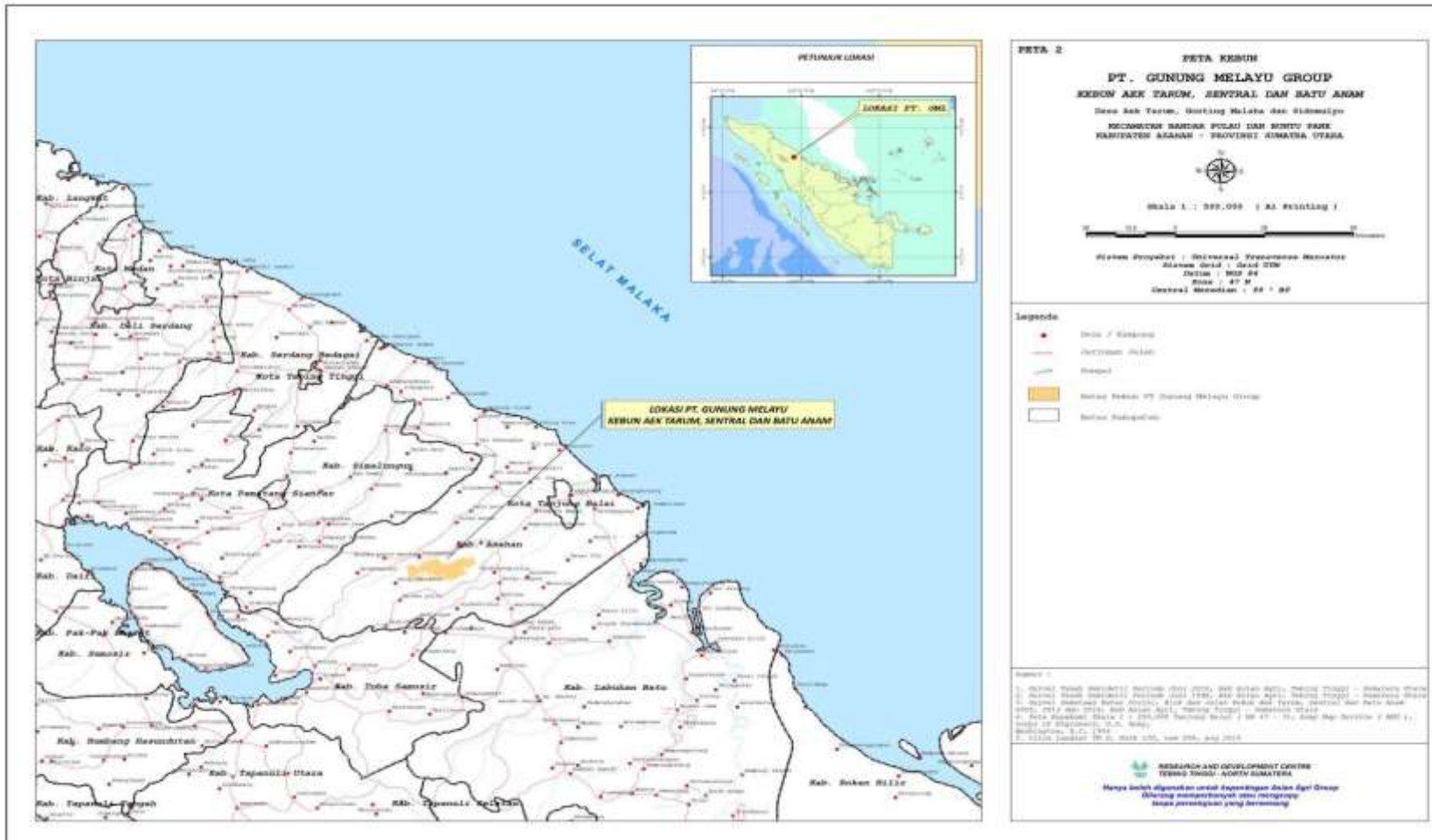
No.	Buyers Name	PalmTrace Trading No	RSPO Credits of Certified CPO Sold (MT)
Nil	Nil	Nil	Nil

Appendix F: Location Map of Certification Unit and Supply bases

Map 1. Location of PT. Gunung Melayu in Indonesia

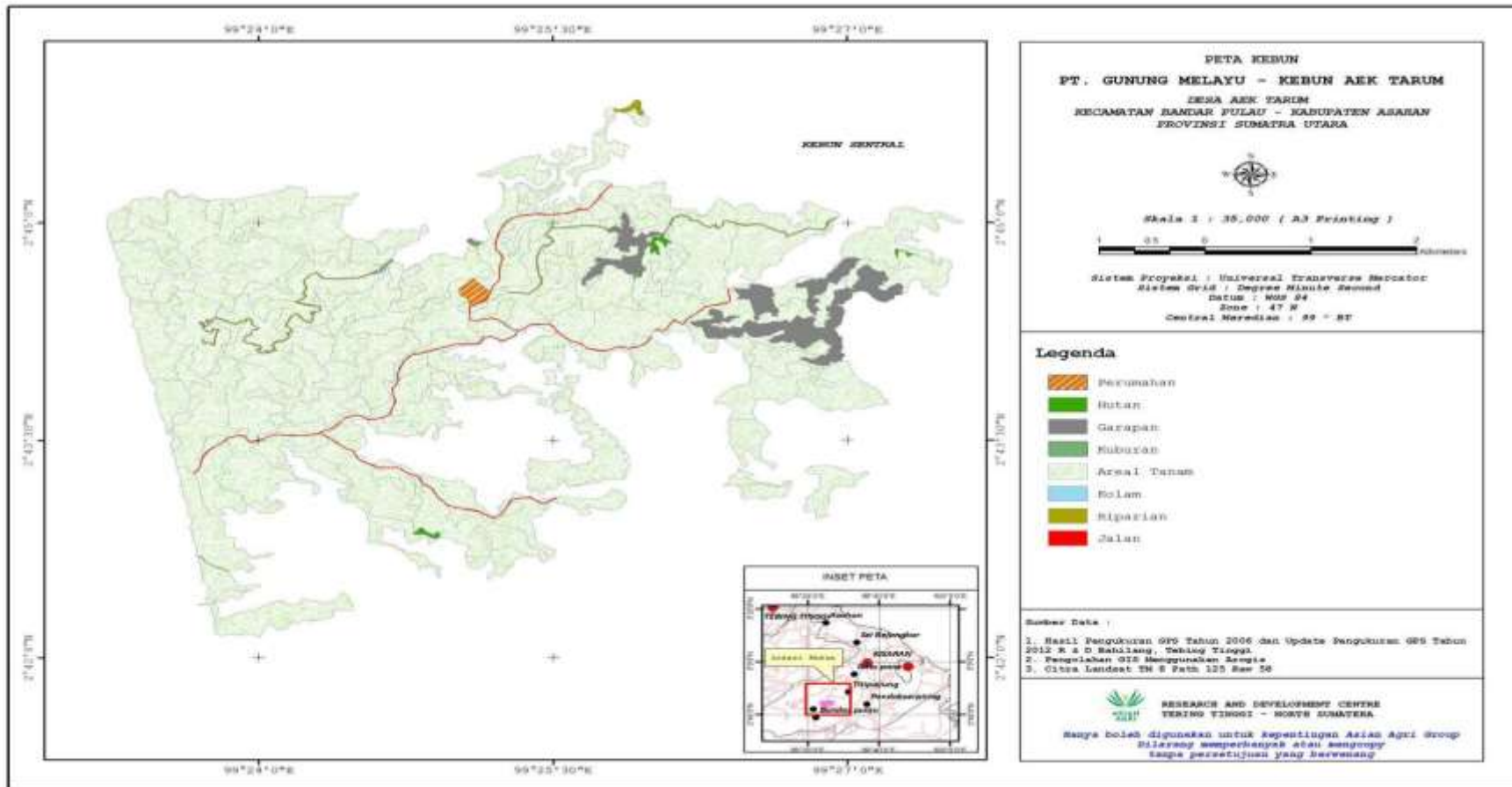


Map 2. Location of PT. Gunung Melayu in North Sumatera Province, Indonesia.

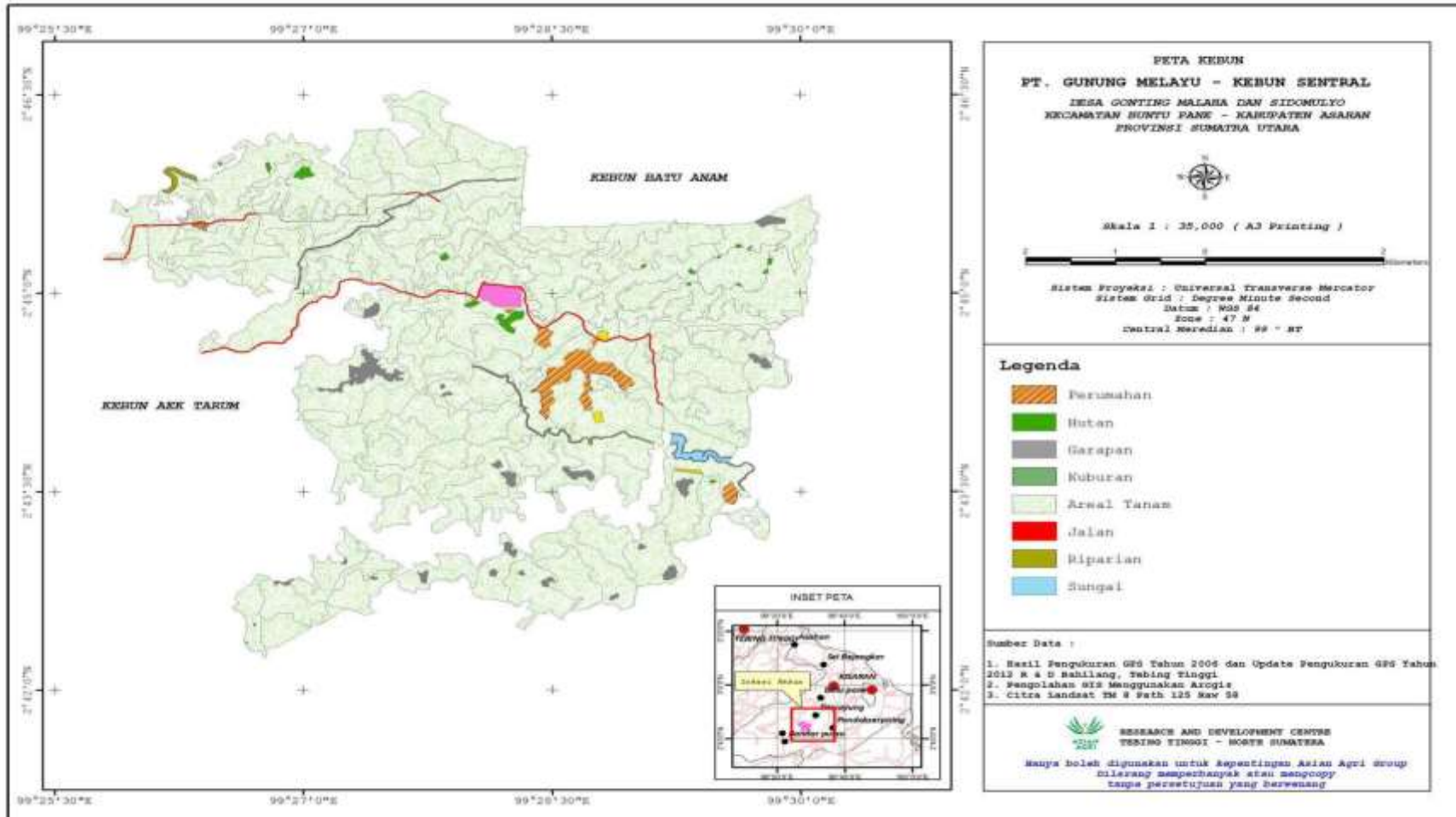


Appendix G: Estate Field Map

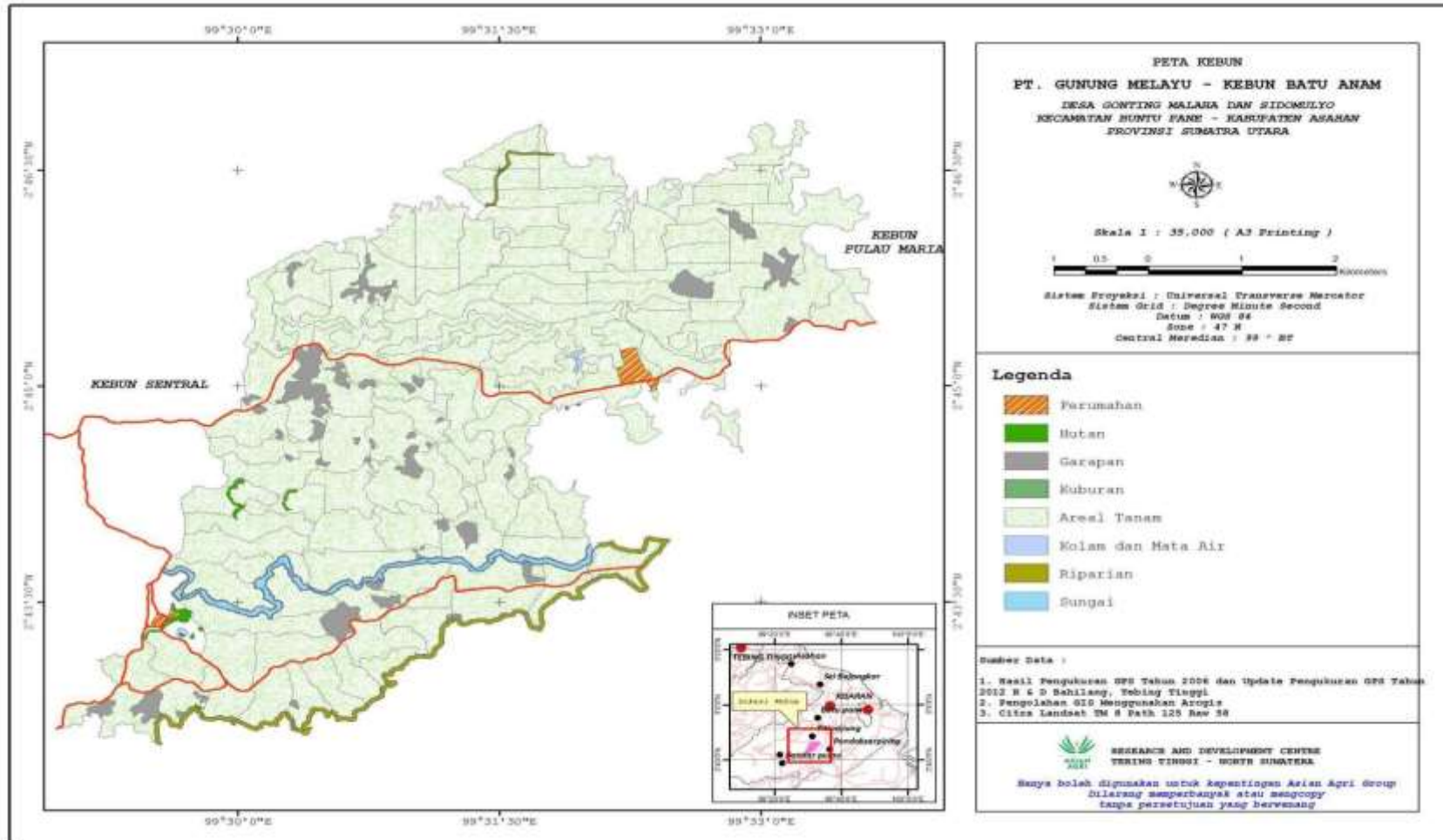
Map 3. Location of PT. Gunung Melayu (Aek Tarum Estate) and neighbouring entities



Map 4. Location of PT. Gunung Melayu (Sentral Estate) and neighbouring entities



Map 5. Location of PT. Gunung Melayu (Batu Anam Estate) and neighbouring entities



Appendix H: List of Smallholder Sampled

Not Applicable, since there is no smallholder associated with PT Gunung Melayu – Gunung Melayu II POM.

Appendix I: List of Abbreviations

BOD	Biochemical Oxygen Demand
CB	Certification Bodies
CHRA	Chemical Health Risk Assessment
COD	Chemical Oxygen Demand
CPO	Crude Palm Oil
CSPO	Certified Sustainable Palm Oil
CSPKO	Certified Sustainable Palm Kernel Oil
EFB	Empty Fruit Bunch
EHS	Environmental, Health and Safety
EIA	Environmental Impact Assessment
EMS	Environmental Management System
FFB	Fresh Fruit Bunch
FPIC	Free, Prior, Informed and Consent
GAP	Good Agricultural Practice
GHG	Greenhouse Gas
GMP	Good Manufacturing Practice
GPS	Global Positioning System
HCV	High Conservation Value
IPM	Integrated Pest Management
IP	Identity Preserved
IS - CSPO	Independent Smallholder Certified Sustainable Palm Oil
IS – CSPKO	Independent Smallholder Certified Sustainable Palm Kernel Oil
IS – CSPKE	Independent Smallholder Certified Sustainable Palm Kernel Expeller
ISCC	International Sustainable Carbon Certification
LD50	Lethal Dose for 50 sample
MB	Mass Balance
MSDS	Material Safety Data Sheet
MT	Metric Tonnes
OER	Oil Extraction Rate
OSH	Occupational Safety and Health
PK	Palm Kernel
PKO	Palm Kernel Oil
POM	Palm Oil Mill
POME	Palm Oil Mill Effluent
PPE	Personal Protective Equipment
RSPO	Roundtable on Sustainable Palm Oil
P&C	Principles & Criteria
RTE	Rare, Threatened or Endangered species
SCCS	Supply Chain Certification Standard
SEIA	Social & Environmental Impact Assessment
SIA	Social Impact Assessment
SOP	Standard Operating Procedure