

**RSPO PRINCIPLE AND CRITERIA  
– ANNUAL SURVEILLANCE 2 ASSESSMENT  
Public Summary Report**

<b>PT. SAUDARA SEJATI LUHUR Gunung Melayu I Palm Oil Mill and Its Supply Bases</b>
Client company Address: JI MH Thamrin No 31 Jakarta 10330 Indonesia
Certification Unit: Gunung Melayu I Palm Oil Mill Rahuning Village, Bandar Pulau District, Asahan Regency, North Sumatera Province, Indonesia

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### Section 1: Scope of the Certification Assessment

1. Company Details			
<b>RSPO Membership Number</b>	No.1-0022-06-000-00	<b>Date</b>	6 <sup>th</sup> February 2006
<b>Company Name</b>	PT Saudara Sejati Luhur		
<b>Address</b>	Head Office: Jl MH Thamrin No 31 Jakarta 10330, Indonesia  Location: Rahuning Village, Bandar Pulau District, Asahan Regency, North Sumatera Province, Indonesia		
<b>Subsidiary of (if applicable)</b>	PT Inti Indosawit Subur		
<b>Contact Name</b>	Putu Grhyate Yonata Aksa		
<b>Website</b>	<a href="http://www.asianagri.co.id">www.asianagri.co.id</a>	<b>E-mail</b>	Putu_aksa@asianagri.com
<b>Telephone</b>	+62 21 230 1119	<b>Facsimile</b>	+62 21 230 1120

2. Certification Information			
<b>Certificate Number</b>	RSPO 620755	<b>Date</b>	07/09/2015
<b>Scope of Certification</b>	Production of CPO and PK of PT. Saudara Sejati Luhur – Gunung Melayu I Palm Oil Mill and 1 (one) estates as supply base, namely Pulau Maria Estate Mill capacity of Gunung Melayu I POM is 60 tonnes FFB/hour.		
Other Certifications			
<b>Certificate Number</b>	<b>Standard(s)</b>	<b>Certificate Issued by</b>	<b>Expiry Date</b>
ID05/65250	ISO 14001:2004	SGS	10 June 2017
ISCC	EU-ISCC-Cert-DE100-37262016	SGS	01 Dec 2017

3. Location(s) of Mill & Supply Bases			
<b>Name (Mill / Supply Base)</b>	<b>Location [Map Reference #]</b>	<b>GPS</b>	
		<b>Easting</b>	<b>Northing</b>
Gunung Melayu I POM	Rahuning Village, Bandar Pulau District, Asahan Regency, North Sumatra	99° 35' 54" E	2° 47' 30" N
Pulau Maria Estate	Rahuning Village, Bandar Pulau District, Asahan Regency, North Sumatra	99° 33' 04" E	2° 43' 57" N

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4. Description of Supply Base							
Estate	Mature (ha)	Immature (ha)	Infras & Other (ha)	HCV (ha)	Total Planted (ha)	Total Hectareage	% of Planted
Pulau Maria Estate	2,063.00	0.00	226.83	17.17	2,063.00	2,307.00	89.42 %
<b>Total</b>	<b>2,063.00</b>	<b>0.00</b>	<b>226.83</b>	<b>17.17</b>	<b>2,063.00</b>	<b>2,307.00</b>	<b>89.42 %</b>

5. Plantings & Cycle								
Estate	Age (Years)					Tonnage / Year		
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30	Estimated (2016)	Actual (2016)	Forecast (2017)
Pulau Maria Estate	0	1,464	599	0	0	52,771	45,088	47,449
<b>Total</b>	<b>0</b>	<b>1,464</b>	<b>599</b>	<b>0</b>	<b>0</b>	<b>52,771</b>	<b>45,088</b>	<b>47,449</b>

6. Certified Tonnage									
Mill	Estimated (2016)			Actual (2016)			Forecast (2017)		
	FFB	CPO	PK	FFB	CPO	PK	FFB	CPO	PK
Gunung Melayu I POM	52,771	13,456	2,797	45,088	11,163	2,372	47,449	11,862	2,491

7. Non-Certified Tonnage of FFB (outside supplier – excluded from certificate) if applicable			
Independent FFB Supplier	Tonnage / year		
	Estimated (2016)	Actual (2016)	Forecast (2017)
Third party FFB supplier/Collector	290,000	255,476	280,000

8. Certified Tonnage CPO									
Mill	Estimated (2016)			Actual (2016)			Forecast (2017)		
	FFB	CPO	PK	FFB	CPO	PK	FFB	CPO	PK
Gunung Melayu I POM	52,771	13,456	2,797	45,088	11,163	2,372	47,449	11,862	2,491
OER		25.50%	5.30%		24.76%	5.26%		25.00%	5.25%

## Section 2: Assessment Process

### Certification Body:

BSI Services Malaysia Sdn Bhd,  
(ASI Accreditation Number: RSPO-ACC-19)  
Unit 3, Level 10, Tower A  
The Vertical Business Suites, Bangsar South  
No. 8, Jalan Kerinchi  
59200 Kuala Lumpur  
Tel +603 2242 4211 Fax +603 2242 4218  
Nicholas Cheong: [Nicholas.Cheong@bsigroup.com](mailto:Nicholas.Cheong@bsigroup.com)  
[www.bsigroup.com](http://www.bsigroup.com)

BSI is a leading global provider of management systems assessment and certification, with more than 60,000 certified locations and clients in over 100 countries. BSI Standards is the UK's National Standards Body. BSI provides independent, third-party certification of management systems. BSI is ASI Accredited (RSPO-ACC-19) 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.

### Assessment Methodology, Programme, Site Visits

The on-site 2<sup>nd</sup> annual surveillance assessment was conducted from 6<sup>th</sup> – 7<sup>th</sup> June 2017. The audit programme is included as Appendix D. The approach to the audit was to treat the mill and its supply base as an RSPO Certification Unit. Mill was audited together with the sample estates. A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HCVs, declared conservation areas and local communities.

The methodology for collection of objective evidence included physical site inspections, observation of tasks and processes, interviews of staff, workers and their families and external stakeholders, review of documentation and monitoring data. RSPO P&C Indonesia National Interpretation September 2016 and RSPO SCCS 2014 were used as Checklists and questionnaires were used to guide the collection of information to assess compliance. The comments made by external stakeholders were also taken into account in the assessment.

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 of its supply base. The estates sample were determined based on formula  $N = 0.8\sqrt{y}$  where y is the number of estates while when applicable the smallholders sample were determined following the RSPO Certification Requirement and Guidance for Group Certification of FFB Production March 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.

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

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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 Appendix E.

All the previous nonconformities are remains closed. The assessment findings for the initial assessment are detailed in Section 3.3.

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

This report was internally reviewed by approved Certification Reviewer, prior to certification decision by BSI.

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

<b>1. Assessment Program</b>					
<b>Name (Mill / Supply Base)</b>	<b>Year 1 (Certification)</b>	<b>Year 2 (ASA 1)</b>	<b>Year 3 (ASA 2)</b>	<b>Year 4 (ASA 3)</b>	<b>Year 5 (ASA 4)</b>
<b>Gunung Melayu I POM</b>	x	x	x	x	x
Pulau Maria Estate	x	x	x	x	x

**Tentative Date of Next Visit: May 1, 2018 - May 2, 2018**

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

**BSI Assessment Team:**

**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 RSPOendorsed course, RSPO SCCS Lead Auditor endorsed course, HCV Identification and management, Internal Auditor ISO 14001: 2004 Training, Training for Trainers, OHS Expert Training, etc. During this assessment, he assessed on the aspects of Legal, Best Management Practices for Palm Oil Mill, HCV management, and SCCS audits under supervised by qualifying reviewer Mr. Pratama Agung Sedayu. He is fluently speaking in English and Bahasa Indonesia.

**Edy Widodo – Team Member**

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

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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.

**Aswan Hasibuan – Team Member**

He graduated from University of Sumatera Utara on 1999, majoring in Industrial Engineering. He involved in RSPO certification since 2012 as a team member subsequently as a Lead Auditor, covering assessment against RSPO P&C in Indonesia, Malaysia, and Ghana. He completed the ISO 9001, ISO 14001, OHSAS 18001 Lead Auditor Course, Indonesia OHSMS (SMK3) Auditor, ISPO Lead Auditor endorsed Course and RSPO P&C and RSPO SCCS Lead Auditor endorsed Courses. During this assessment, he assessed on the aspects of environment, OHS, CPO Mill Supply chain and Smallholder audits. He is fluently speaking in English and Bahasa Indonesia.

**Accompanying Persons: Nil**

### Section 3: Assessment Findings

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

- PT Saudara Sejati Luhur/Asian Agri Time Bound Plan
- RSPO P&C INA-NIWG 2016 Checklist
- RSPO Supply Chain Certification Checklist on November 2014

#### 3.2 Progress against Time Bound Plan

Time Bound Plan		
Requirement	Remarks	Compliance
<b>Summary of the Time Bound Plan</b>		
Does the plan include all subsidiaries, estates and mills?	PT. Saudara Sejati Luhur – Asian Agri Group has explained the certification plan for all of its subsidiaries; indicating all palm oil mills, company-owned estates and scheme smallholder as the supply base.	Comply
Is the time bound plan challenging?  <ul style="list-style-type: none"> <li>• Age of plantations.</li> <li>• Location.</li> <li>• POM development</li> <li>• Infrastructure.</li> <li>• Compliance with applicable law.</li> </ul>	The time bound plan is challenging. PT. Saudara Sejati Luhur – 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
<b>Un-Certified Units or Holdings</b>		
Did the company conduct an internal audit? If so, has	Yes. PT. Mitra Unggul Pusaka – Segati POM conducted	Comply



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a positive assurance statement been produced?	internal audit annually.	
No replacement after dates defined in NIs Criterion 7.3: <ul style="list-style-type: none"> <li>• Primary forest.</li> <li>• Any area identified as containing High Conservation Values (HCVs).</li> <li>• Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3.</li> </ul>	In area where BSI conducted audit, there are no replacement/conversion of primary forest after November 2005.	Comply
Any new plantings since January 1 <sup>st</sup> 2010 must comply with the RSPO New Plantings Procedure.	There is new planting after January 1 <sup>st</sup> , 2010 in PT Mitra Unggul Pusaka. New planting was performed through conversion from rubber plantation to become palm oil plantation. PT Mitra Unggul Pusaka NPP still in the process of drafting to be submitted to RSPO.	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 2016.	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 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 there are 3 Major Nonconformities and 1 Minor Nonconformity raised. PT Saudara Sejati Luhur – Gunung Melayu I 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

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accepted. The implementation of the corrective action plans to address the minor nonconformity will be followed up during the next surveillance assessment.

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1487832-201706-M1	<p><b>Requirements:</b> RSPO P &amp; C INA NI 2016 Indicator 2.1.1            Evidence of compliance with relevant legal requirements shall be available.</p>	Major
	<p><b>Evidence of Nonconformity:</b></p> <ol style="list-style-type: none"> <li>Its found inconsistency of compliance against the regulation of "UU No. 1 Tahun 1970 tentang keselamatan dan Kesehatan Kerja" article 14:               <ul style="list-style-type: none"> <li>- During field audit and interview with fertilizer workers block I06D Division I (4 workers) found that they provided PPE (hand gloves and boot shoes) by themselves.</li> <li>- During field audit and interview with harvester in block J06F, they provide boot shoes by themselves because there is no replacement the new one by company.</li> </ul> </li> <li>Its found some inconsistency of relevant legal requirement evaluation such as:               <ul style="list-style-type: none"> <li>- "Permen No. 02/MEN/1989 tentang pengawasan instalasi penyalur petir" was evaluated in Pulau Maria Estate with result not comply (belum patuh) in addition it was not evaluated in Gunung Melayu I Mill.</li> <li>- "PP No. 18 Tahun 1990 tentang Pengelolaan Limbah Bahan Berbahaya dan Beracun" in Pulau Maria Estate stated that company was collaborated with PT Elmusonsetindo Nusa Indah, however at Gunung Melayu I Mill collaborated with PT Shali Riau Lestari</li> <li>- "Permenkes No. 03/MEN/1982, tentang Pelayanan Kesehatan Tenaga Kerja", stated incomply "belum patuh" in evaluation form (izin klinik belum tersedia), however company has obtained the clinic permit "Surat Izin Bupati Asahan no. 503/BPS/BPPPM/1083/VII/2013, dated 31 July 2013".</li> </ul> </li> <li>Its found some relevant legal requirement were not evaluated, such as:               <ul style="list-style-type: none"> <li>- Permenaker No.609 year 2012, regarding Guidance of Completion Occupational Accident and Disease Case.</li> <li>- Keputusan President No.7 year 2006 regarding Ratification of the UN Convention Against Corruption.</li> <li>- Keputusan President No. 8 year 2010 regarding Prevention and Eradication of Money Laundry.</li> <li>- Presidential Instruction No.1 year 2013 regarding Action for Corruption Prevention and Eradication</li> </ul> </li> </ol>	
	<p><b>Statement of Nonconformity:</b>            Based on document verification and field visit, found that company has not fulfill the compliance with some relevant legal requirement, in addition there is some inconsistency in the evaluation record.</p>	
	<p><b>Root Cause Analysis:</b></p> <ol style="list-style-type: none"> <li>Lack of understanding of employees against the mechanism of replacement of new PPE in the company.</li> <li>Some of compliance evaluation were not update according to actual</li> </ol>	

	<p>condition</p> <p>3. Not yet updated the Legal compliance evaluation document due to lack of information and access to the latest legislation.</p> <p><b>Corrective Action:</b></p> <ol style="list-style-type: none"> <li>1. Company has conducted socialization regarding mechanism of broken PPE replacement with the new one to all employee. Socialization has been conducted on 17 – 18 July 2017 to all employee both estate and mill. Interview with employee during audit indicated that they has understand regarding the mechanism, they can replace the broken PPE with the new one freely by showing the old PPE and get the new PPE. Company also made the monitoring of PPE usage to all employee each day in master morning before they are going to work in field. Documentation of PPE usage monitoring can be demonstrated during audit. Field inspection to ensure the proper PPE usage also performed by foreman. Company also has made the mechanism to ensuring the PPE stock in the storage always available by made the monitoring checklist of the PPE stock and availability in the store and made the PPE purchase/order if the stock was decrease.</li> <li>2. Company has updated the compliance evaluation of relevant regulation and law according to actual condition. The evaluation conducted on last June 2017. Based on document verification indicated that all inconsistency has been revised and the compliance evaluation status were in line wuth the actual condition. Evaluation document and it compliance can be demonstrated during audit.</li> <li>3. Company has also updated the evaluation of relevant regulation and law according to RSPO principle and criteria and all relevant regulation in Mill and Estate. The evaluation conducted on last June 2017. Based on document verification indicated that some relevant legal requirement were evaluated, such as: <ul style="list-style-type: none"> <li>- Permenaker No.609 year 2012, regarding Guidance of Completion Occupational Accident and Disease Case.</li> <li>- Keputusan President No.7 year 2006 regarding Ratification of the UN Convention Against Corruption.</li> <li>- Keputusan President No. 8 year 2010 regarding Prevention and Eradication of Money Laundry.</li> <li>- Presidential Instruction No.1 year 2013 regarding Action for Corruption Prevention and Eradication</li> <li>- Other relevant regulation.</li> </ul> </li> </ol> <p><b>Assessment Conclusion:</b> Major NC has been Closed out in 03/08/2017.</p>	
<p><b>1487832-201706-M2</b></p>	<p><b>Requirements:</b> RSPO P &amp; C INA NI 2016 Indicator 5.2.2 Where rare, threatened or endangered (RTE) species, or HCVs, are present or are affected by plantation or mill operations, appropriate measures that are expected to maintain and/or enhance them shall be implemented through a management plan.</p> <p><b>Evidence of Nonconformity:</b></p> <ol style="list-style-type: none"> <li>1. Company has establish Procedure HCV management and monitoring AA-APM-OP-100.22-R0 dated 1 December 2014 however there were found some inconsistency of implementation such as: <ul style="list-style-type: none"> <li>- Conservation management plan was not refer to result of HCV assessment report by IPB</li> </ul> </li> </ol>	<p><b>Major</b></p>

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	<ul style="list-style-type: none"> <li>- Wildlife and vegetation monitoring was not reported in RKL-RPL as per procedure stated</li> <li>- Some form document in procedure was not implemented well such as: wildlife monitoring, vegetation monitoring, conservation area damage/disturbance, report of riparian pole check, riparian restoration monitoring.</li> <li>- Found some miss information and data in the HCV management and monitoring report such as: HGU coverage of PT SSL, miss information/data of estate and company name.</li> </ul>	
	<p><b>Statement of Nonconformity:</b> Company has set HCV and RTE management plan however it was not in line with HCV Assessment report and Procedure HCV management and monitoring AA-APM-OP-100.22-R0 dated 1 December 2014</p>	
	<p><b>Root Cause Analysis:</b> Lack of understanding from new PIC HCV related to HCV monitoring, this is due to mutations between departments so there is no unstructured management and monitoring plan. The PIC HCV is less conscientious in taking the editorial reference of writing from the other unit reports.</p>	
	<p><b>Corrective Action:</b></p> <ul style="list-style-type: none"> <li>- Company has create the HCV management plan as per HCV assessment report recommendation by IPB. During audit HCV management plan can be demonstrated and in line with the HCV assessment identification result. HCV management and monitoring plan was updated on 12 June 2017.</li> <li>- Company also has made the revised of HCV and wildlife management and monitoring report semester I and II 2016 as per procedure, some miss information and data has been added in the report such as HGU coverage of PT SSL, data of estate and company name, etc.</li> <li>- Company has apply the form document in procedure such as: wildlife monitoring, vegetation monitoring, conservation area damage/disturbance, report of riparian pole check, riparian restoration monitoring. The monitoring result attached in the report.</li> <li>- The report of HCV and wildlife management and monitoring report semester I and II 2016 has been reported in RKL-RPL report as well. Evidence of RKL-RPL report can be demonstrated during audit.</li> <li>- Company also has give the refreshment training of HCV management and monitoring to the new PIC HCV. Refreshment conducted on 12 June 2017. Interview with PIC HCV indicated that he has understanding regarding HCV management and monitoring activity as per procedure and recommendation. Company also issued the Memorandum No.150/EST-KPM/MEMO/06/17 regarding the main duties and functions of the HCV foreman to ensure the HCV monitoring activity run as per procedure.</li> </ul>	
	<p><b>Assessment Conclusion:</b> Major NC has been Closed out in 03/08/2017.</p>	
<p><b>1487832-201706-M3</b> Escalated from previous</p>	<p><b>Requirements:</b> RSPO P &amp; C INA NI 2016 Indicator 5.3.3 A documented waste management plan to avoid or reduce pollution and its implementation shall be available.</p> <hr/> <p><b>Evidence of Nonconformity:</b></p>	<p><b>Major</b></p>

<p>Minor NC <b>1338574N5</b></p>	<ul style="list-style-type: none"> <li>- During Site visit in Pondok "Seng" it was observed waste disposed into sewer and housing backyard, drainage clogged beside housing Nurhidayah</li> <li>- Company has issued "Memorandum Jumat bersih" however the implementation was not effective</li> <li>- Company has establish "Mekanisme pengelolaan Sampah PT SSL" however the implementation was not consistent</li> </ul>	
	<p><b>Statement of Nonconformity:</b> Waste management plan was not consistent implemented by company.</p>	
	<p><b>Root Cause Analysis:</b> Lack of awareness of employees to dispose of garbage in a place that has been provided, some residents of housing still throw garbage into the waterways causing blockages.</p>	
	<p><b>Corrective Action:</b></p> <ul style="list-style-type: none"> <li>- Company has been conducting re socialization and give the awareness to the employee regarding the waste management mechanism. All workers and resident shall be disposed the domestic waste in the garbage that has been provided in each housing area and separate the organic and inorganic waste, and forbidden to dispose the ex lubricant container in to the garbage but delivered to temporary hazardous waste. Socialisation conducting in each division on 13-14 July 2017. Interview with employee indicated that they have understand on how to dispose the organic and inorganic waste to the garbage in the housing area and hazardous waste to the temporary hazardous waste storage. Employee also forbidden to disposed the domestic waste to the canal/waterways behind they house.</li> <li>- Company also conducted the Clean Friday programme consistently to enhance the awareness of resident and creating the clean and health environment of housing area. Clean Friday programme implementation has been supervised by Asisstant and Estate manager.</li> <li>- Estate manager issued the MEMO "Pelaksanaan Jumat Bersih" No.151/ES-KPM/MEMO/06/17 dated 12 June 2017. In the MEMO stated several poin such as the obligation of resident house to disposed the domestic waste to the garbage provided, prohibition of disposal waste to the canal/waterways behind the housing area, prohibition of waste burning, obligation of resident house to clean the waterways in their housing area.</li> </ul>	
	<p><b>Assessment Conclusion:</b> Major NC has been Closed out in 03/08/2017.</p>	
<p><b>1487832-201706-N1</b></p>	<p><b>Requirements:</b> RSPO P &amp; C INA NI 2016 Indicator 6.1.4 The plans shall be reviewed as a minimum once every two years and updated as necessary, in those cases where the review has concluded that changes should be made to current practices. There shall be evidence that the review includes the participation of affected parties.</p>	<p><b>Minor</b></p>
	<p><b>Evidence of Nonconformity:</b> Based on document verification its 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"> <li>- Evidence of participation of affected parties in SIA assessment can not be demonstrated.</li> </ul>	

	<ul style="list-style-type: none"> <li>- Does not specify the period/time of the social impact assessment done</li> <li>- Does not specify assessment team and its competency</li> </ul>	
	<p><b>Statement of Nonconformity:</b> There is no evidence that SIA review has been done with the participation of affected parties.</p>	
	<p><b>Root Cause Analysis:</b></p> <ul style="list-style-type: none"> <li>- Preparation of the document "Laporan Identifikasi Efektivitas Upaya Kelola Sosial PT Gunung Melayu dan PT Saudara Sejati Luhur period 2017" has been involved the affected parties by questioner method however not yet attached to the report.</li> <li>- The report has not included the assessment time period and the assessment team.</li> </ul>	
	<p><b>Corrective Action:</b></p> <ul style="list-style-type: none"> <li>- Company will attach the questioner result in the report "Laporan Identifikasi Efektivitas Upaya Kelola Sosial PT Gunung Melayu dan PT Saudara Sejati Luhur period 2017" and will include report evaluation time period and the appraiser team name and its competence.</li> <li>- Conduct regular evaluations of the SIA report and ensure that the report includes the completeness evidence of the involvement of affected parties, the assessment and evaluation period and the qualification of the assessor.</li> </ul>	
	<p><b>Assessment Conclusion:</b> Minor NC remains OPEN and will be verified on next surveillance audit.</p>	

**Issues raised by Stakeholders**

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. Saudara Sejati Luhur – Gunung Melayu I Palm Oil Mill 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. 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 Appendix E.

IS #	Description
1	<p><b>Feedback, Comment and Input</b>  <b>Dinas Tenaga Kerja dan Transmigrasi Kabupaten Asahan (Manpower and Transmigration Office – Asahan Regency)</b> Bpk. Rudi S. Damanik (LKS Bipartit), Ibu Sapryani Siregar (Bag. Pengupahan), Ibu Irawati (Perselisihan Tenaga Kerja)</p> <p>1. Working Norms;</p> <ul style="list-style-type: none"> <li>- The Company has comply minimum wage payment in accordance with the applicable regulations for SKU level based on UMSK of North Sumatera Province 2017 per month while the PHL level is based on UMSK of North Sumatera Province 2017 per day;</li> <li>- The company determine minimum wages based on the Government regulation each year, the minimum wages in 2017 as regulated in "Surat Keputusan Governor of North Sumatera no. 188.44/99/KPTS/Tahun 2017, dated 7<sup>th</sup> Maret 2017 Agriculture sector in Asahan District is IDR 2.385.490,10,-/month and minimum wages for 2016 based on SK. Governor of North Sumatera Sumatera no. 188.44/200/KPTS/Tahun 2016, dated 21<sup>st</sup> March 2016 which effective from 1<sup>st</sup> January 2016 for agriculture sector – Oil Palm Plantation Sector is IDR 2,183,280/month.</li> <li>- However, at the time of this audit is still using UMSK wage in 2016 (based on Governor Decree No. 188.44/26/Kpts/Year 2016, Rp 2.183.280, -per month) and will be conducted Rapel (Wage adjustment to 2017) in May 2017.</li> <li>- All employees in PT Saudara Sejati Luhur has been registered to the BPJS ketenagakerjaan programme.</li> <li>- Report Labor for the Period of 2017-2018, has been reported.</li> <li>- There is no reports related to the use of female laborers at night or the use of child labor (The plantation sector is the worst sector against the use of female laborers at night and the use of child labor).</li> </ul> <p>2. K3/health and safety occupation Norms;</p> <ul style="list-style-type: none"> <li>- The Company has compiled the organizational structure of P2K3 and has been authorized by Dinas Tenaga Kerja Kabupaten Asahan.</li> <li>- 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.</li> <li>- PT Saudara Sejati Luhur has received recommendation for the use of B3 from Manpower Office of Asahan Regency.</li> </ul>

	<ul style="list-style-type: none"> <li>- The Company has handled the case of accidents well related to the reporting and handling of BPJS claims of employment.</li> <li>- The Company has compiled and submitted the P2K3 Periodical Report to the Department of Manpower.</li> <li>- The Company has conducted periodic health checks for all workers, especially workers who working at hazardous stations including sprayers and fertilizers.</li> <li>- Heavy equipment operators, conveyances, levers, steamers and others have licenses as operators (SIOs).</li> <li>- The Company has conducted periodic checks on the special equipment used (Steam Bucket, Pressure Vessel) in accordance with applicable regulations. Perusahaan telah menyusun LKS Bipartite which aims to resolve industrial relations disputes if they occur before the mediation level of the Office of Manpower and the level of Industrial Relief Courts. The established bipartite institution has been authorized by the Asahan District Manpower Office.</li> <li>- The Company already 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 CLA, the company shall use the relevant legislation.</li> <li>- Disputes: Until the audit is conducted, there are no reports related to disputes.</li> <li>- The company has provided infrastructure that aims to improve the welfare of employees for example, housing, electricity, clean water, health facilities, educational facilities, etc.</li> </ul> <p><b>Management Responses</b></p> <ul style="list-style-type: none"> <li>- The company also keeps the record of decision North Sumatra Governor. 188.44/99/Kpts/2017, March 2017 regarding the minimum wage of Asahan Regency in 2017 is IDR 2.385.490,10/Month and UMSK year 2016 based on Governor Decree no. 188.44/26/Kpts/2016, IDR 2,183,280, -per month. However, at the time of this audit is still using UMSK wage in 2016 (based on Governor Decree No. 188.44/26/Kpts/2016, IDR 2.183.280, -per month) and will be adjusted in May 2017.</li> <li>- Required mandatory employee reports were reported for the period 2017 - 2018.</li> <li>- The use of PPE has been consistently applied.</li> <li>- The Company has also requested training to get the Operator License (SIO) to all operators heavy equipment in estate and Boiler operator in mill.</li> </ul> <p><b>Audit Team Findings</b></p> <p>The company has taken action in accordance with well-established procedures and persuasive approach, so there is no turmoil / issue. With respect to wages, the use of PPE and SIO, the company has implemented in accordance with relevant law and regulations.</p>
<p><b>2</b></p>	<p><b>Feedback, Comment and Input</b> <b>Badan Lingkungan Hidup Kabupaten Asahan (Environmental Office – Asahan Regency)</b> Head of Division Pengendalian dan Pencemaran Lingkungan: Anwar Sufri rangkuti</p> <ul style="list-style-type: none"> <li>- The Company already has environmental document in the form of Environmental Evaluation Study Document (SEL) and has reported the implementation of RKL-RPL periodically to Dinas Lingkungan of Asahan Regency. Finally reported in December 2016, reporting every 3 months, last December 2016 at PT Bakri Sumatera Plantation, rangak evaluation of compliance to reporting, all plantations invited.</li> <li>- The Company has applied for Proper assessment.</li> <li>- Good environmental management has performed by companies, eg pollution and emissions management in plantation environment (still below the quality standard), for example: waste water and air emissions.</li> <li>- The Company has utilized liquid waste to be applied to the land and has been granted permission from the Asahan District Environmental Agency, for example: Land Application (LA) utilization permit</li> </ul>



	<p>and LA measurement for 3 months, lastly done in March 2017.</p> <ul style="list-style-type: none"> <li>- The Company has managed B3 waste and has obtained temporary storage permit of hazardous waste (LB3) in accordance with prevailing laws and regulations</li> <li>- The company has implemented the CSR program very well in cooperation with related parties.</li> <li>- The Agency of Environment (BLH) of Asahan Regency advises to immediately reconstruct river border functions in cooperation with related parties including competent NGOs.</li> <li>- There are no reports from stakeholders related to environmental pollution caused by the operation of the garden or the PKS.</li> <li>- Up to now there are no environmental issues, either from the community or from NGOs.</li> </ul> <p><b>Management Responses</b></p> <ul style="list-style-type: none"> <li>- Positive Response, in regards with the recommendation of Environment Agency (BLH) of Asahan Regency concerning the return of river border function, currently the company has planted forest trees and bamboo trees to prevent erosion in part of river border and forest tree nursery for the return of border function continue to be done Sustainable.</li> <li>- Hazardous temporary storage permits for 90 days. In cooperation with PT Shali Riau Lestari.</li> <li>- In 2017 has developed programs, improving people's welfare and the surrounding environment for example:             <ol style="list-style-type: none"> <li>1. Technical training of cattle fattening cultivation</li> <li>2. Technical training of catfish farming</li> <li>3. The formation of self-help farmer groups.</li> <li>4. The cultivation of goats etawa (Entrepreneurship Training)</li> <li>5. Coordination meeting of self-help farmers</li> <li>6. Assistancies for greening tree seedlings</li> </ol> </li> </ul> <p><b>Audit Team Findings</b></p> <p>Based on visits to river borders and forest tree nurseries for the cultivation of the kana and left side of the river border, it indicates that the company has a commitment and effort to improve all the rivers in their HGUs.</p> <p>Hazardous waste monitoring has been well done by the company.</p> <p>Environmental control programs around the plantation area (surrounding villages) have been conducted to continue.</p>
<p><b>3</b></p>	<p><b>Feedback, Comment and Input</b>  <b>Dinas Pertanian dan Perkebunan Kabupaten Asahan (Agriculture and Plantation Service – Asahan Regency).</b> Head of Dinas Pertanian: Ir. Hazairin. MM, Head of Division Perkebunan: J. Bancin. SP. M.MA</p> <ol style="list-style-type: none"> <li>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.</li> <li>2. 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).</li> <li>3. 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.</li> <li>4. The Company has reported the Development of Plantation Business Activity annually. Last reported for the December 2016 period. Includes fire monitoring reports.</li> <li>5. 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</li> </ol>

	<p>Saudara Sejati Luhur has a good community TBS price structure compared to other companies.</p> <p><b>Management Responses</b></p> <ul style="list-style-type: none"> <li>- Report on Development of Plantation Business Activities SM I and II year 2016, on 19 April 2017, no. 022/ES-KPM/EXT/04/17</li> <li>- Monitoring report on land fires Semester I and II period 2016 has been reported on 13 April 2017.</li> <li>- The pricing mechanism determined depending on the price of CPO, Kernel and services, for example: in period 27 April 2017 FFB prices determine IDR 1,550 per Kg.</li> </ul> <p><b>Audit Team Findings</b></p> <p>The company's reporting obligations have been performed well to Asahan regency, reporting was preformed each semester in accordance with the specified period.</p> <p>Transparently FFB pricing to farmers and informed regularly according to proce determination by Dinas Pertanian dan Perkebunan Asahan Regency.</p> <p>Facing the dry season and the dangers of land fires, the company has prepared through emergency response organizations.</p>
<p><b>4</b></p>	<p><b>Feedback, Comment and Input</b> <b>Kantor Pertanahan Kabupaten Pelalawan (Land affairs office, Pelalawan Regency)</b></p> <ul style="list-style-type: none"> <li>- Period of year 2016- 2017 there are no reports related to land issues and disputes in PT Saudara Sejati Luhur.</li> <li>- There is information that the border of many rivers controlled by the community to be managed as a plantation land.</li> <li>- No reports to the Land Office of Asahan Regency related to the planting of oil palm plantations outside HGU.</li> </ul> <p>Suggestion:</p> <ul style="list-style-type: none"> <li>- In relation to the local community's activities towards cultivating in the Aek Tarum river border, the area is socialized to the community as a conservation area and made warning boards as conservation areas.</li> </ul> <p><b>Management Responses</b></p> <ul style="list-style-type: none"> <li>- Maintenance of HGU stakes is done routinely (2 times a year / per semester), last done in March 2017.</li> <li>- The cultivation of riparian river area is in Aek tarum River outside the Pulau Maria Estate scope that is in Gunung Malayu Estate, even though until now there is no more river border which is cultivated by society.</li> </ul> <p><b>Audit Team Findings</b></p> <p>Based on documents verification and field visits, it can be concluded that until the time of the audit no more land disputes have occurred, the company has conducted regular checks of HGU stakes regularly and river border (conservation area) and no community land tenure activities.</p> <p>Company has socialized to the community that Aek Tarum river border is protedted as a conservation area and company has made warning boards as conservation areas. The surrounding community was prohibit to cultivated the conservation area.</p>
<p><b>5</b></p>	<p><b>Feedback, Comment and Input</b> <b>Perangkat desa Sidomulyo, desa Gonting Malaha Kec. Bandar Pulau (Local community and villagers) Bpk. Suardi and Bpk. Sopian</b></p> <ul style="list-style-type: none"> <li>- The presence of company has a positive impact on the surrounding community, especially in term of local employment, CSR programs and impact on the community economic development particularly community FFB acceptance by PKS Gunung Melayu 1 (GM1).</li> <li>- In general communication and coordination between village government and the Company has been running well. Company response all issue and aspiration submit by village official and surrounding community.</li> </ul>

	<ul style="list-style-type: none"> <li>- The company has realized the CSR program to the surrounding community and involve them in the process of plan and programme arrangement of each village's CSR program.</li> <li>- The surrounding community feels that they have received positive benefits from the company's existence, especially the FFB harvest can be accepted by PKS GM 2 (PT SSL).</li> <li>- Gunung Melayu 1 Mill applies the FFB Price to the Community with a good price and normally above the average price than other mills.</li> <li>- Based on interviews with village heads, there is no community issue to village government regarding the negative impacts due to the operation of the plantation including environmental pollution, although there is control of the cattle that still roam the plantation area.</li> <li>- There are no reports from the public regarding the company's operational activities that violate Human Rights such as the Right to Organize and assemble, Conduct worship in accordance with beliefs, as well as other violation practices such as the use of mercenaries for the intimidation of workers, the human trafficking, etc.</li> <li>- Companies still utilize labor with the status of Daily Workers (PHL) from the surrounding community.</li> </ul> <p><b>Management Responses</b></p> <ul style="list-style-type: none"> <li>- CSR program is a social responsibility that performed by company which has become management policy:</li> <li>- CSR programme such as: road hardening in 2016 for a length of 500 mtr with stone split 100 tons.</li> <li>- "Bedah Rumah"/house renovation: April 2017 on behalf of Pak Saliman at Batu Anam Village (worth IDR 25.000.000,-).</li> <li>- Road improvement, and Provision of cattle in 2010 (30 heads). Provision of catfish seeds in 2013 (30,000 head including feed).</li> <li>- The Company has planned Community empowerment training on how to raise by the local livestock service, has been provided area for herd "angon" (about&gt; 50 Ha).</li> <li>- The Company has a policy to provide area for cattle grazing for ranchers Village Batu Anam/Masundung Pasar Lama covering area 53 Ha (Block J07a, J06a, J06b; Pulau Maria Estate).</li> </ul> <p><b>Audit Team Findings</b></p> <p>The CSR program owned by PT Saudara Sejati Luhur - Gunung Melayu 1 was very good, based on interviews with some village heads giving the impression of being quite satisfied with the program.</p> <p>Approach to problems with the surrounding community, eg: related to livestock entering the plantation area) has been addressed with good and appreciative.</p>
<p><b>6</b></p>	<p><b>Feedback, Comment and Input</b></p> <p><b>Workers union</b>, Chairman of Union Labor: Sdr. Banteng Silalahi</p> <ul style="list-style-type: none"> <li>- Worker union membership total 815 workers.</li> <li>- Wages pay by company are in accordance with UMSK IDR 2,385,490.10,- per month.</li> <li>- Company has provide workers facilities: type D housing, electricity using PLN and subsidize by company IDR 40,000 per month, water given by the company twice a day.</li> <li>- In term of Health facility, company provided BPJS kesehatan to employee.</li> <li>- Meetings of worker union are held every 6 months, last meeting was done in February 2017, discussing regarding harvest bucket basis.</li> <li>- Workers facilities and PPE for employees are roving by company, however sometimes it was late.</li> </ul> <p><b>Management Responses</b></p> <ul style="list-style-type: none"> <li>- Through workers union (SPSI) the company always communicates with all employees.</li> <li>- Company provide PPE to employees and monitored each month. If there is any damage condition of PPE company will immediately replace the PPE.</li> </ul>

	<ul style="list-style-type: none"> <li>- Employee rights have been granted including health facilities, housing, water and lighting.</li> <li>- All employees of both permanent employees (SKU) and non permanent (BHL/PKWT) have been included to BPJS ketenagakerjaan (Jamsostek) and BPJS kesehatan.</li> </ul> <p><b>Audit Team Findings</b></p> <ul style="list-style-type: none"> <li>- The company's liability to employees has been made in accordance with applicable laws and regulations. However during audit there is found some inconsistency in the PPE providing. During field audit and interview with fertilizer workers block I06D Division I (4 workers) found that they provided PPE (hand gloves and boot shoes) by themselves. During field audit and interview with harvester in block J06F, they provide boot shoes by themselves because there is no replacement the new one by company. It raised as a Nonconformity NC Ref# 1487832-201706-M1.</li> <li>- In general, employees claim that the company has been concerned about employees and pay attention to the rights of employees.</li> </ul>
<p><b>7</b></p>	<p><b>Feedback, Comment and Input Workers (fertilizing, spraying, mill processing, workshop)</b></p> <ul style="list-style-type: none"> <li>- Organisation provided training for Occupational Health and Safety and personnel protective equipment.</li> <li>- Clean water was supplied from mill and several workers using wells water in the emplacement.</li> <li>- Calculation of wage was determined by management in accordance with national and local regulation. Employee get the payment accordingly, no issues occurred related to minimum wages.</li> <li>- Other than salary, employees get an additional allowance of rice.</li> <li>- No discrimination noted between employee in PT Saudara Sejati Luhur</li> <li>- Over all medical expense is covered by the company. In addition, company has registered the employe to BPJS Kesehatan (medical insurance) and BPJS Ketenagakerjaan (Accident insurance).</li> <li>- There was no sexual harassment case occurred in PT Saudara Sejati Luhur</li> <li>- Pregnant test for women sprayer was conducted each month for ensuring that there was no pregnant worker do the herbicide spraying.</li> <li>- There were no sprayers that they are pregnant and breast-feeding. Company has a policy to prohibit the pregnant and breast feeding women to do the spraying job.If the women workers pregnant and breastfeeding, they will replace to another job that more safe and suitable.</li> <li>- The Company has given personal protective equipment to do the job, such as: helmets, gloves, masker and safety shoes.</li> </ul> <p><b>Management Responses</b></p> <p>For the positive things that have been done will be be maintained and improved towards a better by management companies.</p> <p><b>Audit Team Findings</b></p> <p>Company has provide an adequate facility for employee and comply with the labor regulations. Company also has commitment to improve the employee welfare follow to company ability.</p> <p>However during audit there is found some inconsistency in the PPE providing. During field audit and interview with fertilizer workers block I06D Division I (4 workers) found that they provided PPE (hand gloves and boot shoes) by themselves. During field audit and interview with harvester in block J06F, they provide boot shoes by themselves because there is no replacement the new one by company. It raised as a Nonconformity NC Ref# 1487832-201706-M1.</p>

**3.3.1 Status of Nonconformities Previously Identified and Observations**

There were 1 Major Nonconformity and 3 Minor Nonconformities was raised in previous audit. During this audit surveillance auditor were verified consistency of implementation for corrective action plan to addressed the previous Major Nonconformities. During audit indicated that previous Major Nonconformities wer addressed effectively and no recurrent Major nonconformity raised. Company has consistent to implementing the corrective action plan they have made. However there were 1 minor Nonconformities remain open due to ineffectively corrective action implementation and it escalated to Major Non conformities.

There were 5 observation raised on the previous audit (initial assessment), company has made corrective action and has been implemented well. Below are the explanation regarding follow up from previous observation.

Non-Conformity		
NCR #	Description	Category (Major/Minor)
1338574M1	<p>RSPO P &amp; C Generic Standard, 2013 - Indicator 4.7.2</p> <p>Risk assessment for boundary poles monitoring, HCV monitoring and land application activities have not been included in latest Hazard Identification Risk Assessment and Determining Control/risk assessment document.</p> <p><b>Rootcause Analysis:</b> Lack of monitoring the risk assessment for each activity both in estate and mill.</p> <p><b>Action taken:</b> The company has included all activities in HIRADC, updated June 2016, included for boundary poles monitoring, HCV monitoring and land application and any changes of activities within mill and estates will be monitored regularly.</p> <p><b>This Major NC is closed out on 17<sup>th</sup> July 2016.</b></p>	Major
1338574N1	<p>RSPO P &amp; C Generic Standard, 2013 - Indicator 2.1.3</p> <p>The company has "Update List of regulation/pemenuhan peraturan perundang undangan", in January 2016, however this update has not completed for new and/or amendment of regulation, e.g. Permentan no. 11/2015 (ISPO), PP no. 27/2012, etc.</p> <p><b>Rootcause Analysis:</b> Lack of monitoring against the regulation, PT SSL has not been appointed PIC for monitoring and updating the list of relevant regulation and it compliance.</p> <p><b>Action taken:</b> Company has update list of regulation each year and completed with Permentan No. 11/2015 (ISPO), PP No. 27/2012. Latest update was conducted on January 2017.</p> <p><b>This Minor NC is closed out on 7<sup>th</sup> June 2017.</b></p>	Minor
1338574N4	<p>RSPO P &amp; C Generic Standard, 2013 - Indicator 4.7.5</p> <ol style="list-style-type: none"> <li>1. There is not sufficient evidence management appointed first aid officer with first aider license – Petugas berlisensi P3K in PT Saudara Sejati Luhur;</li> <li>2. Fertilizer applicator mandor in Division II, block J07d did not bring first aid kit;</li> <li>3. First aid kit in Pulau Maria Estate’s workshop was found incomplete, only</li> </ol>	Minor

	<p>consist of iodine and distilled water;</p> <p><b>Rootcause Analysis:</b> PT SSL has performed first aid training, however there is no license issued by Disnakertrans Asahan Regency. Lack of monitoring against first aid kit, both in the field and each area needed.</p> <p><b>Action taken:</b> Management PT Saudara Sejati Luhur has appointed first aid officer with first aider license – Petugas berlisensi P3K. Company has apply for first aider license to Dinas Tenaga Kerja Kabupaten Asahan and Company has obtain license for first aider in PT SSL. Company has been provide first aid kit for each mandor/supervisor in the field to cover all the employee in the field. Company has completed all the first aid kit according to "standard perlengkapan P3K", including the list of first aid kit.</p> <p><b>This Minor NC is closed out on 6<sup>th</sup> June 2017.</b></p>	
1338574N3	<p>RSPO P &amp; C Generic Standard, 2013 - Indicator 4.7.6</p> <p>Based on document review upon payment BPJS Kesehatan and Ketenagakerjaan, audit team found information 153 temporary and SKU - Harian workers have been covered with BPJS Ketenagakerjaan and 224 workers have been covered with BPJS Kesehatan; out of 387 temporary workers and SKU Harian in Pulau Maria estate. The rests of temporary workers have not covered with BPJS Kesehatan and Ketenagakerjaan. Also found Medical checkup for Genset Operator (Irwansyah) in Gunung Melayu I mill has not performed in 2015.</p> <p><b>Rootcause Analysis:</b> Temporary workers turn over was high, PT SSL difficult to collected the personal data information for the registration requirement of BPJS Kesehatan and BPJS Ketenagakerjaan</p> <p><b>Action taken:</b> Company has registered temporary workers gradually, currently there were 25 temporary workers has been registered as BPJS Ketenagakerjaan participant and 14 temporary workers as BPJS Kesehatan participant. There were remains 65 workers are being process to register in BPJS Ketenagakerjaan and Kesehatan and company has propose to register the 65 workers in BPJS Ketenagakerjaan and Kesehatan and waiting for feedback from BPJS Ketenagakerjaan.</p> <p><b>This Minor NC is closed out on 6<sup>th</sup> June 2017.</b></p>	Minor
1338574N5	<p>RSPO P &amp; C Generic Standard, 2013 - Indicator 5.3.3</p> <p>Domestic waste management requires serious attention.</p> <ol style="list-style-type: none"> <li>1. Based on visit to housing complex "Seng", audit team found waste disposed off into sewer and housing backyard;</li> <li>2. The management of landfill (block J07h) was poor, organic and an- organic waste mixed and piled up;</li> <li>3. Audit team also observed used motorcycle lubricant container disposed off into landfill;</li> </ol>	Minor

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	<p><b>Rootcause Analysis:</b> Lack of understanding from housing resident regarding waste management and also lack of monitoring from the company management.</p> <p><b>Action taken:</b> Company has implemented Jumat Bersih to have cleaning together with all workers, however there are still found inconsistency in domestic waste management. During audit still found that waste disposed in to sewer and housing backyard and management landfill at Block J07h still poor because there wa found organic and inorganic waste mixed.</p> <p><b>This Minor NC is remain OPEN and escalated to Major NC. And The Major NC has been CLOSED on 3 August 2017.</b></p>	
1338574N6	<p>RSPO P &amp; C Generic Standard, 2013 - Indicator 6.9.3</p> <p>Based on interview with Gender Committee - Unit Pulau Maria, it was found that gender committee has not understood the specific grievance mechanism for (any) sexual harassment case and policy to protect complainants/whistleblower where requested. The Gender Committee – Unit Pulau Maria did not created activity plan in 2015.</p> <p><b>Rootcause Analysis:</b> Lack of coaching and socialization against mechanism for (any) sexual harassment case and policy to protect complainants/whistleblower where requested.</p> <p><b>Action taken:</b> Company represent by Gender Committee has conducted socialisation to official of gender committee and workers related to grievance mechanism and protect complainants (whistleblower). Gender committee PT SSL has establish the activity plan/programme for one year and updated the programme each year.</p> <p><b>This Minor NC is closed out on 6<sup>th</sup> June 2017.</b></p>	Minor

Observation	
OBS #	Description
1	<p>RSPO P &amp; C Generic Standard, 2013 - Indicator 4.6.7</p> <p>Limited pesticide training has been conducted in 2014 for manager level and worker level. Pulau Maria Estate to provide more sprayers with limited pesticide training.</p> <p><b>Rootcause Analysis:</b> Sprayer workers has been trained for pesticide handling, however for the limited pesticide training need to invite the particular trainer.</p> <p><b>Action taken:</b> Pulau Maria Estate has provide limited pesticide training for sprayer workers. Limited pesticides training has been conducted on 16 September 2016 in cooperation with Syngenta.</p>

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<p>2</p>	<p>RSPO P &amp; C Generic Standard, 2013 - Indicator 4.7.1</p> <p>Hazard Identification Risk Assessment and Determining Control/Risk Assessment for Pulau Maria Estate is available. Program for Health and Safety for Pulau Maria Estate is evident. However, company’s health and safety program for plantation lack of consideration onto risk assessment result to improve condition on high risk level activity such as: FFB loading, harvesting activities; activities around empty bunch hopper.</p> <p><b>Rootcause Analysis:</b> OHS programme was not set based on the risk assessment which has a potentially high risk.</p> <p><b>Action taken:</b> Company has been performed identification of hazard and risk in FFB loading, harvesting activities; activities around empty bunch hopper. Latest update of HIRADC in April 21st, 2017. Company also has improve condition and risk control based on the risk assessment result.</p>
<p>3</p>	<p>RSPO P &amp; C Generic Standard, 2013 - Indicator 4.7.3</p> <p>It is need to be considered monitoring of health and safety related washing "apron" after working hours.</p> <p><b>Rootcause Analysis:</b> Lack of awarenes against PPE washing activity.</p> <p><b>Action taken:</b> Company has conducted monitoring of health and safety related washing "apron" after working hours. In addition it has been identified in HIRADC which updated on April 21<sup>st</sup>, 2017.</p>
<p>4</p>	<p>RSPO P &amp; C Generic Standard, 2013 - Indicator 4.7.4</p> <p>Health and Safety Committee approved by manpower office, as per “Surat Keputusan Kepala Dinas Tenaga Kerja Kabupaten Asahan No.2564/IV-DTK/2015 tentang Pengesahan Susunan Panitia Pembina Keselamatan dan Kesehatan Kerja (P2K3) di Perusahaan PT Saudara Sejati Luhur – Kebun Pulau Maria” dated 13/07/2015. The committee chaired by Mr.Alber Butar-butur (previous estate manager). Pulau Maria Estate to adjust the structure for health and safety committee for Pulau Maria Estate and Gunung Melayu I Mill – accommodating changes of personnel.</p> <p>Safety officer to monitor the infrastructure and environment condition in Pulau Maria Estate, i.e. electricity installation could be improved in Pulau Maria workshop.</p> <p><b>Rootcause Analysis:</b> Lack of monitoring for the actual P2K3 structure organization and its changing.</p> <p><b>Action taken:</b> Company has updated and done the renewal of P2K3 organisation structure and obtain endorsement from Disnakertrans Kab. Asahan on January 2017. Company also has been improved the environment condition in Pulau Maria particularly for electricity installation in workshop area. Safety officer conducted monitoring to minimize the unsafe condition.</p>
<p>5</p>	<p>RSPO P &amp; C Generic Standard, 2013 - Indicator 5.2.4</p>



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	<p>Company have a HCV Management plan, including program for tree planting in HCV area; company could improve the implementation of tree planting to be aligned with plan.</p> <p><b>Rootcause Analysis:</b> Due to weather condition in January – May 2016 was dry season, so that there is no trees planting activity in the riparian</p> <p><b>Action taken:</b> Company has implemented tree planting along riparian area aligned with conservation management plan.</p>
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**3.3.2 Summary of the Nonconformities and Status**

CAR Ref.	CLASS	ISSUED	STATUS
1128966M1	Major	18/12/2014	CLOSED on 20/04/2015
1128966M2	Major	18/12/2014	CLOSED on 17/06/2015
1128966M3	Major	18/12/2014	CLOSED on 20/04/2015
1338574M1	Major	03/06/2016	CLOSED on 17/07/2016
1338574N1	Minor	03/06/2016	CLOSED on 07/06/2017
1338574N4	Minor	03/06/2016	CLOSED on 06/06/2017
1338574N3	Minor	03/06/2016	CLOSED on 06/06/2017
1338574N5	Minor	03/06/2016	Escalated to Major NC CLOSED on 03/08/2017
1338574N6	Minor	03/06/2016	CLOSED on 06/06/2017
1487832-201706-M1	Major	07/06/2017	CLOSED on 03/08/2017
1487832-201706-M2	Major	07/06/2017	CLOSED on 03/08/2017
1487832-201706-M3	Major	07/06/2017	CLOSED on 03/08/2017
1487832-201706-N1	Minor	07/06/2017	OPEN

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**Assessment Conclusion and Recommendation:**

Based on the findings during the assessment PT. Saudara Sejati Luhur – Gunung Melayu I Palm Oil Mill Certification Unit and supply base complies with the RSPO P&C INA NI September 2016 and the RSPO Supply Chain Certification Standard November 2014 for CPO Mill. It is recommended that the certification of PT. Saudara Sejati Luhur – Gunung Melayu I Palm Oil Mill Certification Unit is approved and continued.

Acknowledgement of Assessment Findings	Report Prepared by
<b>Name:</b> Welly Pardede	<b>Name:</b> Mujinius Jalaraya
<b>Company name:</b> PT. Saudara Sejati Luhur	<b>Company name:</b> On behalf BSI Services Malaysia Sdn Bhd
<b>Title:</b> Sustainability Head	<b>Title:</b> Lead Auditor
<b>Signature:</b>  Date: 29 September 2017	<b>Signature:</b>  Date: 29 September 2017

**Appendix A: Summary of Findings**

Criterion / Indicator	Assessment Findings	Compliance
<b>Principle 1: Commitment to Transparency</b>		
<p><b>Criterion 1.1:</b></p> <p>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.</p>		
<p>1.1.1</p>	<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 made a mechanism for request information no.: AA-GL-5008.1-R1 dated on 22<sup>nd</sup> August 2011. The company has owned some policies for documents created by the public relations department in the company and acknowledged by plantation manager that can be accessed by public dated 12<sup>th</sup> September 2014 that covered:</p> <p>A. Legal Documents</p> <ul style="list-style-type: none"> <li>- a copy of SK HGU (Land Title)</li> <li>- a copy of AMDAL (Social and Environmental Impact Assessment)</li> </ul> <p>B. Environment Documents</p> <ul style="list-style-type: none"> <li>- Waste management plans</li> <li>- Report of waste water</li> <li>- Report of water management</li> <li>- Report of river water quality</li> <li>- Report of air quality.</li> <li>- Report of RKL (Environmental Management Plan) – RPL (Environmental Monitoring Plan).</li> <li>- Report of Hazardous Waste</li> </ul>	<p>Comply</p>

Criterion / Indicator		Assessment Findings	Compliance
		<p>C. Social Activity Documents</p> <p>D. Employment Documents</p> <ul style="list-style-type: none"> <li>- Jamsostek and also BPJS Kesehatan</li> <li>- HSE management programs</li> </ul>	
1.1.2	<p>Records of requests for information and responses to the information requested shall be available.</p> <p>- Major compliance -</p>	<p>Request Information and response from Stakeholder has been documented into a log book "Surat Masuk" and the response is documented in "Log Book Stakeholders – Out".</p> <p>There were noted 25 information request and others from Stakeholder in 2017, sample seen:</p> <ol style="list-style-type: none"> <li>1. Dated 10 August 2016 from Disnakertrans related Submission of Invitations socialization to Clarification industrial relations disputes.</li> <li>2. 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".</li> <li>3. 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".</li> <li>4. Dated 12 April 2017, from Dinas Pertanian dan Perkebunan, regarding "Laporan Pemantauan Kebakaran Lahan".</li> <li>5. Dated 19 April 2017, from BP2RD regarding Pemberitahuan/Undangan, no. 973/174/BP2RD /KS/2017.</li> </ol> <p>All request information and others has been responded timely manner</p> <p>Personel in charge to monitor the records of information request and response is</p>	Comply

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Criterion / Indicator		Assessment Findings	Compliance
		public relation department (Humas) and KTU (head of administration) PT Saudara Sejati Luhur both mill and estate.	
<b>Criterion 1.2:</b>			
Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.			
1.2.1	Publicly available documents shall include, but are not necessarily limited to: <ul style="list-style-type: none"> <li>a) Land titles/user rights (Criterion 2.2)</li> <li>b) Occupational health and safety plans (Criterion 4.7)</li> <li>c) Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8)</li> <li>d) HCV documentation (Criteria 5.2 and 7.3)</li> <li>e) Pollution prevention and reduction plans (Criterion 5.6)</li> <li>f) Details of complaints and grievances (Criterion 6.3)</li> <li>g) Negotiation procedures (Criterion 6.4)</li> <li>h) Continual improvement plans (Criterion 8.1)</li> </ul>	<p>Base on procedure "Menerima dan Merespon Permintaan Informasi Stakeholder" (SOP. No.: AA-GL-5008.1-R1 dated 22 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; 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>PT Saudara Sejati Luhur has made a list of documents that are publicly accessible recorded in "Formulir Distribusi Informasi" (Open to Public) and is updated on 01 January 2017, such as:</p> <ul style="list-style-type: none"> <li>a. Laws and regulation document: Permit and license (Izin Lokasi, Izin Usaha Perkebunan, Hak Guna Usaha, etc.);</li> <li>b. Environmental document: AMDAL document (SEIA), RKL-RPL document (environmental management and monitoring report), permit for temporary</li> </ul>	Comply

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Criterion / Indicator		Assessment Findings	Compliance
	i) Public summary of certification assessment report j) Human Rights Policy (Criterion 6.13).  - Major compliance –	hazardous waste storage, waste management plan, environmental policy, HCV identification document, pollution management plan etc.  c. 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.  d. Human rights policy that has been published No.298/ES-KTS/Memo/08/14 dated 26 <sup>th</sup> August 2014 which also covering ethics in business that stated that "ethical behavior, Prohibition of all forms of corruption, bribery in the conduct or transaction of business practices and fraudulent use of funds".	
<b>Criterion 1.3:</b> Growers and millers commit to ethical conduct in all business operations and transactions.			
1.3.1	There shall be a written policy committing to a code of ethical conduct and integrity in all operations and transactions along with the documentation of socialisation process of the policy to all levels of the workers and operations.  - Minor compliance –	The company has human rights policy that has been published No.298/ES-KTS/Memo/08/14 dated 26 <sup>th</sup> August 2014 which also covering ethics in business which stated that "ethical behavior, Prohibition of all forms of corruption, bribery in the conduct or transaction of business practices and fraudulent use of 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)".  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	Comply

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Criterion / Indicator		Assessment Findings	Compliance
		<p>by all employees.</p> <p>The policy has been disseminated to all level, on 29 April 2017 to all workers in Pulau maria Estate and on 11/01/2017 for contractor in Pulau Maria Estate. On 08 April 2017 performed socialization to all workers in Gunung Melayu I Mill and on 20 April 2017 to contractors in Gunung Melayu I Mill.</p> <p>Third party account audit has been carried out by Public Accountant Satrio Bing Eny &amp; partner for consolidated financial position 31<sup>st</sup> December 2016. Audit conclusion statement: The accompanying consolidated financial statements present fairly in all material respects, the consolidated financial position of PT Sudara Sejati Luhur dated December 31, 2016 and the financial performance and the consolidated cash flows for the year ended in accordance with Indonesian financial accounting standards.</p>	
<b>Principle 2: Compliance with applicable laws and regulations</b>			
<b>Criterion 2.1</b>			
There is compliance with all applicable local, national and ratified international laws and regulations.			
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"> <li>1. Izin Lokasi (Location permit) by Gubernur Sumatera Utara base on decree No. 593.82/3181 year 1984, dated 15 December 1984 regarding Izin Lokasi Land Acquisition of Land Palm Oil Plantation (CPO Mill), on behalf of PT Saudara Sejati Luhur on 2,597 Ha of land for the purpose of oil palm plantation located in Rahuning Village, Bandar Pulau Subdistrict, Asahan Regency , North Sumatra</li> </ol>	<p>NC #1487832-201706-M1 CLOSED on 03/08/2017</p>

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Criterion / Indicator	Assessment Findings	Compliance
	<p>Province.</p> <ol style="list-style-type: none"> <li>2. Approval letter for additional processing capacity from 30 tons of FFB / hour to 60 tonnes of FFB / hour in accordance with the approval letter from "Licensing and Investment Management Board of Asahan Regency on behalf of Bupati Asahan. 503 / IUP-PKIP / BPPPM / 1772 / VI / 2015, dated June 17, 2015</li> <li>3. PT Saudara Sejati Luhur has obtained permission to release production forest that can be converted, based on SK Minister of Forestry Decree no. 579 / Menhut-II / 2014 dated June 24, 2014 on Appointment of Forest Area of North Sumatera Province, also can be shown appendix SK in the form of map with scale 1: 250.000 stating that all area of HGU PT SSL is in function Area of Areal Penggunaan Lainnya (APL) .</li> <li>4. PT Saudara Sejati Luhur is granted an extension of Hak Guna Usaha (HGU) under the Decree of the Head of the National Land Agency no. 154/HGU/BPN/2004 dated November 11, 2004 concerning the granting of Extension of Period and Renewal of Land Use Right is located in Asahan Regency, North Sumatra Province on land area of 2,301.883 Ha located in Bandar Pulau Subdistrict.</li> <li>5. Certificate of HGU issued by Kantor Pertanahan Asahan Regency no. 1 of 2004 dated April 29, 2004 in accordance with the Measure Letter no. 01/Rahuning/2004 dated April 27, 2004 with an area of 2,301,883 Ha and valid until December 31, 2030. Equipped with HGU Map Appendix with a scale of 1: 10,000.</li> </ol> <p>Gunung Melayu I POM: Mill machineries permit and inspection:</p> <ol style="list-style-type: none"> <li>1. "Pengesahan Pemakaian Turbin Uap Dinas Tenaga Kerja Kabupaten Asahan" No.5205/TU/IVDTK/2014 dated 09/12/2014 for Steam turbine Shinko. Latest inspection by CV. Jaya Abadi No. 0673/TU/JA/II/2017 dated 27/02/2017.</li> </ol>	



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Criterion / Indicator	Assessment Findings	Compliance
	<p>Report stated the turbine condition and function is good.</p> <ol style="list-style-type: none"> <li>2. "Izin Pengesahan Pemakaian Motor Diesel Dinas Tenaga Kerja Kabupaten Asahan" No.5208/MD/IV-DTK/2014 dated 09/12/2014 for motor diesel Deutz. Latest inspection by CV Jaya Abadi, report No. 0675/MD/JA/II/2017 dated 27/02/2017.</li> <li>3. "Akte Izin Bejana Uap Kepala Dinas Tenaga Kerja Kabupaten Asahan No.5210/BU/IV-DTK/2014 dated 09/12/2014 for steam vessel, back pressure. Latest inspection by CV Jaya Abadi, report No. 0513/BU/JA/XII/2016 dated 2/12/2016.</li> <li>4. "Akte Izin Bejana Uap Kepala Dinas Tenaga Kerja Kabupaten Asahan No.5214/BU/IV-DTK/2014 dated 09/12/2014 for steam vessel, vertical sterilizer. Latest inspection by CV Jaya Abadi, report No. 0517/BU/JA/XII/2016 dated 2/12/2016.</li> <li>5. "Pengesahan Penggunaan Instalasi Listrik di Tempat Kerja Dinas Tenaga Kerja Kabupaten Asahan" No. 1462/10/IL/IV-DTK/2005 dated 14/06/2005 for electrical installation. Latest inspection by CV Jaya Abadi, report No. 0670/IL/JA/II/2017 dated 27/02/2017. Report stated the electrical installation condition and function is good.</li> <li>6. "Pengesahan Penggunaan Instalasi Penyalur Petir di Tempat Kerja Departemen Tenaga Kerja Kantor Wilayah Propinsi Sumatera Utara" No.04/VI/PPT/KONV/W2/1999 dated 08 June 1999 for lighting arrester installation. Latest inspection by CV Jaya Abadi, report No.0671/IPTR/JA/II/2017 dated 27/02/2017.</li> <li>7. Hak Guna Bangunan Certificate no. 2 tahun 2005, base on Decree of Kakanwil BPN Prov. Sumatera Utara no. 86-550.2-22-2005 dated 29 September 2005 for Gunung Melayu Mill an areas 56.000 m<sup>2</sup>.</li> </ol>	

Criterion / Indicator	Assessment Findings	Compliance
	<p>8. Land Application Permit on behalf of PT Saudara Sejati Luhur Pabrik Gunung Melayu Satu (PMKS GMI) covering area 100 Ha no. 660.1/0639/LH/2015, dated 20 May 2015, valid until 5 years.</p> <p>9. Temporary Hazardous and Toxic Hazardous Storage Permit for PT Saudara Sejati Luhur, no. 660.1/0965, dated 22 October 2012, valid until 5 years.</p> <p><u>Non Conformities:</u></p> <p>1. Its found inconsistency of compliance against the regulation of "UU No. 1 Tahun 1970 tentang keselamatan dan Kesehatan Kerja" article 14:</p> <ul style="list-style-type: none"> <li>- During field audit and interview with fertilizer workers block I06D Division I (4 workers) found that they provide PPE (hand gloves and boot shoes) themselves.</li> <li>- During field audit and interview with harvester in block J06F, they provide boot shoes by themselves because there is no replacement the new one by company.</li> </ul> <p>2. Found some inconsistency of relevant legal requirement evaluation such as:</p> <ul style="list-style-type: none"> <li>- "Permen No. 02/MEN/1989 tentang pengawasan instalasi penyalur petir" was evaluated in Pulau Maria Estate with result not comply (belum patuh) in addition it was not evaluated in Gunung Melayu I Mill.</li> <li>- "PP No. 18 Tahun 1990 tentang Pengelolaan Limbah Bahan Berbahaya dan Beracun" in Pulau Maria Estate stated that company was collaborated with PT Elmusonsetindo Nusa Indah, however at Gunung Melayu I Mill collaborated with PT Shali Riau Lestari</li> <li>- "Permenkes No. 03/MEN/1982, tentang Pelayanan Kesehatan Tenaga Kerja", stated incomply "belum patuh" in evaluation form (izin klinik belum tersedia), however company has obtained the clinic permit "Surat Izin Bupati</li> </ul>	

Criterion / Indicator		Assessment Findings	Compliance
		<p>Asahan no. 503/BPS/BPPPM/1083/VII/2013, dated 31 July 2013”.</p> <p>3. Found some relevant legal requirement were not evaluated, such as:</p> <ul style="list-style-type: none"> <li>- Permenaker No.609 year 2012, regarding Guidance of Completion Occupational Accident and Disease Case.</li> <li>- Keputusan President No.7 year 2006 regarding Ratification of the UN Convention Against Corruption.</li> <li>- Keputusan President No. 8 year 2010 regarding Prevention and Eradication of Money Laundry.</li> <li>- Presidential Instruction No.1 year 2013 regarding Action for Corruption Prevention and Eradication</li> </ul> <p>The Non Conformity has been addressed effectively by company and CLOSED on 03/08/2017 as explain in the session 3.3 “Details of Finding”.</p>	
2.1.2	<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 2017 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 compliance through procedure “SOP Pemenuhan Peraturan Perundang-undangan dan Perubahannya” (No. SOP; AA-GL-5001.1-RO) dated 5<sup>th</sup> December 2009). The list would be reviewed once a year by the EHS Department and all</p>	Comply

Criterion / Indicator		Assessment Findings	Compliance
		<p>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 2017.</p>	
2.1.3	<p>A mechanism for ensuring compliance shall be implemented.</p> <p>- Minor compliance –</p>	<p>There is a rigorous 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. The mechanism for ensuring compliance also include the subcontractor. All subcontractor is required to comply with local and national regulation to become a partner of PT Saudara Sejati Luhur.</p> <p>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.</p> <p>Legal department of the company 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 10, 2017.</p> <p>Recorded on form "Evaluation of Legal and Other Requirements Compliance". Revised on January 2017.</p>	Comply
2.1.4	<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>	Comply

Criterion / Indicator	Assessment Findings	Compliance
	<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, e.g.</p> <ul style="list-style-type: none"> <li>a. EHS Department: 23 regulations being evaluated. Evaluation comprise of type of regulations/other requirements, key requirements, evident of compliance, level of compliance, description of non compliance. Example: Undang-Undang No.32 Tahun 2009, Peraturan Pemerintah No.27 Tahun 2012, Peraturan Menteri Lingkungan Hidup No.5 Tahun 2012, Keputusan Menteri Lingkungan Hidup No.45 Tahun 2005, Peraturan Pemerintah No.82 Tahun 2001, Keputusan Menteri Lingkungan Hidup No.51 Tahun 1995, Keputusan Menteri Lingkungan Hidup No.29 Tahun 2003, Keputusan Menteri Lingkungan Hidup No.29 Tahun 2003, etc.</li> <li>b. Human Resources Department: 38 regulations related to manpower. For example: Undang- undang No.13 Tahun 2003, Undang-undang No.29 Tahun 1999, Undang-undang No.1 Tahun 2000, Undang-undang No.02 Tahun 2004, Peraturan Pemerintah No.08 Tahun 1981, Keputusan Menteri Tenaga Kerja Transmigrasi No.224 Tahun 2003 etc.</li> <li>b. Legal Compliance Department Head Office Jakarta: Has prepared Statutory Compliance Paper for Q3 2014/2015, comprise of 9 Corporate Laws Document – RO Location, 5 types of regulation for Human Resources (Jakarta), 5 types of regulations related to Taxes and Retributions (National), 3 types of regulations related to EHS (National), 1 type of regulation related to technology, 8 types of regulations related to Statutory Reports (National), 11 types of regulations related to Corporate Document –SPU Location (Central Kalimantan), 6 types of regulations related to Plantation Process/Activities (CK), 5 types of regulations related to Human Resources, 10 types of regulations related to Local Taxes and</li> </ul>	

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Criterion / Indicator		Assessment Findings	Compliance
		Retributions, 5 types of regulation related to EHS (Location), 3 types of regulation related to Technology, 7 types of regulations related to Local Statutory Reports, 8 types of regulation related to Corporate Document Mill Location (CK), 16 types of regulations related to Mill Process/Activities (CK), 12 types of regulations related to Human Resources, 8 types of regulation related to Local Taxes and Retributions, 5 types of regulations related to EHS (Mill Location), 3 types of regulations related to Technology, 6 types of regulation related to Local Statutory Reports.	
<b>Criterion 2.2</b>			
The right to use the land is demonstrated, and is not legitimately contested by local people who can demonstrate that they have legal, customary or user rights.			
2.2.1	Documents showing legal ownership or lease, history of land tenure ownership/control, and the actual legal use of the land shall be available. - Major compliance -	The company has legal land ownership as indicator 2.1.1 1. PT Saudara Sejati Luhur is granted an extension of Hak Guna Usaha (HGU) under the Decree of the Head of the National Land Agency no. 154/HGU/BPN/2004 dated November 11, 2004 concerning the granting of Extension of Period and Renewal of Land Use Right is located in Asahan Regency, North Sumatra Province on land area of 2,301.883 Ha located in Bandar Pulau Subdistrict. 2. Certificate of HGU issued by Kantor Pertanahan Asahan Regency bno. 1 of 2004 dated April 29, 2004 in accordance with the Measure Letter no. 01/Rahuning/2004 dated April 27, 2004 with an area of 2,301,883 Ha and valid until December 31, 2030. Equipped with HGU Map Appendix with a scale of 1: 10,000.	Comply
2.2.2	Legal boundaries are demonstrated clearly and maintained.	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	NC# 1487836-

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Criterion / Indicator		Assessment Findings	Compliance
	- Minor compliance -	<p>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 2017.</p> <p>Conducted observation for several pegs, e.g:</p> <ul style="list-style-type: none"> <li>- Pegs no. SSL-42, on block J06G, Division I, bordering the Pulau Maria Village, coordinate no; N: 02°45'30.8"; E: 099°35'15.4".</li> <li>- Pegs no. SSL-70, on block I08F, Division I, bordering the Batu Anam Village, coordinate no; N: 02°45'26.6"; E: 099°33'16.9".</li> <li>- Pegs no. SSL-48, on block I08E, Division I, bordering the Batu Anam Village, coordinate no; N: 02°44'44.9"; E: 099°33'43.8".</li> <li>- Pegs no. SSL-51, on block I08A, Division I, bordering the Batu Anam Village, coordinate no; N: 02°44'11.2"; E: 099°33'44.3".</li> </ul>	201706-N1 OPEN
2.2.3	<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>By checking to the relevant documents such as minutes of stakeholder meeting, and during the public consultation the auditor team noted there was no land conflict found at PT Saudara Sejati Luhur. Based on the interview with the Head of BPN, that tenure (Ganti Rugi) can be made until three years after the concession of issue.</p> <p>Verification on management statement, hectare statement shows no land dispute in PT Saudara Sejati Luhur, with other party or with surrounding community.</p> <p>Based on interviews with community and community leaders around, there is no land dispute in the period 2016-2017.</p>	Comply
2.2.4	<p>There shall be an absence of significant land conflict, unless requirements for acceptable conflict resolution processes (see Criteria 6.3 and 6.4) are implemented and accepted by the parties</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 Saudara Sejati Luhur and surrounding community or other parties.</p>	Comply

Criterion / Indicator		Assessment Findings	Compliance
	involved. - Major compliance –		
2.2.5	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 local government where applicable), shall be available. - Minor compliance –	Based on interview with surrounding village societies, local communities, field visit and verification of company documentation; there is no land dispute between company PT Saudara Sejati Luhur and surrounding community or other parties.	Comply
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 –	Based on interview with surrounding village societies, local communities, field visit and verification of company documentation; there is no land dispute between company PT Saudara Sejati Luhur and surrounding community or other parties.	Comply
<b>Criterion 2.3</b>			
Use of the land for oil palm does not diminish the legal, customary or user rights of other users without their free, prior and informed consent.			
2.3.1	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).	PT Saudara Sejati Luhur 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 issuance of HGU certificate has gone through "Rapat Panitia Tanah B" involving multi- stakeholder as consideration prior to HGU issuance.	Comply



Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -		
2.3.2	<p>Copies of negotiated agreements including the process of free, prior and informed consent (FPIC) (Criteria 2.2, 7.5 and 7.6) shall be available and these include:</p> <ul style="list-style-type: none"> <li>a) Evidence of consultation</li> <li>b) Statement of transfer of rights</li> <li>c) Evidence of compensation</li> </ul> <p>See specific guidance 2.3.2</p> <p>- Minor compliance -</p>	<p>Based on documents review and interview with local government Desa Gonting Malaha and Desa Sidomulyo as well as Land office of Kabupaten Asahan and local communities surrounding the company, it was noted that there is no any customary land or legal rigths within the company areas.</p>	Comply
2.3.3	<p>Relevant information shall be available in appropriate forms and languages, including analysis of impacts, proposed benefit sharing, and legal arrangements.</p> <p>- 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 rigths within the company areas.</p> <p>Company has provided all information related to all information/document accessible for public, as per RSPO P&amp;C indicator 1.2.1, including environment evaluation document "Studi Evaluasi Lingkungan".</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.</p> <p>- 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 has been developed each others.</p>	Comply

Criterion / Indicator	Assessment Findings	Compliance	
Principle 3: Commitment to long-term economic and financial viability			
Criterion 3.1 <b>There is an implemented management plan that aims to achieve long-term economic and financial viability.</b>			
3.1.1	A documented management plan, a minimum of three years shall be available, including, where appropriate, plan for scheme smallholders.  - Major compliance-	The company has committed to economic and financial sustainability and has documented the working plan in the Financial Budget Plan. The company has set up a business management plan for the next 5 years and the forecast have been well documented in the document management plan of PT Saudara Sejati Luhur – Gunung Melayu I Mill and Pulau Maria Estate 2017 – 2021. Management plan was set up including independent FFB suppliers. Its management plan include: <ol style="list-style-type: none"> <li>1. Land area statement of PT Saudara Sejati Luhur</li> <li>2. FFB Production actual 2016 and projection 2017 – 2021</li> <li>3. CPO, PK, PKO, PKM production actual 2016 and projection 2017 – 2021</li> <li>4. CPO, PK, PKO, PKM Revenue actual 2016 and projection 2017 – 2021</li> <li>5. Estate Cost Estimation: Upkeep cost, manuring cost, pest and disease management cost, pruning cost, census cost, terrace maintenance cost, road and bridge maintenance cost, harvesting cost.</li> <li>6. Mill Cost, KCP Cost, Selling cost, Bulking cost and Tax portion actual 2016 and projection 2017 – 2021</li> <li>7. Nett Profit/Loss</li> </ol>	Comply
3.1.2	An annual replanting program projected for a	No replanting program in the near future. All areas have been replanted in 2002 –	Comply

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Criterion / Indicator		Assessment Findings	Compliance														
	<p>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>2008.</p> <p>Based on document review and field visit, the planting year of Pulau Maria Estate, PT Saudara Sejati Luhur was 2002 up to 2008. The nearest replanting would be year 2027. Below are the planted year of Pulau Maria Estate:</p> <table border="1"> <thead> <tr> <th>Planting year</th> <th>Hectarage (ha)</th> </tr> </thead> <tbody> <tr> <td>2002</td> <td>372</td> </tr> <tr> <td>2003</td> <td>227</td> </tr> <tr> <td>2006</td> <td>433</td> </tr> <tr> <td>2007</td> <td>446</td> </tr> <tr> <td>2008</td> <td>585</td> </tr> <tr> <td><b>Total</b></td> <td><b>2,063</b></td> </tr> </tbody> </table>	Planting year	Hectarage (ha)	2002	372	2003	227	2006	433	2007	446	2008	585	<b>Total</b>	<b>2,063</b>	
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Principle 4: Use of appropriate best practices by growers and millers																	
Criterion 4.1																	
<b>Operating procedures are appropriately documented, consistently implemented and monitored.</b>																	
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"> <li>SOP AA-APM-OP-1100.01-R4 dated 5/09/2016 Pembibitan; explain the Nursery process and steps begins from seeds preparation, selection, pre nursery, main nursery and pest and disease control for nursery.</li> <li>SOP AA-APM-OP-1100.02-R3 10/06/2015 Penanaman Areal Baru; explain the</li> </ol>	Comply														

**RSPO Public Summary Report  
Revision 4 (November /2016)**

Criterion / Indicator	Assessment Findings	Compliance
	<p>process of new palm oil planting, including land cover crop preparation, planting hole, plant per hectare and consolidation.</p> <ol style="list-style-type: none"> <li>3. SOP AA-APM-OP-1100.03-R2 24/07/2015 Pembuatan dan Perawatan Jalan dan Jembatan explains road and bridge construction and maintenance;</li> <li>4. SOP AA-APM-OP-1100.04-R3 07/12/2015 Pembuatan dan Pemeliharaan Parit berisi tentang tuntutan teknis pekerjaan pembuatan dan pemeliharaan parit secara sistematis explains culvert/drainage construction and maintenance;</li> <li>5. SOP AA-APM-OP-1100.05-R3 23/11/2016 Konservasi Tanah dan Air explains Soil &amp; Water Conservation;</li> <li>6. SOP AA-APM-OP-1100.06-R6 16/02/2017 Menanam kacang related to Planting cover crops;</li> <li>7. SOP AA-APM-OP-1100.07-R6 16/02/2017, Menanam Kelapa Sawit related to Planting;</li> <li>8. SOP AA-APM-OP-1100.08-R6 11/05/2016 Pengendalian Gulma or Weed control;</li> <li>9. SOP AA-APM-OP-1100.09. R5 5/09/2016 Pemupukan related to Fertilizer application;</li> <li>10. SOP AA-APM-OP-1100.10. R6 23/11/2016 Pengendalian Hama dan Penyakit explains Pests &amp; Disease Control;</li> <li>11. SOP AA-APM-OP-1100.11. R1 01/02/2009 Pestisida dan Pengendaliannya for pesticide handling;</li> <li>12. SOP AA-APM-OP-1100.12. R3 23/11/2016 Kastrasi explains castration (cutting all generative product (male flower, female flower, all fruit, to support vegetative growth) – done 5-6 months before being harvested;</li> <li>13. SOP AA-APM-OP-1100.13. R3 04/03/2016 Tunas Pokok for pruning;</li> <li>14. SOP AA-APM-OP-1100.14. R3 16/02/2017 Sensus dan Identifikasi Pokok explains census and palm identification;</li> <li>15. SOP AA-APM-OP-1100.15. R2 01/10/2010 Sensus Produksi related to production census;</li> <li>16. SOP AA-APM-OP-1100.16. R1 01/02/2009 Konsolidasi Pohon Tumbang</li> </ol>	

Criterion / Indicator	Assessment Findings	Compliance
	<p>explains provision of support to fallen palm;</p> <p>17. SOP AA-APM-OP-1100.17. R1 23/10/2014 Pengelolaan Air related to water management;</p> <p>18. SOP AA-APM-OP-1100.18. R3 20/04/2015 Potong Buah related to harvesting;</p> <p>19. SOP AA-APM-OP-1100.19. R1 01/02/2009 Pengelolaan Transport explains FFB Transport;</p> <p>20. SOP AA-APM-OP-1100.20-R6 16/02/2017 Replanting;</p> <p>Gunung Melayu I 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"> <li>1. SOP AA-MPM-OP-1400.02.R2 Stasiun Penerimaan for FFB receiving station;</li> <li>2. SOP AA-MPM-OP-1400.03.R1 Stasiun Rebusan for sterilizer;</li> <li>3. SOP AA-MPM-OP-1400.04.R1 Stasiun Pemisahan Berondolan for loose fruit separation;</li> <li>4. SOP AA-MPM-OP-1400.05-R1 Stasiun pengadukan dan pengempaan for pressing station;</li> <li>5. SOP AA-MPM-OP-1400.06-R1 Stasiun pemurnian for clarification;</li> <li>6. SOP AA-MPM-OP-1400.07-R1 Stasiun pemisahan nut dan fiber for nut and fiber separation;</li> <li>7. SOP AA-MPM-OP-1400.08-R1 Stasiun kernel for kernel station;</li> <li>8. SOP AA-MPM-OP-1400.09-R1 Stasiun boiler;</li> <li>9. SOP AA-MPM-OP-1400.10-R1 Stasiun engine room;</li> <li>10. SOP AA-MPM-OP-1400.11-R1 Stasiun water treatment;</li> <li>11. SOP AA-MPM-OP-1400.12-R1 Laboratorium;</li> <li>12. SOP AA-MPM-OP-1400.13-R1 Stasiun pengelolaan limbah for palm oil mill effluent treatment;</li> <li>13. SOP AA-MPM-OP-1400.14-R2 Stasiun penimbunan dan pengiriman CPO dan kernel for CPO and PK bulking and despatch operation;</li> <li>14. SOP AA-MPM-OP-1400.15-R1 Perawatan for preventive maintenance;</li> </ol>	

Criterion / Indicator		Assessment Findings	Compliance
		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.	
4.1.2	<p>Checking or monitoring of operations procedures is conducted at least once a year.</p> <p>- Minor compliance -</p>	<p>PT Saudara Sejati Luhur follows procedure for internal audit under Standard Operating Procedures AA-SOP-ES-6001-R1 01/03/2013. The procedure stating internal audit of minimum once a year. Upon finding, management unit shall prepare review on audit finding and prepare root cause analysis, prepare corrective action – with person in charge and completion target. The latest RSPO internal audit was done in 04/05/2016 for PT Saudara Sejati Luhur.</p> <p>To checking and monitoring of operations procedures, PT Saudara Sejati Luhur has conducted any others internal audit and visit both in estate and mill:</p> <ul style="list-style-type: none"> <li>- R&amp;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. Last visit performed in Pulau Maria Estate on 29 – 31 March 2017 by Johnson Situmorang. During visit found some issue such as Ganoderma disease attack increasing in the palm oil block, company has follow it up by performing census and control according to SOP AA-APM-OP-1100.10-R5.</li> <li>- Visiting Agent conducted once a year to check and monitoring the implementation of general Agronomy best management practices. Last visit performed in Pulau Maria Estate on 20-25/03/2017 by Sinnaiha.G. A number of comments were made related to palm circle, mised Clidemia on palm trunks, noxious weeds have started to spread, EFB application was incomplete, POME application inconsistent, heavy erosion and collapse of banks in drains and sandy area, condition of roads. All finding from VA has been followed up by organization by corrective action plan, target and time frame to address the</li> </ul>	Comply

Criterion / Indicator		Assessment Findings	Compliance
		<p>issue has been determined and implemented well.</p> <ul style="list-style-type: none"> <li>- Visiting Engineering (VE) performed once a year to check and monitoring the implementation of mill operation procedure. Last visit performed on 8 – 10 August 2016 by TCJ Thomas. All issue found during visit has been addressed and solved by Gunung Melayu I POM. For example:               <ul style="list-style-type: none"> <li>✓ The area of LA beds available is not sufficient for the operational capacity of the mill. Corrective action mill has been done by added the LA area gradually upon less tha 1,000 m3/ha/th. Gunung melayu I Mill has proposed the LA area additional by letter No. 010/MI-PGS/EXT/09/2016 dated 3 September 2016, proposed additional from 100 ha to become 300 ha. Company has proceed to obtained the permit and endorsement from KLH Kisaran Regency.</li> <li>✓ There are sign of pitting corrosion in the lower drum and red powdery deposits on the upper drum, this reflect on insufficient control of boiler water treatment. Gunung melayu I Mill has follow it up by upgrading regeneration demint plan schedule and keep silica &lt; 3 ppm and conducted internal inspection on drum, header and boiler each 3 month.</li> <li>✓ Deposits noted on the turbine inlet strainer and on the rotor blades. It is silica deposits. Gunung melayu I Mill has follow it up by increase the dosage chemical BC-108 from 3 ppm to 6 ppm in order to diluting the silica crust attaches to the boiler.</li> </ul> </li> </ul>	
4.1.3	<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"> <li>- RSPO internal audit report, which done in 04/05/2016. Audit result findings can be demonstrated and and the corrective action has been implemented to</li> </ul>	Comply

Criterion / Indicator	Assessment Findings	Compliance
	<p>addressed issue found during audit.</p> <ul style="list-style-type: none"> <li>- R&amp;D Agronomic Visit Report Pulau Maria Estate KPM/R&amp;D-AGRO/01-17 date of visit 29-31 March 2017 by Johnson Situmorang. All issue found during visit has been addressed by company as explained in indicator 4.1.2 above.</li> <li>- Report Visiting Agent No.KPM/VA/FULL 01-17 by Sinnaiha.G, dated 20-25/03/2017 in Pulau Maria Estate. All issue found during visit has ben addressed by company as explained in indicator 4.1.2 above.</li> <li>- 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 April 2017 can be demonstrated.</li> <li>- Mandor logbook, contain information of daily work monitoring covering: harvesting, spraying, fertilizing, pest and disease cencus, road and infrastructure maintenance, and others. During audit verified sample of Pulau Maria Estate.</li> <li>- 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.</li> <li>- Visiting Engineering report No.01-14 dated 21/10/2016 by TCJ Thomas. All issue found during visit has ben addressed by company as explained in indicator 4.1.2 above.</li> <li>- Daily Report Gunung Melayu I 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 I</li> </ul>	



Criterion / Indicator		Assessment Findings	Compliance
		<p>POM.</p> <p>It is a routine that the estate and mill management prepare monthly reports and send to the company's head office for monitoring purpose as well. All field inspection results are recorded in Monthly Report.</p>	
4.1.4	<p>Records of the origins of all third-party FFB sourced (collector, deliver, Cooperative, Farmers Association and outgrower) shall be available.</p> <p>- Major compliance -</p>	<p>The record of FFB from outgrower receipt is recorded in "Laporan Harian PKS" and "Rekap TBS Besar dan Kecil".</p> <p>FFB received from local suppliers period January – June 2017, such as:</p> <ol style="list-style-type: none"> <li>1. BD Siregar</li> <li>2. PT Sawit Trading Sejahtera</li> <li>3. Sinar Bakti I</li> <li>4. Abdul Gani</li> <li>5. UD Saudara</li> <li>6. Kelompok Tani Lubuk Paham</li> <li>7. PT AP</li> <li>8. CV Ronauli Tani</li> <li>9. CV Mitra Langgeng Sukses</li> </ol> <p>The cooperation agreement between company and local supplier is recorded in the "Surat Pernyataan" dated 11<sup>th</sup> March 2016. A statement and warranty stating that the supplier is willing to comply with the provisions of PT SSL and TBS received from land that has been controlled in accordance with the laws and regulations and does not originate from restricted areas such as protected forest areas, industrial forest estate, production forest area, conservation areas, etc.</p>	Comply

Criterion / Indicator		Assessment Findings	Compliance
		<p>Pricing is determined by mechanism market FFB and set every day and recorded in the pricing of TBS Gunung Melayu I Mill. Pricing mechanisms for FFB:</p> <ol style="list-style-type: none"> <li>1. The yield FFB</li> <li>2. The yield Kernel</li> <li>3. The price of CPO and Kernel</li> </ol> <p>Pricing for FFB: (CPO Price + Price Kernel) – Processing Services Cost</p>	
<p><b>Criterion 4.2</b> Practices maintain soil fertility at, or where possible improve soil fertility to a level that ensures optimal and sustained yield.</p>			
4.2.1	<p>A record of SOP implementation to maintain soil fertility that ensures optimal and sustained yield, shall be available.</p> <p>- Major compliance -</p>	<p>The company has established procedure soil fertility in "SOP AA-APM-OP-1100.09. R1" - SOP Pemupukan, consist of type and recommendation of fertilizer for immature and mature areas, cycle, dosage and when fertilizer is applied.</p> <p>To maintain soil fertility by placing palm frond above ground level (L shape), land application (waste water application) and empty bunch application.</p> <p>Based on document review of fertilizer recommendation and the realization of fertilizer in the filed can be demonstrated that the SOP has well implemented accordingly. Record of fertilizer input and fertilizer application can be demonstrated during audit. During field visit also demonstrated that fertilizer application dosage was met according to the recommendation.</p>	Comply
4.2.2	<p>Records of fertilizer inputs shall be available.</p> <p>- Minor compliance -</p>	<p>The company has develop fertilizer recommendations each year and recorded in Recommendation Fertilization Pulau Maria Estate 2017. Fertilizer realization in 2016 had completed as recommendation.</p>	Comply

Criterion / Indicator		Assessment Findings						Compliance																																																
		<p>Fertilizer recommendation in 2016 and fertilizer application from January – December 2016 in Pulau Maria Estate:</p> <table border="1"> <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>Plan</td> <td>1,637,806</td> <td>516,833</td> <td>101,228</td> <td>226,111</td> <td>-</td> <td>48,746</td> <td>25,093</td> </tr> <tr> <td>Application</td> <td>1,586,193</td> <td>502,681</td> <td>97,519</td> <td>220,329</td> <td>-</td> <td>47,423</td> <td>24,691</td> </tr> </tbody> </table> <p>There is a deviation between number of fertilizer plan and application due to different real actual number of palm oil tree apply than number of palm tree for recommendation calculation.</p> <p>Fertilizer recommendation in 2017 and fertilizer application from January – May 2017 in Pulau Maria Estate:</p> <table border="1"> <thead> <tr> <th>Volume (Kg)</th> <th>NPK (dosage 1.5 – 2.0 kg/palm tree)</th> <th>ZA (dosage 2.0 – 2.5 kg/ palm tree)</th> <th>MOP (dosage 0,5 – 1.25 kg/ palm tree)</th> <th>Kieserite (dosage 1.00 – 1.50 kg/ palm tree)</th> <th>Dolomite (dosage 1,00 – 2.50 kg/ palm tree)</th> <th>HGFB (dosage 0,10 kg/ palm tree)</th> <th>CuSO4 (dosage 0,10 – 0.15 kg/ palm tree)</th> </tr> </thead> <tbody> <tr> <td>Plan</td> <td>471,879</td> <td>486,080</td> <td>101,228</td> <td>226.111</td> <td>-</td> <td>23.528</td> <td>14,514</td> </tr> <tr> <td>Application</td> <td>457,735</td> <td>468,105</td> <td>97,519</td> <td>220.329</td> <td>-</td> <td>22.746</td> <td>12,649</td> </tr> </tbody> </table>						Volume (Kg)	NPK	ZA	MOP	Kieserite	Dolomite	HGFB	CuSO4	Plan	1,637,806	516,833	101,228	226,111	-	48,746	25,093	Application	1,586,193	502,681	97,519	220,329	-	47,423	24,691	Volume (Kg)	NPK (dosage 1.5 – 2.0 kg/palm tree)	ZA (dosage 2.0 – 2.5 kg/ palm tree)	MOP (dosage 0,5 – 1.25 kg/ palm tree)	Kieserite (dosage 1.00 – 1.50 kg/ palm tree)	Dolomite (dosage 1,00 – 2.50 kg/ palm tree)	HGFB (dosage 0,10 kg/ palm tree)	CuSO4 (dosage 0,10 – 0.15 kg/ palm tree)	Plan	471,879	486,080	101,228	226.111	-	23.528	14,514	Application	457,735	468,105	97,519	220.329	-	22.746	12,649	
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4.2.3	<p>Records of periodical leaf, soil and visual analysis shall be available.</p> <p>- Minor compliance -</p>	<p>PT Saudara Sejati Luhur has ben performed 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>Periodical leaf analysis was done in 2016 by PT Nusa Pusaka Kencana Analytical and QC Laboratory. Sample seen: Analysis report No.056/INT/R&amp;D/JUN/L/16 sampling on April – May 2016 date of received 27/05/2016, date of issued 11/06/2016</p>						Comply																																																

Criterion / Indicator		Assessment Findings	Compliance
		<p>analysis of 41 samples from block I06g,c,d J06e,f,g,h I08a,b,c,d,e,f,n, etc. The foliar analysis being consideration for fertilizer recommendation 2017.</p> <p>Latest leaf analysis report has been performed on May 2017, and the leaf sample was remain in process of analysis by PT Nusa Pusaka Kencana Analytical and QC Laboratory; the analysis result will be considered for fertilizer recommendation 2018.</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> <p>- Minor compliance -</p>	<p>The company applied EFB to increase the soil fertility with dosage 150 kg/palm tree .</p> <p>Upon May 2017 total EFB application in Pulau Maria Estate: Division I total 2,648,400 kg; Division II total 3,162,150 kg; Division III total 3,583,800 kg.</p> <p>The palm oil mill effluent utilized as soil nutrient through land application. The POME application in Pulau Maria Estate based on Keputusan Bupati Asahan No.660.1/0639/LH/2015 tentang Pemberian Izin Land Aplikasi Limbah Cair (Land Application) PT. Saudara Sejati Luhur (PMKS GMI) Desa Batu Anam Kecamatan Rahuning Kabupaten Asahan – Sumatera Utara” dated 20/05/2015 – valid for five (5) years. The land application approved for ±100 Ha, maximum BOD 5,000 mg/liters. The implementation of Palm Oil Mill Effluent (POME) into the plantation and monitoring wells was reported in March 2017, to the Kepala kantor Lingkungan Hidup Kabupaten Asahan.</p> <p>Land application for Pulau Maria Estate was 120 Ha spread in ten (10) blocks, comprise of 435 lines and 9,642 flat beds, capacity LA was 25,423 m<sup>3</sup>. Total application in Januari – May 2017 was 185 ha with volume 58,548 m<sup>3</sup>. Sampled application: in block J03e application in 05/2017 was 10.38 Ha with volume 3,475 m<sup>3</sup>. In block J02b application in 03/2017 was 14.60 Ha with volume 3,615 m<sup>3</sup>.</p>	Comply
<p><b>Criterion 4.3</b> Practices minimise and control erosion and degradation of soils.</p>			

Criterion / Indicator		Assessment Findings	Compliance
4.3.1	Maps of any fragile soils shall be available. - Major compliance -	PT Saudara Sejati Luhur showed Peta Sebaran Jenis Tanah showing the predominant soil type are Typic hapludults and Typic endoaquepts, mineral soil. The limitation identified was nutrition retention and nutrition availability, steep slope and texture. From the map, the suitable area (S2) 1,129 Ha (58%), suitable area (S3) 303 Ha (15%), suitable area (N1) 529 Ha (27%).  Based on map soil there was no fragile soil identified.	Comply
4.3.2	A management strategy shall be in place for plantings on slopes above a certain limit (this needs to be soil and climate specific). - Minor compliance -	In procedure no. SOP AA-APM-OP-1100.05-R3 dated 23/11/2016 "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  The realization of soil and water conservation work are: 1. Maintenance of terraces, realization January up to May 2017 total 6,300 m 2. Maintenance "Tapak Kuda" individual platform, realization January up to May 2017 total 522 units.	Comply
4.3.3	A road maintenance program shall be in place. - Minor compliance –	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 Pulau Maria Estate:  - Road maintenance manually and road service by spreading split stone in January – May 2017 total 172,913 m.  - Road maintenance mechanically using Greader/Road Grading in January – May 2017 total 215,581 m.  - Road hardening using gravel and split stone in January – May 2017 total 708,071 m with volume gravel 1,358 m <sup>3</sup> and split stone 152 m <sup>3</sup> ..	Comply

Criterion / Indicator		Assessment Findings	Compliance
		During field visit and audit in PT Saudara Sejati Luhur found that road condition was in good condition and well maintained.	
4.3.4	Subsidence of peat soils shall be minimised and monitored. A documented water and ground cover management programme shall be in place. - Major compliance –	Based on soil analysis, there is no peat soil in PT Saudara Sejati Luhur. The map indicated the predominant soil type consist of : - Typic hapludults - Typic eutrudox - Typic endoaquepts	Comply
4.3.5	Drainability assessments shall be required prior to replanting on peat to determine the long-term viability of the necessary drainage for oil palm growing. - Minor compliance –	Based on soil analysis, there is no peat soil in PT Saudara Sejati Luhur. The map indicated the predominant soil type consist of : - Typic hapludults - Typic eutrudox - Typic endoaquepts	Comply
4.3.6	A management strategy shall be in place for other fragile and problem soils (e.g. sandy, low organic matter, acid sulphate soils). - Minor compliance –	Based on soil analysis, there is no peat soil in PT Saudara Sejati Luhur. The map indicated the predominant soil type consist of : - Typic hapludults - Typic eutrudox - Typic endoaquepts	Comply
<p>Criterion 4.4</p> <p><b>Practices maintain the quality and availability of surface and groundwater</b></p>			

Criterion / Indicator		Assessment Findings	Compliance
4.4.1	An implemented water management plan shall be in place. - Minor compliance -	Water management plan in PT Saudara Sejati Luhur is based on related regulations, best practices and company's KPI. The water management plan of Pulau Maria Estate and mill included monitoring of rainfall and all water usage and discharge, including: water supply intake, water usage for boiler, mill process and domestic use, and total effluent. Company has identified the water source in area of PT Saudara Sejati Luhur. Water source maps presented in HCV area maps. Water management plan also prepared based on the identification of water sources. The company provided the water balance, including monitoring of daily water consumption entering mills and plantation. Outgoing waste water into main natural waterways, such as drains, waste water runway, and POME for land application were monitored monthly.	Comply
4.4.2	Protection of water courses and wetlands, including securing and maintaining appropriate riparian and other buffer zones, at the time of or prior to replanting shall be demonstrated. - Major compliance -	PT Saudara Sejati Luhur 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-R3 dated 23/11/2016 "Konservasi Tanah dan Air", it is stated that at during land clearing area along the river shall be conserved.  It prohibits to use agrochemicals along the riparian buffer zone. The auditor observed it was comply.  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.	Comply

Criterion / Indicator		Assessment Findings	Compliance														
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). The BOD 5 day 20°C level in effluent is monitored monthly. Records for monitoring of effluent especially BOD for year 2016 available, sample taken from 2nd Semester as below:</p> <table border="1"> <thead> <tr> <th>2016</th> <th>July</th> <th>Aug</th> <th>Sept</th> <th>Oct</th> <th>Nov</th> <th>Dec</th> </tr> </thead> <tbody> <tr> <td><b>BOD</b> in ml/L &lt;5000</td> <td>4,120.3</td> <td>4,150.5</td> <td>4,471.8</td> <td>4,136.0</td> <td>4,127.3</td> <td>4,257.2</td> </tr> </tbody> </table> <p>This measure conducted by accredited laboratory by Balai Teknik Kesehatan Lingkungan dan Pengendalian Penyakit (BTKLPP) Kelas I Medan.</p>	2016	July	Aug	Sept	Oct	Nov	Dec	<b>BOD</b> in ml/L <5000	4,120.3	4,150.5	4,471.8	4,136.0	4,127.3	4,257.2	Comply
2016	July	Aug	Sept	Oct	Nov	Dec											
<b>BOD</b> in ml/L <5000	4,120.3	4,150.5	4,471.8	4,136.0	4,127.3	4,257.2											
4.4.4	<p>Monitoring of mill water use per ton of FFB shall be recorded.</p> <p>- Minor compliance –</p>	<p>PT Saudara Sejati Luhur, Gunung Melayu I 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". The budget of water use for FFB process sets at 1.5 m<sup>3</sup>/ton FFB processed.</p> <p>Record for year second semester 2016 and first semester 2017 seen:</p> <table border="1"> <thead> <tr> <th>Month 2016</th> <th>Water usage (m<sup>3</sup>/ton FFB)</th> <th>Month 2017</th> <th>Water usage (m<sup>3</sup>/ton FFB)</th> </tr> </thead> <tbody> <tr> <td>Jul</td> <td>0.72</td> <td>Jan</td> <td>0.77</td> </tr> <tr> <td>Aug</td> <td>0.63</td> <td>Feb</td> <td>0.97</td> </tr> </tbody> </table>	Month 2016	Water usage (m <sup>3</sup> /ton FFB)	Month 2017	Water usage (m <sup>3</sup> /ton FFB)	Jul	0.72	Jan	0.77	Aug	0.63	Feb	0.97	Comply		
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Criterion / Indicator		Assessment Findings				Compliance
		Sep	0.72	Mar	0.89	
		Oct	0.75	Apr	0.77	
		Nov	0.71	May	0.68	
		Dec	0.77			
		<b>Average</b>	<b>0.72</b>	<b>Average</b>	<b>0.82</b>	
<b>Criterion 4.5</b>						
Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate integrated Pest Management (IPM) 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> <ol style="list-style-type: none"> <li>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 – May 2017: 6,795 hostplan.</li> <li>2. Summary of the owl census in April 2017: the number of owl barn as much as 83 units, 29 units an active owl barn and the number of owls is 22 mature barn owl, 15 imature barn owl and 17 eggs. For example in afdeling II; number of owl barn as much as 26 boxes, the number of active owl barn as many as 10 with owl totaled 8 mature barn owl, and 7 imature barn owl.</li> <li>3. Controlling Ganoderma attacks per month, May 2017: Palm attacked: 1,194 palms; fallen: 629 palms. Countermeasures for ganoderma control (fallen trees) with heavy equipment, backhoe loaders), according to the minutes of the RMM Plantation. Since 2012 – 2017 there were 30,044 palm tree attacked and 29,095 palm tree has fallen.</li> <li>4. Leaf eaters census recapitulation dates 01-20/04/2017, the attack rate was</li> </ol>				Comply

Criterion / Indicator		Assessment Findings	Compliance
		<p>still below the threshold of &lt;5 caterpillars per frond with types of caterpillars and worm bugs, control is carried out by manually (hand picking). For example in afdeling 2 level attack average 2 caterpillars per frond.</p> <p>5. Summary Rats and thirataba census on period 01 – 16 May 2017 palm tree attacked average 0.4% in afdeling I and 0.6% in Afdeling II, 0.17% in Afdeling III average attacked was below tresshold 20%.</p>	
4.5.2	<p>Training records of Integrated Pest Management (IPM) shall be available.</p> <p>- Minor compliance –</p>	<p>Integrated Pest management training in Pulau Maria Estate has been carried out in 25 July 2016 by Syngenta. There were 36 staff attend this training. IPM training for supervisor/mandor has ben carried out in 26 July 2016, 25 mandor was attend the training. IPM training to the workers conducted on 3 March 2017 and attend by 17 workers who in charge for integrated pest management. Representative from Pulau Maria Estate: Muhamad Hardiyanur and Suwarni.</p> <p>Evidence of training and minutes of training was available and can be demonstrated.</p> <p>During audit, auditor has conducted interview with mandor/supervisor and worker who involved in IPM at Pulau Maria Estate. Based on interview can be demonstrated that they have sufficient understanding on Integrated Pest management, such as: IPM programme, pest and disease census, early warning system for pest and disease attack, pest and disease control including the use of natural enemies of pest and disease.</p>	Comply
<p><b>Criterion 4.6</b> Pesticides are used in ways that do not endanger health or the environment.</p>			
4.6.1	<p>Documented evidence shall be available to show that pesticide used based on regulations and the use of pesticide is specific to target species with</p>	<p>There is documented justification for all Agrochemical use determining the reason for the use of certain chemicals. There is an updated register which records products used, when required, amounts to be used and frequency of use.</p>	Comply

Criterion / Indicator	Assessment Findings	Compliance																
<p>appropriate dosage which have minimal impact on non-target species.</p> <p>- Major compliance -</p>	<p>The justification of pesticide used in PT Saudara Sejati Luhur is explained under company procedure. PT Saudara Sejati Luhur Group shows "SOP Pengendalian Gulma SOP AA-APM-OP-1100.08-R6 dated 11/05/2016. 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 Saudara Sejati Luhur and its weeds target:</p> <table border="1" data-bbox="869 1010 1883 1385"> <thead> <tr> <th>Type of Pesticide</th> <th>Active Ingredients</th> <th>Register No.</th> <th>Weeds target</th> </tr> </thead> <tbody> <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> <tr> <td>Metsulindo 20WP</td> <td>Metil Metsulfuron 20%</td> <td>RI.01030119991484, valid until 05/5/2021</td> <td>narrow and wide leafs weeds</td> </tr> <tr> <td>Bionasa 480AS</td> <td>Glifosat</td> <td>RI.01030120031806 valid until 29/04/2018</td> <td>narrow and wide leafs weeds</td> </tr> </tbody> </table>	Type of Pesticide	Active Ingredients	Register No.	Weeds target	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	Bionasa 480AS	Glifosat	RI.01030120031806 valid until 29/04/2018	narrow and wide leafs weeds	
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Criterion / Indicator		Assessment Findings				Compliance																	
		Elang 480 SL	Glifosat	RI.01030119941170 valid until 12/12/2021	narrow leafs weeds																		
		Polydor 25EC	Lamda sihalotrin	RI.0101012004994 valid until 09/12/2018	Catterpillar																		
		Kenrane	Floroksipir	RI.01010120114137, valid until 9 January 2017	narrow leafs weeds																		
		Indostick 100/20 SL	Condensate nonilfenol etilen oksida 95 g/l and polivinil alkohol 19 g/l	-	Emulgator																		
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>The use of pesticides and herbicides are constantly monitored, including the calculation of LD 50 and toxicity, recorded on Laporan Unit Kebun (LUK) and the last period of May 2017.</p> <p>Record of pesticides used in Pulau Maria Estate:</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 rowspan="2">LD50 mg/kg bw mouth</th> </tr> <tr> <th>2016</th> <th>in 2017 (ytd May)</th> </tr> </thead> <tbody> <tr> <td>Gramoxone</td> <td>Paraquat</td> <td>488.1 litre</td> <td>517 litre</td> <td>65</td> </tr> <tr> <td>Metsulindo 20WP</td> <td>Metil Metsulfuron 20%</td> <td>155.75 litre</td> <td>155.75 litre</td> <td>50</td> </tr> </tbody> </table>				Type of Pesticide	Active Ingredients	Application		LD50 mg/kg bw mouth	2016	in 2017 (ytd May)	Gramoxone	Paraquat	488.1 litre	517 litre	65	Metsulindo 20WP	Metil Metsulfuron 20%	155.75 litre	155.75 litre	50	Comply
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Criterion / Indicator		Assessment Findings					Compliance
		Bionasa 480AS	Glifosat	1,796.3 litre	2,093 litre	5,600	
		Elang 480 SL	Glifosat	1,380 litre	1,508 litre	5,600	
		Polydor 25EC	Lamda sihalotrin	14.5 litre	13 litre	2,625	
		Kenrane	Florokspir	560.90 litre	482.37 litre	5,000	
		Indostick 100/20 SL	Condensate nonilfenol etilen oksida 95 g/l and polivinil alkohol 19 g/l	40.35 litre	32.00 litre	- (This is not pesticide, just emulgator – no LD50 date provided)	
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	<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</p>					Comply

Criterion / Indicator	Assessment Findings	Compliance																						
<p>in specific situations identified in national Best Practice guidelines. The use of such pesticides shall be minimized and eliminated as part of a plan, and shall only be used in exceptional circumstances.</p> <p>- Minor compliance -</p>	<p>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 usage herbicide containing paraquat.</p> <p>Below are the paraquat usage by PT Saudara Sejati Luhur:</p> <table border="1" data-bbox="869 687 1252 1235"> <thead> <tr> <th>Year</th> <th>Paraquat usage</th> </tr> </thead> <tbody> <tr><td>2008</td><td>3,143</td></tr> <tr><td>2009</td><td>2,113</td></tr> <tr><td>2010</td><td>288</td></tr> <tr><td>2011</td><td>181</td></tr> <tr><td>2012</td><td>240</td></tr> <tr><td>2013</td><td>296</td></tr> <tr><td>2014</td><td>256</td></tr> <tr><td>2015</td><td>201</td></tr> <tr><td>2016</td><td>197</td></tr> <tr><td>2017</td><td>48</td></tr> </tbody> </table> <p>IPM training is conducted regularly, e.g. IPM training on 29<sup>th</sup> August 2014, attended by 90 workers who are involved in IPM implementation. Training is conducted by Syngenta, training certificate is available for each trainer.</p>	Year	Paraquat usage	2008	3,143	2009	2,113	2010	288	2011	181	2012	240	2013	296	2014	256	2015	201	2016	197	2017	48	
Year	Paraquat usage																							
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Criterion / Indicator		Assessment Findings	Compliance
4.6.5	<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>Up to date records of training are kept in each estate for the following:</p> <p>Limited pesticides (Pelatihan Pestisida terbatas), Handling of pesticides, Integrated Pest Management Pesticide Mixers, Pesticide Sprayers, and pesticide handlers in stores.</p> <p>Latest training on limited pesticide use "Pelatihan Pestisida Terbatas" conducted on 16/09/2016, attended by 9 sprayers and foreman.</p> <p>The training data is also maintained to show the nature and content of the training covered.</p> <p>Material Data Safety Sheets (MSDS) are evident for all chemicals used and are available at the storage and areas of mixing.</p>	Comply
4.6.6	<p>Storage of pesticides shall be according to recognised best practices. All pesticides 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>The company already had a Pesticides warehouse and pesticide containers washing and bathing places for the sprayers. Based on a field visit to the Pesticides Warehouse, it was found that: Permanent Buildings, A good ventilation, Permanent floor is cemented, the floor of the mixing of pesticides using ceramics, and equipped with a "spillage trap", eye wash shower, first aid box, PPE and Fire extinguisher are provided.</p> <p>Operation control:</p> <p>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"</p> <p>The flow of waste water is channeled and stored so that it is not discharged into the environment. The water used is used for its dilution.</p> <p>A package management / used pesticide package:</p>	Comply

Criterion / Indicator		Assessment Findings	Compliance
		<p>Pesticide packages were clean washed in a wash basin, then, it was dried in a provided place. Dried packages were stored in temporary warehouse before being taken/sent by a third party who has a license, namely PT Shali Riau Lestari according to "Surat Kementerian Lingkungan Hidup No.B.5179/Dep.IV/LH/PDAL/05/2014 tentang Rekomendasi Pengangkutan Limbah Bahan Berbahaya dan Beracun kepada Direktorat Jenderal Perhubungan Darat Kementerian Perhubungan RI" dated 08/05/2014, valid for 5 years.</p> <p>The company had a SOP of waste pesticide management which is SOP of hazardous waste management No. AA-KL-06-EFP.</p>	
4.6.7	<p>Application of pesticides shall be by proven methods that minimize risk and negative impacts.</p> <p>- Minor compliance -</p>	<p>Based on field visit to Pulau Maria Estate, spraying team using sign board indicating spraying/herbicide application is in progress for a block. Spraying supervisor was pre- mixing the herbicide in the chemical warehouse, transport the mixed chemical via truck, using cone and spill tray on the field to minimize spillage. The type and dosage of herbicide are carefully measured and prepared for targeted weed control; circle and path spray or selective weeding (wooden, bracken, or VOP).</p> <p>Nozzle calibration conducted regularly (each month) and the record were evident. Latest nozzle calibration conducted on 29 May 2017.</p> <p>Sprayers and spraying supervisor are trained with limited pesticide training, best management practice for weed control, spraying techniques, using PPE and received regular medical check up. Latest training of limited pesticide training conducted on 16/09/2016. Clean water and soap on the field are provided for sprayer.</p> <p>Supervisor equipped with first aid kit.</p>	Comply
4.6.8	<p>Pesticides may only be applied aerially where there is a documented justification. Surrounding communities shall be informed of impending</p>	<p>There is no aerial application of pesticide throughout the company plantation.</p>	N/A



Criterion / Indicator		Assessment Findings	Compliance
	<p>aerial pesticide applications with all relevant information within reasonable time prior to application.</p> <p>- Major compliance -</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>No scheme smallholders associated with company.</p> <p>Company provides limited pesticide training for sprayers. Latest training on limited pesticide use "Pelatihan Pestisida Terbatas" conducted on 16/09/2016, attended by 9 sprayers and foreman. Material Data Safety Sheets (MSDS) are evident for all chemicals used and are available at the storage and areas of mixing.</p> <p>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>	Comply
4.6.10	<p>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 Saudara Sejati Luhur has a waste management plan, identifying type and source of waste and the disposal plan. Company has 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 Shali Riau Lestari.</p> <p>Based on interview with workers who are handling of pesticides that they understood of disposed empty containers pesticides, such as: Empty chemical containers re-used only for mixing purposes, unusable are triple rinsed, punctured</p>	Comply

Criterion / Indicator		Assessment Findings	Compliance
		and disposed to the approval collector.	
4.6.11	<p>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 check up for workers related to agrochemical and fertilizer. The test covers blood hematology (incl. cholinesterase), urine test, liver function, kidney function, and respiratory checks. The latest medical check up carried out 28 November – 3 December 2016 in Pulau Maria Estate.</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 worker with signs of intoxication the health status of sprayers are fit to work. However based on urine test, some workers are indicated infection (leukositoria 5 workers) and diabet 1 workers and it was not caused by spraying and fertilizing working. Company doctor has made the medication treatment to the workers for one weeks and the result after medication treatment, workers are fit to work.</p>	Comply
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, it was confirmed that no pregnant and/or breast-feeding allowed to performed chemical/pesticides work.</p> <p>Estate management conducting monthly pregnancy check for all female worker (sraying gang and fertilizer applicator) by test pack. Record of monthly pregnancy check recorded in "Logbook Monitoring Pemeriksaan Kehamilan tahun 2017".</p> <p>Pregnancy test for fertilizer applicators done once a month. The sampled pregnancy test dated 15/05/2017 and 19/05/2017: Mrs.Kariati, Mrs.Rusmiati, Mrs.Nilam Sari, Mrs.Rohayati, Mrs iriani Based on pregnancy test indicated that there is no positive pregnant and all negative. Based on interview with female worker, its confirmed that no pregnant and/or breast-feeding involved in chemical/pesticides, they are transferred to other duties.</p>	Comply

Criterion / Indicator		Assessment Findings	Compliance
<b>Criterion 4.7</b> An occupational health and safety plan is documented, effectively communicated and implemented.			
4.7.1	A health and safety policy shall be in place. A health and safety plan shall be documented and implemented, and its effectiveness monitored.  - Major compliance -	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  Health and Safety Procedures are available. Sampled: "Standard Operating Procedure Alat Pelindung Diri" on personal protective equipment No.AA-SOP-OP-101.3-R0 dated 14/08/2013. "Prosedur Pengendalian Kebakaran di Pabrik, Kantor dan perumahan" for fire mitigation No.AA-KL- 15-EP dated 01/12/2010  Health and safety program as in "Program management K3 PT Saudra Sejati Luhur 2017" approved in 02/03/2017 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 personel involving in K3 program implementation (P2K3) indicated that they have understand and aware on the OHS program.	Comply
4.7.2	A documented risk assessment shall be available and its implementation shall be recorded.  - Major compliance -	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.  The company has conducted HIRADC for all areas and it was observed that the workers understood their risk, last updated in April 21 <sup>st</sup> , 2017.	Comply

Criterion / Indicator		Assessment Findings	Compliance
		Engineering control was implemented to prevent hearing loss, e.g. install noise reduction agent and administrative by erected signboard of noise area, as described in Risk	
4.7.3	<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>Records of Occupational Health and Safety (OHS) program available in "Program Manajemen K3 PT Saudara Sejati Luhur – Pulau Maria Estate and Gunung Melayu I Mill 2017' 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, 2017. Morning muster consist PPE checking conducted on daily base.</p> <p>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> <p>Interview with the workers both in mill and estate indicated that they have understand and aware regarding the OHS training program. They have follow the training and have a sufficient understanding on safety regulation, hiow to working safety and other OHS requirement.</p>	Comply
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>Pulau Maria Estate</p> <p>Company assigned Mr. Fiktor F Palimbunga as responsible person for occupational Health and safety implementation for Pulau Maria Estate. Periodical meeting conducted on monthly base regularly. Meeting on May &amp; June 2017 is evident discussing health &amp; safety issues, such as: nearmiss report evaluation, accident report evaluation and the corrective action taken to prevent the nearmiss and</p>	Comply

Criterion / Indicator		Assessment Findings	Compliance
		<p>accident.</p> <p>Gunung Melayu I Mill</p> <p>Mr. Julvandy Purba assigned as responsible person for OHS implementation. Record of periodical meeting available, for example meeting on January 07<sup>th</sup>, 2017 discussion regarding accident recording, updating PPE Checklist, monitoring of PPE handover to workers.</p>	
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>- Minor compliance -</p>	<p>Accidents and emergency procedures no. AA-EMS-446-PR (operation control), AA-EMS-447-PR (Kesiagaan &amp; 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 May 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 equipped by first aid kit.however some mandor/supervisor harvesting and spraying can not demonstrate or explain how to conduct first aid.</p> <p>First aid training conducted to all field mandore as recorded on July 14<sup>th</sup>, 2017.</p>	Comply

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		Gunung Melayu I Mill Training for first aider conducted on 30/03/2017 to mandore by certified first aider Ms. Sri Wahyuni assigned as certified First aider, hold certificate number 16.961/PM-VII/14 since July 2014 by Ministry of Manpower and Transmigration Republic Indonesia. He old certificate as general OHS Expert/ Specialist	
4.7.6	All workers shall be provided with medical care, and covered by accident insurance (see criterion 6.5.3). - Minor compliance –	All workers provided with medical care, and covered by accident insurance (BPJS Kesehatan and Company Medical Facility). Example Mr. Kiky Fadly, staff sustainability has provided by BPJS Kesehatan since October 2016.  For new temporary worker medical care covered by company medical facility until national insurance program issued.	Comply
4.7.7	Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics. - Minor compliance	Lost time injuries recorded and reported to authorized party, as defined in OHS Committee report three monthly period. During year 2016 total lost time injuries was 2 (two) days. During year 2016 total lost time injuries was 11 days. During year 2017 until end of May 2017 has been 13 days.	Comply
<b>Criterion 4.8</b>			
All staff,workers, smallholders and contract workers are appropriately trained.			
4.8.1	Records of training program related to the aspects of RSPO Principles and Criteria shall be available. - Major compliance -	Pulau Maria Estate: Training program for year 2016 and year 2017 available as defined in Kalender Pelatihan Tahun 2017-Program Pelatihan Teknis Estate, covering : Sustainability awareness, HCV, Basic safety, Basic Fire, First Aider, Handling Hazardous Material and Hazardous waste, Safety Use of Herbicide & Chemical, Training for waterman, training for Power generator operation.  For year 2017 Learning & development calendar available, including training of	Comply

Criterion / Indicator	Assessment Findings	Compliance
	<p>heavy equipment operation, OHS specialist, Welder certification, basic fire, HCV awareness etc.</p> <p>Training program implementation has been verified during audit. Some of training has been conducted for the employee in Pulau Maria Estate during period January – April 2017 such as: Sustainability awareness, HCV, Basic safety, Basic Fire, First Aider, Handling Hazardous Material and Hazardous waste and Safety Use of Herbicide &amp; Chemical. Other training program is in progress and planed for second semester 2017 such as: Training for waterman, training for Power generator operation, training of heavy equipment operation, OHS specialist and Welder certification. Training implementation evidence can be demonstrated in the form of attendant list, training material and photo documentation.</p> <p>Gunung Melayu I Mill:</p> <p>On “program pelatihan Environmental &amp; Sustainability tahun 2017” defined training program related to the aspect of RSPO Principles and Criteria including basic safety, basic fire, First aider, Mass balance &amp; Traceability, Sustainability, handling Hazardous material and Hazardous Waste.</p> <p>Training program implementation has been verified during audit in Gunung Melayu I Mill. Some of training has been conducted for the employee such as: RSPO Principles and Criteria including basic safety, basic fire, Mass balance &amp; Traceability and Sustainability awareness. Other training program is in progress and planed for second semester 2017 such as: Training for mill operator, handling Hazardous material and Hazardous Waste.</p>	
4.8.2	<p>Records of training for each employee shall be maintained.</p> <p>- Minor compliance –</p>	Comply

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		From the record of training, Mr. Heriadin has been follow the training of Sustainability awareness, Basic safety, Basic Fire, First Aider and Handling Hazardous Material and waste. While Mr. Irwansyah has been follow the training Sustainability awareness, Basic safety, Basic Fire, First Aider, Handling used oil waste (hazardous waste).	
Principle 5: Environmental responsibility and conservation of natural resources and biodiversity			
Criterion 5.1			
<b>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.</b>			
5.1.1	Environmental impact assessment document(s) shall be available.  - Major compliance -	Companies have environment document "Dokumen Studi Evaluasi Lingkungan (SEL) Perkebunan dan Pabrik Kelapa Sawit PT Gunung Melayu, PT Saudara Sejati Luhur dan PT Sumber Sawit Makmur di Kabupaten Asahan – Sumatera Utara", prepared by CV Andalen Persada Konsultan. The author team consist of:  Team leader: Dr. Hemat R. Bramana, MSc; Coordinator: Ir. Juliarto Barus, MS (AMDAL A/B); Agronomy/Soil science: Ir. Bahtera Purba and Ir. Jansen Sinulingga; Water and air quality: Drs. Ahmad Darwin, MSc (AMDAL A) dan Drs. Satrianda; Social, economic and cultural: Abdul Rahman SH, MH and Drs. Johannes Karo-Karo; Production technology: Dr. R. Kamrol D, MSc and Renalson; Aquatic and Terra biology: Dra. Retno Widhiastuti and Drs. Mimpin Ginting, MS; Mechanical engineering: Ir. Rejeki Maha and Juna B; Programmer: Drs. Sehat Sembiring and Roshermida.  The environment document have approved by "Komisi Pusat AMDAL, Departement Pertanian" through "Surat No.220/687/B/IV/1994 dated 18/04/1994. The document	Comply



Criterion / Indicator		Assessment Findings	Compliance
		<p>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>Company also has identified Environmental impact assessment in whole operation as documented in "Evaluasi Aspek dan Dampak Lingkungan", last updated on January 10<sup>th</sup>, 2017 in each unit operation, in estate and mill, this document covering all operation in Estates and mill.</p>	
5.1.2	<p>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>As guidance for management and monitoring, company has environmental management and monitoring plan "Rencana Pengelolaan Lingkungan (RKL) – Rencana Pemantauan Lingkungan (RPL). The document have been approved by "Badan Agribisnis Departement Pertanian" through letter No.072/RLK-RPL/BA/III/1996 dated 19/03/1996. The environment management document explains activity components, type of impacts, impact management (program, project, technical), location and target for management.</p> <p>The environment monitoring document explains the type of impacts, location for monitoring, parameters, time frame and method for monitoring.</p> <p>Company 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 semester II 2016 (Period June – December 2016) "Laporan Pelaksanaan Izin lingkungan". Report submitted to Head of Environmental Officer Asahan District on March 23<sup>th</sup>, 2017.</p> <p>Company assigned Estate/mill Manager as responsible person for the implementation of the document.</p>	Comply
5.1.3	<p>Environment monitoring plan document, its implementation report, and the corrective plan (if</p>	<p>PT Saudara Sejati Luhur has prepared implementation report of environmental management and monitoring each semester. The report submitted to "Badan</p>	Comply

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	<p>non-conformance arised from the monitoring result) shall be available. This plan is reviewed on two-yearly basis.</p> <p>- Minor compliance –</p>	<p>Lingkungan Hidup Kabupaten Asahan”.</p> <p>The report for period semester II 2016 (Period June – December 2016) have been submitted on March 23<sup>th</sup>, 2017. The report have explained the management and monitoring implementation, the evaluation (trend, critical and compliance evaluation) – as regulated under Keputusan Menteri Lingkungan Hidup No.45 tahun 2005.</p> <p>PT Saudara Sejati Luhur has also prepared Environmental managemen system (EMS) utilized as tool to evaluate the implementation of environmental management and monitoring tools.</p>	
<p><b>Criterion 5.2</b></p> <p>The status of rare, threatened or endangered species and other High Conservation Value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and operations managed to best ensure that they are maintained and/or enhanced.</p>			
5.2.1	<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>- Major compliance -</p>	<p>Company has conducted the HCV identification in coordination with “Fakultas Kehutanan Institut Pertanian Bogor” back in 2013, under “Laporan Final Kajian Penuh Identifikasi dan Analisis Keberadaan High Conservation Value di Areal PT Saudara Sejati Luhur – Pulau Maria Estate, Provinsi Sumatera Utara”. The HCV assessment conducted based on “Panduan Kawasan Bernilai Konservasi Tinggi di Indonesia”, issued by Konsorsium Revisi HCV Toolkit Indonesia dated 12/07/2008.</p> <p>The HCV identification team consist of: Team leader: Dr. Ir. Nyoto Santoso, MS (RSPO HCV Assessor and HCVRNI member); Environmental service expert: Ir. A. Faizal Siregar, Msi (RSPO HCV Assessor and HCVRNI member); Vegetation expert: Eko Adhiyanto, S.Hut (RSPO HCV Assessor and HCVRNI member); Wildlife expert: Sutopo S.Hut. (RSPO HCV Assessor and HCVRNI member); Social-economic-cultural expert: Rae Birumbo (RSPO HCV Assessor and HCVRNI member); GIS: Arif Prasetyo, S.Hut (RSPO HCV Assessor and HCVRN member).</p>	Comply

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		<p>The HCV identification carried out with public stakeholder consultation with surrounding communities on 22-24/04/2013 in Desa Gonting Malaha and Desa Batu Anam. The HCV Identification report has been peer reviewed by Mr.Dr.Jarwadi Budi Hernowo (RSPO HCV Assessor and HCVRNI member) on 01/2014. The total HCV identified in Pulau Maria Estate was 17.77 Ha, consist of HCV 4.1 (16.74 Ha) and HCV 6 (1.03 Ha).</p> <p>The HCV identification document has explained the general condition of landscape surrounding company's plantation: there is no protected forest/ecosystem that feasible for wildlife to maintain its viability. Therefore no recommendation for wildlife corridor.</p>	
5.2.2	<p>Whererare, 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 Pulau Maria Estate, found 2 types of mammal, 23 types of bird, 3 types of reptile. Based on CITES, there are 3 species under Appendix II: 2 types of bird and 1 type of reptile. No wildlife found in the plantation categorized under IUCN.</p> <p>Based on document verification upon "Laporan hasil monitoring" period 07-12/2015 shows in the area of Pulau Maria Estate, monitoring team identified 2 types of mammal, 13 types of bird and 1 type of reptil. No threatened species.</p> <p>Based on field verification, company has demonstrated effort for management and monitoring of HCV area. For example, Monitoring of plant and animal on 6 monthly basis, planting trees and vertifer grass on river buffer zone in 2016.</p> <p>Company also installed identity signboard and warning signboard on the field.</p> <p><u>Non conformities:</u></p> <p>Company has establish Procedure HCV management and monitoring AA-APM-OP-100.22-R0 dated 1 December 2014 however there were found some inconsistency of implementation such as:</p>	<p>NC #1487832-201706-M2 CLOSED on 03/08/2017</p>

Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> <li>- Conservation management plan was not refer to result of HCV assessment report by IPB,</li> <li>- Wlidlife and vegetation monitoring was not reported in RKL-RPL as per procedure stated,</li> <li>- Some form document in procedure was not implemented well such as: wildlife monitoring, vegetation monitoring, conservation area damage/disturbance, report of riparian pole check, riparian restoration monitoring,</li> <li>- Found some miss information and data in the HCV management and monitoring report such as: HGU coverage of PT SSL, miss information/data of estate and company name.</li> </ul> <p>The Non Conformity has been addressed effectively by company and CLOSED on 03/08/2017 as explain in the session 3.3 "Details of Finding".</p>	
5.2.3	<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 02/02/2016 and attended by 28 participants, field supervisor level.</p> <p>Based on interview with worker representative and field workers – workers have understand protection of plant and animal. The workers also aware of company policy prohibits hunting, raising and killing protected animal.</p> <p>Refreshment and awareness regarding HCV and wildlife protection performed by company through master morning in each division/afdeling PT Saudara Sejati Luhur.</p>	Comply
5.2.4	<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</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</p>	Comply

Criterion / Indicator		Assessment Findings	Compliance
	<p>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>and fauna species. This is recorded in "Laporan Monitoring Tumbuhan dan Satwa Liar PT Saudara Sejati Luhur periode Semester II 2016" – monitoring period June - December 2016. The report explains the monitoring on status of plant 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), 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>	
5.2.5	<p>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>	Comply
<p><b>Criterion 5.3</b> Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.</p>			
5.3.1	<p>A documented identified source of all waste and pollution, shall be available.</p> <p>- Major compliance -</p>	<p>Waste products have been identified and documented under the "Evaluasi Aspek-Dampak Lingkungan" (Environmental Aspect impacts). This document is updated once a year, last updated on January 13<sup>th</sup>, 2017. This document covering all operation in Estates and mill.</p> <p>PT Saudara Sejati Luhur has a waste management plan, identifying type and source</p>	Comply

Criterion / Indicator	Assessment Findings	Compliance
	<p>of waste and the disposal plan. PT Saudara Sejati Luhur 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 Shali Riau Lestari.</p>	
<p>5.3.2</p>	<p>There shall be evidence that all chemicals and their empty containers are disposed of responsibly.</p> <p>- Major compliance -</p> <p>The disposal methods of chemicals and their containers were described on documented procedure "Penanganan Limbah Industri B-3 AA-KL-06-EFP" dated 1 November 2008, explains methods to collecting the waste, recording in balance and disposal through licensed third party transporter. PT Saudara Sejati Luhur collects all hazardous waste from Pulau Maria estates and mill into temporary hazardous waste storage in Gunung Melayu I POM. The temporary hazardous waste storage has valid permit from Regent of Asahan Regency-Sumatera Utara "No. 660.1/0965 tentang Izin Penyimpanan Limbah B3 kepada PT. Saudara Sejati Luhur", dated 22 Oktober 2012" valid until 22 Oktober 2017.</p> <p>PT Saudara Sejati Luhur has an agreement in transporting the hazardous waste with contractor PT Indo Star Cargo. The type of hazardous waste to be transported: used oil, old battery, waste oil, old lamps, used chemical container, contaminated waste and used filter. The contractor holds valid permit based on Recommendation letter from Ministry of Environment No. B-5055/Dep.IV/LH/PDAL/05/2014 dated 6 May 2014 regarding recommendation of hazardous waste transporting for PT Indo Star Cargo valid for 5 years.</p> <p>There are record of transfer from estate to mill, as Catatan Serah-Terima Limbah B3 (AA-KL-602-FM). For example on April 22<sup>th</sup>, 2017, for used oil (300 kg) and empty chemical container (0.5 drum).</p>	<p>Comply</p>

Criterion / Indicator		Assessment Findings	Compliance
		<p>Company kept a hazardous waste manifest as a transaction record to legal collector PT Indo Star Cargo. The last shipment to collector are : Gunung Melayu-I POM.</p> <p>Records of hazardous waste:</p> <p>“Lembar Neraca Limbah Bahan Berbahaya dan Beracun” period March 2017 for Pulau Maria Estate and Gunung Melayu I POM were evident and updated; identifying incoming and outgoing hazardous waste in store.</p> <p>Hazrdous waste Manifest transport were evident e.g:</p> <ul style="list-style-type: none"> <li>- Document Manifest Limbah B3 no AAO 0008329, dated 21-12-2016, for empty chemical container Volume: 1 (satu) drum, vehicle number BM 8431 JU</li> <li>- Document Manifest Limbah B3 no AAO 0008333, dated 21-12-2016, used oil, qty = 800 kg, vehicle number: BM 8431 JU</li> </ul> <p>The hazardous waste manifest is integrated with PT Gunung Melayu, because the cooperation agreement of hazardous waste transporting is including for PT Gunung Melayu and PT Saudara Sejati Luhur. Both company is in one location/area.</p>	
5.3.3	<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 “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><u>Non Conformities:</u></p> <ul style="list-style-type: none"> <li>- During Site visit in Pondok “Seng” it was observed waste disposed into sewer and housing backyard, drainage clogged beside housing Nurhidayah.</li> </ul>	<p>NC #1338574N5 CLOSED on 03/08/2017</p>

Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> <li>- Company has issued "Memorandum Jumat bersih"</li> <li>- Company has establish "Mekanisme pengelolaan Sampah PT SSL"</li> <li>- The management of landfill (block J07h) was poor, organic and anorganic waste mixed and piled up; Auditor also observed used motorcycle lubricant container disposed off into landfill;</li> </ul> <p>The Non Conformity has been addressed effectively by company and CLOSED on 03/08/2017 as explain in the session 3.3 "Details of Finding".</p>	
<p><b>Criterion 5.4</b></p> <p>Efficiency of fossil fuel use and the use of renewable energy is optimized.</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> <ul style="list-style-type: none"> <li>- Minor compliance –</li> </ul>	<p>PT Saudara Sejati Luhur both Estate and Mill monitors the use of diesel fuel each month. Acual usage of average diesel fuel Pulau Maria Estate per month is 18,000 - 20,000 L with ratio 2.72 L/ton FFB. Total diesel fuel usage from January to May 2017 is 77,272 L and still under budget 150,000 L. While in Gunung Melayu I Palm Oil Mill budget usage of diesel fuel is 35,000 L per month. Actual average diesel usage per month 23.000 - 26.000 L with average use of diesel fuel 4.00 L/ton FFB. Total usage from January to May 2017 is 105.000 L and still under budget 200,000 L. Diesel use trend per year always decreases. Company already maximize the renewable energy use. All the shell and fiber is consumed internally as boiler fuel.</p> <p>Diesel fuel efficiency in Estate the efficiency of diesel is done by limiting the genset working hours for housing but not reducing the basic need of electricity for housing. Each home unit is also limited for 2 amperes of power. Beside that, plan for improving efficiency of the use of fossil fuels and to optimise renewable energy are:</p> <ul style="list-style-type: none"> <li>• Repair broken road and maintenance the road to get best time for FFB</li> </ul>	Comply



Criterion / Indicator		Assessment Findings	Compliance
		<p>transporation</p> <ul style="list-style-type: none"> <li>Repair and maintenance the vehicle and heavy equipment to get best condition for fossil fuel saving.</li> </ul> <p>Company used all the fibre and kernel shell as renewable energy for boiler fuel. The remaining fibre and kernel shell used as replacement of diesel fuel when the palm oil mill is not operating. Company has prepared for fibre and shell -fueled boiler utilization every month.</p>	
<p><b>Criterion 5.5</b> Use of fire for preparing land or replanting is avoided, except in specific situations as identified in the ASEAN guidelines or other regional best practice.</p>			
5.5.1	<p>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.</p> <p>- Major compliance -</p>	<p>No open burning was noted during field visit and interviewed with local communities and workers.</p>	Comply
5.5.2	<p>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.</p> <p>- Minor compliance -</p>	<p>PT Saudara Sejati Luhur has developed an early warning system, to monitor the risk of fire. The system "Sistem Peringkat Bahaya Kebakaran 1 &amp; 2". The monitoring system calculating the field condition, ignition risk, potential drought and smoke, fire handling, fire fighting difficulty, weather index. Patrol report indicating any fire incident.</p> <p>During field visit, there is no land preparation and replanting activity and there is no burning activity found in the field.</p>	Comply
<p><b>Criterion 5.6</b></p>			

Criterion / Indicator		Assessment Findings	Compliance
Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.			
5.6.1	<p>Document(s) assessing pollution and emission sources, including gaseous, particles, soot emissions and effluent, shall be available. (see Criterion 4.4)</p> <p>- Major compliance -</p>	<p>Based on Significant pollution and GHG emission was identified, for estates comes from using of 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.</p> <ol style="list-style-type: none"> <li>1. Using EFB as organic fertilizer.</li> <li>2. Planting beneficial plant</li> <li>3. Efficiency of fossil fuel.</li> <li>4. Using fibre and shell for boiler</li> <li>5. Capturing methane gas from POME</li> <li>6. Increasing renewable energy usage as electricity from methane capture facility</li> </ol> <p>Identification of significant pollution and GHG emission in each unit/station as documented in "Environmental Aspect &amp; Impact List", consist of: input, environmental aspect, caused, environmental impact potential, and control.</p> <p>Company has develop mitigation program to reduce GHG emission.</p>	Comply
5.6.2	<p>Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plan to reduce or minimize them implemented.</p> <p>- Major compliance -</p>	<p>Identification of pollutant and GHG, such as: usage of an-organic fertilizer, pesticide, fossil fuel usage, peat land, and POME.</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>	Comply

Criterion / Indicator		Assessment Findings	Compliance
5.6.3	<p>A monitoring plan and results of regular reporting on emission and pollutants from estate and mill operations using appropriate methods, shall be available.</p> <p>- Minor compliance –</p>	<p>Emission monitoring system by using "RSPO PalmGHG" system calculation. Emission from estate and mill operation was calculated and monitored, emission reduction achieved.</p> <p>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.</p> <p>The company has prepared a strategy in effort to reduce and mitigate pollution and emission. Monitoring of pollution and emission quality for plantation has been planned and implemented,</p> <p>e.g. air quality ambient for boiler and Genset, water quality test for river (upstream and 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 estate and mill activities during year 2016 are: 0.001 tCO2e/tCPO and 0.001 tCO2e/tPK.</p>	Comply

Criterion / Indicator	Assessment Findings	Compliance	
<b>Principle 6: Responsible consideration of employees and of individuals and communities affected by growers and mills</b>			
<b>Criterion 6.1</b> Aspects of plantation and mill management that have social impacts, including replanting, are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.			
6.1.1	<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 "Study Evaluasi Lingkungan" which covering social impact assessment. This study (SEL) has been approved by Ministry Agriculture no. 220/687/B/IV/1994, dated 18<sup>th</sup> April 1994. Social impact assessment performed by involving the affected parties. Record of meeting were available in the document. Stakeholder meeting involving participant from surrounding village (Rahuning Village, Batu Anam Village, Gonting Malaha Village and Sidomulyo Village).</p> <p>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, Asahan Regency, North Sumatra Province, by Team Corporate Social Responsibility 2017. Effectiveness of social impact management and monitoring performed by involving stakeholder and affected parties. Record of stakeholder meeting on 10-13 January 2017 attended by participants from rahuning Village, Batu Anam Village, Gonting Malaha Village and Sidomulyo Village including Head of each village. The record is attached on Effectiveness of Social Management Report period 2017.</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"> <li>- Focus group discussions (DKF)</li> <li>- Deep interview</li> </ul>	Comply

Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> <li>- Structured Interviews</li> <li>- Field observation</li> </ul> <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. Stakeholder meeting also conducted each year by company to evaluated the effectiveness of management and monitoring of social impact.</p> <p>There were several feedback from discuss stakeholder meeting on 10-13 January 2017, such as:</p> <ul style="list-style-type: none"> <li>- Management of CSR programs more equitable to the villages around such as: health assistance and educational facilities in the village. This comment has been responded by the management by propose the CSR program for Semester I in 2017.</li> <li>- Assistance to improve village road access to be programmed periodically. This comment has been responded by the management and will be discussed with the related village regarding its implementation.</li> </ul>	
6.1.3	<p>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.</p> <p>- Major compliance -</p>	<p>Planning and programming and monitoring of social impacts in the period prior to the year 2017 have been reported through the RKL / RP Report July - December 2016 "Matriks Upaya Pengelolaan", such as:</p> <ol style="list-style-type: none"> <li>1) Impact: decrease of surface water quality to river body and community of Rahuning Village and Batu Anam village. Management efforts: Maintain conservation areas along the river that are sub-basins around the factory area and provide periodic health services for affected communities due to water bone disease. Management plan to prevent the decrease of water quality and its effectiveness has been involving the community representative from Rahuning</li> </ol>	Comply

Criterion / Indicator		Assessment Findings	Compliance
		<p>Village and Batu Anam Village.</p> <p>2) Impact: Reduced levels of public health. Management efforts: Providing health services to affected communities.</p> <p>3) Impact: Community attitude and perception, management effort: cooperate with community leaders and village government apparatus in solving problems in plantation.</p>	
6.1.4	<p>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.</p> <p>- Minor compliance –</p>	<p>Company has been reviewed of social impact assessment, which is reviewing to the RKL / RPL report for the period of July - December 2016, the company publishes the effectiveness identification report on the effort to manage the social impact aspects recorded in the report "Identification Effectiveness of Social Management Effort of PT Gunung Melayu and PT Saudara Sejati Luhur period 2017. And issued the Matrik Arahan Program, For example:</p> <ul style="list-style-type: none"> <li>- Overlapping existing local institutional functions.</li> <li>- Limited ability in planning village development</li> <li>- Claim HGU land, program: facilitation of participatory village mapping.</li> <li>- Lack of funding for social activities in the dsa, program: Funding for youth activities and implementation of religious activities in the village.</li> <li>- Limited capacity of village funding for road repairs, improved road repair assistance in the village.</li> </ul> <p><u>Non Conformities:</u></p> <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>	<p>NC #1487832-201706-N1 OPEN</p>

Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> <li>- Evidence of participation of affected parties in SIA assessment can not be demonstrated.</li> <li>- Does not specify the period/time of the social impact assessment done</li> <li>- Does not specify assessment team and its competency</li> </ul>	
6.1.5	<p>Particular attention shall be paid to the impacts of smallholder schemes (where the plantation includes such a scheme).</p> <p>- Minor compliance –</p>	No scheme smallholders managed by company.	Comply
<p><b>Criterion 6.2</b></p> <p>There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.</p>			
6.2.1	<p>Communication and consultation procedures shall be documented.</p> <p>- Major compliance -</p>	<p>Company has developed a communication procedure under "Mekanisme Penanganan Permintaan Informasi Stakeholder "(No. SOP; AA-GL-5008.1-R1) dated 22<sup>nd</sup> August 2011, which explains the company responses against all information request sent by stakeholders including response time of 14 working days after information request accepted.</p> <p>Based on interviews with several village heads (Sidomulyo Village: H. Wagirin/community leader), Sidomulyo Village Head: Sunardi, Rahuning Village: Hajarudin P./community leader, Village Head of Gonting Malaha: Sopian, etc.), can be demonstrated that the company always communicates and delivered the information transparently, e.g information for labor needs, providing information related to CSR assistance etc. During interview they have a positive perception against PT SSL and have a good communication between company and surrounding community.</p>	Comply

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6.2.2	<p>The company shall have official(s) who is responsible for consultation and communications with parties.</p> <p>- Minor compliance -</p>	<p>The company has appointed officers responsible to carried out communication and consultation with local communities is Public Relations Department.</p> <p>Based on interviews with several community leaders and village heads around, the company has appointed responsible personnel called "HUMAS" or Public Relations Department Mr. Agus Salim. They were aware for the appointed officer.</p>	Comply
6.2.3	<p>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.</p> <p>- Minor compliance -</p>	<p>List stakeholders are available and records of stakeholders' communication and consultation were being documented into "Buku Masuk".</p> <p>There were several information request from Stakeholder in 2017 and it responses which recorded in "Buku Masuk", sample seen:</p> <ul style="list-style-type: none"> <li>- 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.</li> <li>- From H. Syamsul Bahri on behalf of Pengurus Daerah Federasi Serikat Pekerja Pertanian dan Perkebunan-SPSI Prov. Sumatera Utara, dated 23<sup>th</sup> February 2017, related "Kesepakatan Bersama BKS-PPS PD FSP.PP-SPSI Sumatera Utara related Upah pekerja anggota BKS-PPS", has been responded on 27 February 2017.</li> <li>- Dated 12 April 2017, from Dinas Pertanian dan Perkebunan, regarding "Laporan Pemantauan Kebakaran Lahan", has been responded on 15 April 2017 by submit the report "Laporan Kebakaran" in Pulau Maria Estate period January – March 2017.</li> </ul>	Comply
<b>Criterion 6.3</b>			



Criterion / Indicator		Assessment Findings	Compliance
There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties.			
6.3.1	<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). Company has also prepared "Mekanisme Jaminan Pelapor dan Pengungkapan Kasus" prepared by Public Relation officer PT Saudara Sejati Luhur on 01/12/2015. 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 complaints/dispute recorded in the log book "Monitoring Keluhan Karyawan". Most employee complaints/dispute are related to the repair of employee housing, such as:</p> <ul style="list-style-type: none"> <li>- On 8 May 2017, complaints from employees at the "Dusun II" housing in afdeling II were complaints of houses roofing damaged and tubs in leaky bathrooms, company response by repairing activity on 9 May 2017.</li> <li>- On 14 June 2017, a complaint from the employee at the Gunung Melayu I POM housing, which is a water flow that is not smooth due to the leakage of pipeline from WTP to housing, company has followed it up and repaired on 14 June 2017.</li> </ul> <p>Based on interview and consultation with surrounding community, with worker union representative and gender committee – audit team found that there is no significant</p>	Comply

Criterion / Indicator		Assessment Findings	Compliance
		complaint regarding normative labor dispute from internal or external parties.	
<b>Criterion 6.4</b>			
Any negotiations concerning compensation for loss of legal, customary or user rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.			
6.4.1	<p>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.</p> <p>- Major compliance –</p>	<p>There is a mechanism for land dispute resolution, SOP AA-GL-5003.1-R1 related to “Penanganan Konflik Lahan” effective 22/08/2011. The procedure covers land dispute handling mechanism, negotiation process, and verification upon legal ownership evidence up to land compensation. Should negotiation process fails, any land dispute will be processed through legal/litigation mechanism. During the process, a complete record is maintained.</p> <p>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 Saudara Sejati Luhur 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>There is no negotiation/compensation payment currently. The company has settled all land compensation since at the beginning of land preparation process.</p>	Comply
6.4.2	<p>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</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>	Comply

Criterion / Indicator		Assessment Findings	Compliance
	evaluation. - Minor compliance –	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.	
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 –	As an output from land dispute resolution process, an agreement between both parties and/or copy of court ruling will be required.  No any land compensation due to no customary land and/or local community land rights within the company area.  Based on management statement, information from Pulau Maria Village and Batu Anam Village, and hectare statement shows there is no land dispute between PT Saudara Sejati Luhur with other party.	Comply
<b>Criterion 6.5</b>			
Pay and conditions for employees and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.			
6.5.1	Documentation of pay and conditions for employees based on the existing manpower regulations shall be available.  - Major compliance -	PT Saudara Sejati Luhur has followed the minimum wage regulation issued by the Regency each year as outlined in the Regional Head Plantation-I Memorandum, concerning the Increase of PHL Working Group Workers' Wages, SKU-H and SKU-B 2017 stated that based on a letter from the Head Office Email dated 27 April 2017) that wage payments based on UMSK for the period of 2017 will be conducted in May 2017.  The Company also keeps the decision of North Sumatra Governor No. 188.44/99/Kpts/Year 2017 dated 7 <sup>th</sup> March 2017, regarding the minimum wage of Asahan Regency in 2017 is Rp. 2.385.490,10/Month and UMSK year 2016 based on	Comply

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		<p>Governor Decree No.188.44/26/Kpts/2016, determined Rp 2,183,280, -per month.</p> <p>During January – April 2017 workers wages determination is remain using UMSK wage in 2016 (based on Governor Decree No. 188.44/26/Kpts/2016, Rp 2.183.280, - per month) and will be adjusted and accumulated the deviation wages "Rapel" in May 2017.</p> <p>Based on verification of employee wages documentation on May 2017, can be demonstrated that company has adjusted and accumulated the deviation wages "Rapel" on May Payment. The deviation since January to April 2017 was Rp. 2.385.490,10 - 2,183,280 or equal to Rp. 202,210.10/month or totally Rp. 606,630.30. Employee payslip were available and there is no payment under the wages determined by decision of North Sumatra Governor No. 188.44/99/Kpts/Year 2017 dated 7<sup>th</sup> March 2017.</p>	
6.5.2	<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>Collective work 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 18<sup>th</sup> June 2015 (Valid 21<sup>st</sup> April 2015 - 20<sup>th</sup> April 2017) Based on document review, it was noted that term and condition, such as: working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc, are covered in PKB and contracts which have been signed by labour union. All employees also has signed contract with detail term and condition, included temporary workers.</p> <p>At the time audit, company and SPSI still use the old PKB period 21<sup>st</sup> April 2015 - 20<sup>th</sup> April 2017. Based on interviews with HUMAS (Mr. Agus Salim) and Estate Manager Gunung Melayu I and Chairman of SPSI, the draft document of PKB Period 2017-2019 (2-year validity period) has been compiled and submitted to Head Office and processed for further approval registration by Disnakertrans Asahan Regency.</p>	Comply

Criterion / Indicator		Assessment Findings	Compliance
		In the PKB document, on the opening chapter (BAB Pembukaan) stated that: "if the renewal PKB document still in process/progress, then the previous period PKB is still valid to use until the new PKB has been registered in the Disnakertrans Asahan Regency".	
6.5.3	<p>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, volly).Below are the list of facilities in PT SSL:</p> <ul style="list-style-type: none"> <li>- Housing Type B/CM (1 unit), Type C (5 Unit), Type D (6 unit), type E (99 Unit),</li> <li>- Polidclinic (1 units)</li> <li>- Mosque (2 units)</li> <li>- Church (1 unit)</li> <li>- School bus (1 units)</li> <li>- Ambulance (1 unit)</li> <li>- Sport facilities</li> </ul> <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 25,000 per month).</p>	Comply
6.5.4	There shall be demonstrable efforts to improve workers' access to adequate, sufficient and affordable food.	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	Comply

Criterion / Indicator		Assessment Findings	Compliance
	- Minor compliance –	member including workers and company management.	
<b>Criterion 6.6</b>			
The employer respects the rights of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.			
6.6.1	A record of the company's policy in understandable language recognising freedom of association, shall be available.  - Major compliance –	Freedom of association policy is written in Bahasa Indonesia, so that all employees can understand as stated in "Kebijakan Perusahaan", dated 01st December 2014 "Menghormati hak setiap karyawan untuk membentuk atau menjadi serikat pekerja sesuai dengan keinginannya dan untuk melakukan tawar menawar secara kolektif".  This policy has been informed to all employees and being placed into public area easlily accessed. The company also has involved forming labour union for workers, named "PUK SPSI PT. GM/SSL".	Comply
6.6.2	Records of meetings with labor unions or workers representatives shall be available.  - Minor compliance –	In PT Saudara Sejati Luhur there is a labor unions organisation based on letter decree of Pengurus Cabang SPSI Asahan Regency, no. 340/ORG/PC FSP.PP-AS/VII/2013, regarding "pengesahan dan pengukuhan komposisi pengurus unit serikat pekerja masa bakti 2013-2018". And has been registered by Disnakertrans on 30 August 2001 recorded on "Bukti pencatatan di Disnakertrans" no. 26/DTK-VIII/2001, dated 30 August 2001  Labor unions has an agenda for regular meeting to discuss the labor issues. Records of meetings of PUK SP.PP F-SPSI, sample seen:  1. Dated 18 April 2017; discuss regarding the 2017 wage increase, the proposed increase in premiums for all sectors (attended by SPSI labor union from Gunung Melayu I and II).  2. Dated 1 <sup>st</sup> March, 2017; discuss related to wage payment "Rapel" period January-	Comply

Criterion / Indicator		Assessment Findings	Compliance
		<p>April 2017 in May 2017.</p> <p>3. Dated 3<sup>rd</sup> April, 2017; discuss related to final discussion of Draft document PKB period 2017-2019.</p>	
<p><b>Criterion 6.7</b> Children are not employed or exploited.</p>			
6.7.1	<p>There shall be documented evidence that minimum age requirements are met.</p> <p>- Major compliance –</p>	<p>The company has own policed signed by management on 01<sup>st</sup> December 2014 that stated that: "It is not allowed all children to work in every activities/processes in company".</p> <p>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.</p> <p>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.</p> <p>Sample taken:</p> <p>The youngers workers is Mr. Sukarman birth on 30 December 1963 as harvester Afdeling 4, joint in the company on 26 February 1993 or in age 29 year and 3 months.</p> <p>Mrs. Dewi Yunita birth on 7 October 1988 as general employee, joint to the company on 01 Juny 2011 or in age 22 years and 8 month.</p>	Comply
<p><b>Criterion 6.8</b> Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is</p>			

Criterion / Indicator		Assessment Findings	Compliance
prohibited.			
6.8.1	<p>A company's policy on equal opportunity and treatment for work shall be available and documented.</p> <p>- Major compliance –</p>	<p>Equal Opportunity policy is written in Bahasa Indonesia, so that all employees can understand as stated in "Kebijakan Perusahaan", dated 01<sup>st</sup> 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.</p> <p>This policy has been informed to all employees and being placed into public area easlily accessed.</p> <p>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>	Comply
6.8.2	<p>Evidence shall be provided that employees and groups including local communities, women, and migrant workers have not been discriminated.</p> <p>- 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>	Comply
6.8.3	<p>Records of evidence that equal opportunity and treatment for work shall be available.</p> <p>– 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>Company has implement the employee hiring procedure accordingly. During audit, some of employe hiring data on HR archive document were available. Based on hiring record information, indicated that employee hiring was performed based on skill, work experiences, and job evaluation. Hiring selection has been performed such as: application letter; supporting document of study/graduation, medical checkup</p>	Comply



Criterion / Indicator		Assessment Findings	Compliance
		<p>record, psychological test record, written test record, interview record and evaluation record. Sample seen: Muhammad Sidik (Afdeling III worker) hired on January 2016, Boby T (Gunung Melayu I Mill worker) hired on February 2015.</p> <p>The company is conduct performance evaluation of workers annually as documented in "Rekapitulasi Appraisal PB 2016, with scoring for work quality, work quantity, behavior/attitude, team work, discipline, responsibility. Document of workers performance evaluation 2016 PT Saudara Sejati Luhur were available and can be demonstrated during audit.</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 recruitment and its contract agreement were available.</p>	
<p><b>Criterion 6.9</b></p> <p>There is no harassment or abuse in the work place, and reproductive rights are protected.</p>			
6.9.1	<p>A policy to prevent sexual and all other forms of harassment and violence, shall be documented, implemented and communicated to all levels of the workforce.</p> <p>- Major compliance –</p>	<p>The company has policy to prevent sexual and all other forms of harassment and violence as stated in policy "Kebijakan perusahaan", dated 01<sup>st</sup> December 2014 "Prevent sexual harassment and other forms of violence against women and protect their reproductive rights".</p> <p>Implemented policy on prevention of sexual harassment and violence against women, the policy is prominently displayed on notice boards at the Mills and the Estates muster areas. Interviews of female staff, workers and union representatives confirmed that the company implemented the sexual harassment policy.</p>	Comply
6.9.2	<p>A policy to protect the reproductive rights, shall be documented, implemented and communicated</p>	<p>As it is found in company policy that's signed by Managing Director, dated 01<sup>st</sup> December 2014 and on one part of the policies stated that: "Mencegah pelecehan</p>	Comply

Criterion / Indicator		Assessment Findings	Compliance
	<p>to all levels of the workforce.</p> <p>- Major compliance –</p>	<p>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)”.</p> <p>There is a gender committee actively meets and discussing general agenda and other issue related to handling sexual harassment, dissemination of sexual harassment prevention.</p> <p>Based on interview with Gender Committee, company has implemented the protection of women reproductive rights, in form of maternal leave, period leave, regular pregnancy check for female sprayers and strictly prohibit pregnant and/or breastfeeding female worker applying pesticides.</p>	
6.9.3	<p>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.</p> <p>- Minor compliance –</p>	<p>The company has defined the Standard Operating Procedure, No. SOP: XX-HR-308.5-RO; Revision: 0, dated 11/12/2009 - Employees complaints procedure: submission and settlement Mechanism for complaints management where it needs to protect its confidentiality for complaint submitter was found in company policy's dated 01<sup>st</sup> December 2014 as in one of points of this policies stated that:</p> <p>“To provide appropriate information for those who inquiry it and to protect its confidentiality for whistleblower cases in accordance to law regarding environmental and social issue, food safety, health and safety work, so that it enables them to more participate to the decision making processes for improving company's performance.</p> <p>Company has appointed KTU and Humas who responsible to receive and manage the complaint.</p> <p>Based on interview with workers, labor union and gender committee shows that they have good understanding on complaint submission mechanism which respects anonymity of complainants where requested.</p>	Comply

Criterion / Indicator	Assessment Findings	Compliance	
<p><b>Criterion 6.10</b></p> <p>Growers and millers deal fairly and transparently with smallholders and other local businesses.</p>			
<p>6.10.1</p>	<p>Current and past prices paid for Fresh Fruit Bunches (FFB), shall be publicly available.</p> <p>- Minor compliance -</p>	<p>The company has displayed the FFB price in Mill’s notice board and FFB supplier or smallholders able to access the FFB price by phone and local media as well.</p> <p>The price determined by Tim Penetapan Harga from local government with grower and smallholder. There were current and past prices available such as prices for 10-6 2017 untill 10-06-2017 based on “Berita Acara Hasil rapat Penetapan Harga Pembelian TBS Kelapa Sawit Produksi Pekebun di Provinsi Sumatera Utara”. Price of FFB for planting age 20-25 year is Rp. 1,756. There was no complaint from supplier/smallholder regarding to the FFB price.</p>	<p>Comply</p>
<p>6.10.2</p>	<p>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).</p> <p>- Major compliance -</p>	<p>The company has provided explanation on the FFB pricing formula and based on interview with third party supplier, they understood of FFB pricing mechanism and no complaint was noted regarding FFB price.</p> <p>The company has provided explanation on the FFB pricing formula based on government FFB price determination. There are 2 FFB price formula in Mill, such as:</p> <p>1. FFB Price formula for Plasma</p> $\text{FFB Price} = \text{K Index} [(\text{CPOprice} \times \text{OER}) + (\text{Pkprice} \times \text{KER})]$ <p>The FFB price is divided based on planting ages (3, 4, 5, 6, 7, 8, 9 years, 10 – 20 years, 21, 22, 23, 24 and 25 years), the differences of prices from OER and KER.</p> <p>2. FFB price from third parties:</p> $\text{CPO Price} - \text{Transport cost} \times \text{OER} = \text{X}$	<p>Comply</p>

Criterion / Indicator		Assessment Findings	Compliance
		$\begin{array}{r} \text{PK price} - \text{Transport cost} \times \text{KER} = Y \\ \text{-----} + \\ \text{Total} = XY = A \\ \text{Processing cost} = B \\ \text{-----} - \\ \text{FFB Gross price} = (A-B)=C \\ \text{Miscellaneous cost} = D \\ \text{-----} - \\ \text{FFB price} = C-D \end{array}$	
6.10.3	<p>Evidence shall be available that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent.</p> <p>- Minor compliance -</p>	<p>The agreement/contract documents between third party FFB supplier and organisation is sighted and presented in "Perjanjian Kerjasama Kemitraan". 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.</p>	Comply
6.10.4	<p>Agreed payments shall be made in a timely manner.</p> <p>- Minor compliance -</p>	<p>A review to several payment records January - May 2017 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. Payment for FFB supplier was conducted one day after FFB receiving record from POM weighbridge delivered to marketing office and payment was made via bank transfer. Payment record were available and can be</p>	Comply

Criterion / Indicator		Assessment Findings	Compliance
		demonstrated during audit. Sample seen: FFB payment record for supplier Abdul Gani dated 25 May 2017 and FFB payment record for supplier CV Ronauli Tani dated 25 May 2017.	
<b>Criterion 6.11</b>			
Growers and millers contribute to local sustainable development where appropriate.			
6.11.1	<p>Records of contributions to local development based on the results of consultation with local communities shall be available.</p> <p>- Minor compliance -</p>	<p>Local contribution is detailed in CSR, consist of Business Partnership, Economy Development, Education, Health &amp; Donation.</p> <p>The company has established a Community Development programme – CSR period 2017 comprised of Relationship Building/ Communication programme, Capacity Building for community programme, Livelihood programme, Health programme, Public Facility/Infrastructure programme, Contribution to Religious event &amp; Culture, Contribution to National Day, Donation and Awareness programme.</p> <p>Program plans recorded in CSR 2016 and 2017 documents, such as:</p> <p>Year 2016:</p> <ul style="list-style-type: none"> <li>- Development of Balai pertemuan petani, located in Gonting Malaha Village Bandar Bandar Island</li> <li>- Construction of UKS SD Muara Tiga room, located in Batu Anam Village, Rahuning District</li> <li>- Improvement of clean water catchment Masundung Village, located in Batu Anam Village, Rahuning District</li> <li>- Road Maintenance and fixing in Gonting Malaha Village.</li> <li>- Renovation of rumah ibadah in the village of Batu Anam District Rahuning</li> </ul>	Comply

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Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> <li>- Bedah rumah/house renovation, located in Batu Anam Village, Rahuning District.</li> </ul> <p>Year 2017</p> <ul style="list-style-type: none"> <li>- Social : Provision of assistance package dhuafa in Batu Anam Village, Gonting Malaha Village, Sidomulyo Village and Rahuning Village.</li> <li>- Economic: Increased capacity of farmers in Batu Anam Village and Rahuning Village.</li> <li>- Educational: Provision of assistance of PAUD game equipment in Gonting Malaha Village and SMK Ekonomi Computer assistance in Gonting Malaha and Rahuning Village</li> <li>- Health Sector: Drug racking through high school and junior high school competition (Posters, Writing Works, etc.) in Batu Anam and Rahuning Village.</li> <li>- Infrastructure: Improvement of Sidomulyo Village Road, renovation of mosque in Batau Anam village and house renovation (bedah rumah) in Batu Anam Village and Rahuning Village.</li> </ul> <p>The realization of the CSR program for the period of 2016-2017 that has been implemented, the realization of CSR program in 2016 until December 2016 reached 94.9%, -. While the CSR program in 2017 until April 2017 was 20%, such as: assistance of house renovation (bedah rumah) for 1 unit poor houses in Rahuning Village on February 2017.</p>	
6.11.2	<p>Where there are scheme smallholders, there shall be evidence that efforts and/or resources have been allocated to improve scheme smallholder productivity.</p> <p>- Minor compliance -</p>	No scheme smallholders.	N/A

Criterion / Indicator		Assessment Findings	Compliance
<b>Criterion 6.12</b>			
No forms of forced or trafficked labor 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 worker policy and procedures and the evidence of implementation shall be available. - Major compliance -	During document review of employee data and list of employee shown that there is no migrant/foreign/honorary workers are employed by company.  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 01st December 2014.  Based on interview with worker union committee and gender committee, there was no indication on the use of migrant worker. All employee including temporary workers have work agreement; regulating the scope of work, work agreement timeframe, working hour, salary payment, overtime and Jamsostek.	Comply
<b>Criterion 6.13</b>			

Criterion / Indicator		Assessment Findings	Compliance
Growers and millers respect human rights.			
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, 2014, 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 Pulau Maria Estate, date 09/04/2016 attended by 31 workers, Gunung Melayu I Mill on February 2016 attended by 35 employees.</p> <p>Based on interviews with management (KTU and Estate Manager) and document verification of employee list from January 2016 - June 2017 shown that there is no new employee recruitment. Latest recruitment conducted on February 2015, and it can be demonstrated that human rights policy, 2014 has been communicated to the new employee. During interview with Boby T (Gunung Melayu I Mill worker) indicated that he has been communicated the human right policy.</p> <p>Based on interview with worker union committee and gender committee stating that there was no indication of human right violation.</p>	Comply
<b>Principle 7: Responsible development of new plantings</b>			
<b>Criterion 7.1</b>			
A comprehensive and participatory independent social and environmental impact assessment is undertaken prior to establishing new plantings or operations, or			



Criterion / Indicator		Assessment Findings	Compliance
expanding existing ones, and the results incorporated into planning, management and operations.			
7.1.1	<p>An independent social and environmental impact assessment (SEIA), undertaken through a participatory methodology including the relevant affected stakeholders, shall be documented.</p> <p>- Major compliance -</p>	<p>The company has started replanting in 2002 - 2008, 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 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.</p>	N/A
7.1.2	<p>Appropriate management planning and operational procedures shall be developed and implemented to avoid or mitigate identified potential negative impacts.</p> <p>- Minor compliance -</p>	<p>The company has started replanting in 2002 - 2008, no any new planting area/developing area since November 2005.</p> <p>As guidance for management and monitoring, company has environmental management and monitoring plan "Rencana Pengelolaan Lingkungan (RKL) – Rencana Pemantauan Lingkungan (RPL). The document have been approved by "Badan Agribisnis Departement Pertanian" through letter No.072/RLK-RPL/BA/III/1996 dated 19/03/1996. The environment management document explains activity components, type of impacts, impact management (program, project, technical), location and target for management.</p> <p>The environment monitoring document explains the type of impacts, location for monitoring, parameters, time frame and method for monitoring.</p>	N/A

Criterion / Indicator		Assessment Findings	Compliance
7.1.3	Where the development includes an outgrower scheme ( <i>skema kemitraan</i> ), the impacts of the scheme and the implications of the way it is managed shall be given particular attention.  - Minor compliance -	The company has started replanting in 2002 - 2008, no any new planting area/developing area since November 2005.  There is no scheme smallholder.	N/A
<b>Criterion 7.2</b>			
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 operations.  - Major compliance –	The company has started replanting in 2002 - 2008, 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. Company showed Peta Sebaran Satuan Tanah for Pulau Maria Estate. The map indicated the predominant soil type consist of :  - Typic hapludults  - Typic eutrudox  - Typic endoaquepts	N/A
7.2.2	Topographic information adequate to guide the planning of drainage and irrigation systems, roads	There is also topographic map indicating the elevation of Pulau Maria Estate consist of 0-8% and >30%. The limitation for the area is steep slope on some area. PT	N/A

Criterion / Indicator		Assessment Findings	Compliance
	and other infrastructure shall be available. - Minor compliance -	Saudara Sejati Luhur did not open the area with steep slope > 30%. Topographic level consist of 40 – 90 m. Topographic information use as guide for the planing of drainage and irrigation systems, roads and other infrastructure in PT Saudara Sejati Luhur.	
<b>Criterion 7.3</b>			
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 2002 - 2008, no any new planting area/developing area since November 2005.	N/A
7.3.2	Reports of comprehensive HCV assessment, which involves 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 –	The company has started replanting in 2002 - 2008, no any new planting area/developing area since November 2005.  Company has conducted the HCV identification in coordination with “Fakultas Kehutanan Institut Pertanian Bogor” back in 2013, under “Laporan Final Kajian Penuh Identifikasi dan Analisis Keberadaan High Conservation Value di Areal PT Saudara Sejati Luhur Kebun Pulau Maria 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

Criterion / Indicator		Assessment Findings	Compliance
7.3.3	Records of land preparation and clearing dates shall be available. - Minor compliance –	The company has started replanting in 2002 - 2008, no any new planting area/developing area since November 2005.	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 2002 - 2008, 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.	N/A
7.3.5	Evidence of consultation with the affected community shall be available in order to identify the area required by such community to fulfill its basic needs, by considering the positive and negative changes to the livelihood as a result of plantation operations. Such matters shall be included in the HCV analysis and management plan (see Criteria 5.2). - Minor compliance –	The company has started replanting in 2002 - 2008, no any new planting area/developing area since November 2005.  The HCV identification carried out in 2013 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. Dr.Jarwadi Budi Hernowo (RSPO HCV Assessor and HCVRNI member) on 01/2014.	N/A
<b>Criterion 7.4</b>			
Extensive planting on steep terrain, and/or marginal and fragile soils, including peat, is avoided.			
7.4.1	Indicative maps showing marginal and fragile soils, including excessive gradients and peat soils,	The company has started replanting in 2002 - 2008, no any new planting	N/A

Criterion / Indicator		Assessment Findings	Compliance
	<p>shall be available and used to identify areas to be avoided.</p> <p>- Major compliance –</p>	<p>area/developing area since November 2005.</p> <p>PT Saudara Sejati Luhur showed Peta Sebaran Satuan Tanah. The map indicated the predominant soil type consist of :</p> <ul style="list-style-type: none"> <li>- Typic hapludults</li> <li>- Typic eutrudox</li> <li>- Typic endoaquepts</li> </ul> <p>There is no peat soil and fragile soil identified.</p>	
7.4.2	<p>Where limited planting on fragile and marginal soils, including peat, is proposed, a documented plan shall be developed and implemented to protect them without incurring adverse impacts. - Major compliance –</p>	<p>The company has started replanting in 2002 - 2008, no any new planting area/developing area since November 2005.</p> <p>PT Saudara Sejati Luhur showed Peta Sebaran Satuan Tanah as above.</p> <p>There is no peat soil and fragile soil identified. In procedure SOP AA-APM-OP-1100.05-R3 dated 23/11/2016 "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 are:</p> <ol style="list-style-type: none"> <li>1. Maintenance of terraces.</li> <li>2. Maintenance "Tapak Kuda" individul platform.</li> </ol>	N/A
<p><b>Criterion 7.5</b></p> <p>No new plantings are established on local people’s 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</p>			

Criterion / Indicator		Assessment Findings	Compliance
representative institutions.			
7.5.1	Evidence shall be available that affected local peoples understand they have the right to say 'yes' or '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 (see Criteria 2.2, 2.3, 6.2, 6.4 and 7.6)  - Major compliance –	The company has started replanting in 2002 - 2008, no any new planting area/developing area since November 2005.	N/A
<b>Criterion 7.6</b>			
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.			
7.6.1	Records of identification and assessment of legal, customary and user rights shall be available.  - Major compliance –	The company has started replanting in 2002 - 2008, no any new planting area/developing area since November 2005.	N/A
7.6.2	A procedure for identifying people entitled to compensation shall be available.  - Major compliance –	The company has started replanting in 2002 - 2008, no any new planting area/developing area since November 2005.  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	N/A

Criterion / Indicator		Assessment Findings	Compliance
		<p>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 Saudara Sejati Luhur 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>	
7.6.3	<p>Records of calculation system and distribution of fair compensation shall be available.</p> <p>- Major compliance –</p>	<p>The company has started replanting in 2002 - 2008, 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 participative measurement, and recorded under an agreement.</p>	N/A
7.6.4	<p>Communities that have lost access and rights to land for plantation expansion shall be given opportunities to benefit from plantation</p>	<p>The company has started replanting in 2002 - 2008, no any new planting area/developing area since November 2005.</p>	N/A

Criterion / Indicator		Assessment Findings	Compliance
	development. - Minor compliance –	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, as well as Rahuning Village and hectare statement shows there is no land dispute between PT Saudara Sejati Luhur with other party. It also confirmed with BPN (Land office) Asahan regency that there is no land dispute between PT saudara Sejati Luhur and surrounding community.	
7.6.5	The process and outcome of any compensation claims shall be documented and made available to the affected communities and their representatives. - Minor compliance –	The company has started replanting in 2002 - 2008, no any new planting area/developing area since November 2005.	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 2002 - 2008, no any new planting area/developing area since November 2005.	N/A
<b>Criterion 7.7</b>			
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	Records of zero burning implementation on land clearing, referring to the ASEAN Policy on zero	The company has started replanting in 2002 - 2008, no any new planting	N/A



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	burning (2003) and recognised techniques based on the existing regulations shall be available. - Major compliance –	area/developing area since November 2005.  No open burning was noted during field visit and interviewed with local communities and workers.	
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 on Zero Burning' 2003, or comparable guidelines in other regions.  - Minor compliance –	The company has started replanting in 2002 - 2008, no any new planting area/developing area since November 2005.  PT Saudara Sejati Luhur – Estate have developed an early warning system, to monitor the risk of fire. The system "Sistem Peringkat Bahaya Kebakaran 1 & 2". The monitoring system calculating the field condition, ignition risk, potential drought and smoke, fire handling, fire fighting difficulty, weather index. Patrol report indicating any fire incident.  Visit to replanting area 2015, the land preparation is using mechanical method. No any open burning was noted for land preparation.	N/A
<b>Criterion 7.8</b>			
New plantation developments are designed to minimize 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.  - Major compliance –	The company has started replanting in 2002 - 2008, no any new planting area/developing area since November 2005.	N/A
7.8.2	Records of a plan to minimize net GHG emissions shall be available.	The company has started replanting in 2002 - 2008, no any new planting area/developing area since November 2005.	N/A

Criterion / Indicator		Assessment Findings	Compliance
	- Minor compliance –	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.	
<b>Principle 8: Commitment to continuous improvement in key areas of activity</b>			
<b>Criterion 8.1</b>			
Growers and millers regularly monitor and review their activities, and develop and implement action plans that allow demonstrable continual improvement in key operations.			
8.1.1	<p>The action plan for monitoring shall be available, based on a consideration of the social and environmental impacts and routine evaluation of the plantation and mill operations. As a minimum, these shall include, but are not necessarily be limited to:</p> <ul style="list-style-type: none"> <li>• Reduction in use of certain chemicals (Criterion 4.6);</li> <li>• Environmental impacts (Criteria 4.3, 5.1 and 5.2);</li> <li>• Waste reduction (Criterion 5.3);</li> <li>• Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8);</li> </ul>	<p>A continuous improvement plan has been prepared and internal audit conducted to identify environmental and social activities, such as:</p> <ul style="list-style-type: none"> <li>○ Applied EFB ashes as fertilizer, fibre and shell are burned in boiler for electricity.</li> <li>○ Planting beneficial plant for natural predator.</li> <li>○ CSR program</li> <li>○ Reserve HCV areas.</li> <li>○ Applied fertilizer in frond stacking to increase absorbing fertilizer.</li> <li>○ Increase rendemen CPKO by reducing losses PKE (Palm kernel espeller/pulp).</li> <li>○ 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.</li> </ul>	Comply

Criterion / Indicator	Assessment Findings	Compliance
<ul style="list-style-type: none"> <li>• Social impacts (Criterion 6.1);</li> <li>• Optimising the yield of FFB production (Criterion 4.2)</li> </ul> <p>- Major compliance –</p>	<ul style="list-style-type: none"> <li>○ Planting of beneficial plant to reduce use of pesticide.</li> <li>○ Planting native species/local species trees along river riparian to prevent river contamination and prevent erosion;</li> <li>○ Introduction of new approach (mapping system) for spraying gang, in order to achieve time efficiency;</li> <li>○ Reduce the use of chemicals in water treatment using water at two different reservoirs.</li> <li>○ New standard for harvesting criteria for ripe bunch classification, from previously 5 loose fruit into 10 loose fruit in circle.</li> </ul>	

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### Appendix B: Approved Time Bound Plan

Name of Mill	Address	Time bound for certification	Status as of March 2017
Buatan I	Delik & Pangkalan Kerinci Village, Bunut Langgam District, Pelalawan Regency, Riau	2010	Certified on 16 <sup>th</sup> September 2010
Buatan II	Delik & Pangkalan Kerinci Village, Bunut Langgam District, Pelalawan Regency, Riau	2010	Certified on 16 <sup>th</sup> September 2010
Ukui I	Ukui Village, Ukui District, Pelalawan Regency, Riau	2010	Certified on 1 <sup>st</sup> March 2011
Ukui II	Ukui Village, Ukui District, Pelalawan Regency, Riau	2010	Certified on 1 <sup>st</sup> March 2011
Tungkal Ulu	Pulau Pauh / Penyabungan / Merlung Village, Tungkal Ulu District, Tanjung Jabung Regency, Jambi	2011	Certified on 15 <sup>th</sup> August 2012
Muara Bulian	Singoan / Bukit Sari / Bulian Jaya Village, Muara Bulian / Pemayang District, Batang Hari Regency, Jambi	2011	Certified on 28 <sup>th</sup> August 2012
Topaz	Petapahan Village, Tapung District, Kampar Regency, Riau	2013	Certified on 30 <sup>th</sup> March 2015
Taman Raja	Lubuk Bernai / Kampung Baru / Pelabuhan Dagang / Pematang Pauh Village, Tungkal Ulu District, Tanjung Jabung Regency, Jambi	2013	Certified on 20 <sup>th</sup> 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 <sup>th</sup> 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 <sup>th</sup> March 2015
Teluk Panjie	Teluk Panjie Village, Kampung Rakyat District, Labuhan Batu Regency, North Sumatera	Brought Forward from 2015 to 2013	Certified on 21 <sup>st</sup> April 2015
Peranap	Simelinyang / Pauh Ranap / Sengkilo Village, Peranap District, Indragiri Hulu Regency, Riau	Brought Forward from 2016 to 2013	Certified on 7 <sup>th</sup> January 2015
Bungo Tebo	Tuo Sumai / Sungai Rambai Village, PWK Sumai / Tebo Ulu District, Bungo Tebo Regency, Jambi	2016	Certified on 3 <sup>rd</sup> December 2015
Tanjung Selamat	Kampung Padang Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatera	2017	Certified on 26 <sup>th</sup> May 2015
Gunung Melayu I	Rahuning Village, Bandar Pulau District, Asahan Regency, North Sumatera	2017	Certified on 7 <sup>th</sup> September 2015
Gunung Melayu II	Gonting Mahala Village, Bandar Pulau District, Asahan Regency, North Sumatera	2017	Certified on 8 <sup>th</sup> July 2015
Nagri Lama I	Nagri Lama Seberang Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatera	Brought Forward from 2018 to 2013	Certified on 6 <sup>th</sup> April 2015
Nagri Lama II	Nagri Lama Seberang Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatera	2018	Certified on 3 <sup>rd</sup> December 2015
Buatan	Delik & Pangkalan Kerinci Village, Bunut Langgam District, Pelalawan Regency, Riau	2010	Certified on 16 <sup>th</sup> September 2010
Ukui & Soga	Ukui Village, Ukui District, Pelalawan Regency, Riau	2011	Certified on 1 <sup>st</sup> March 2011
Buatan (Plasma)	Kerinci Kanan, Pangkalan Kerinci, Dayun Village, Siak & Pelalawan Regency, Riau	2011	Certified on 13 <sup>th</sup> 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 <sup>th</sup> June 2012
Tungkal Ulu	Pulau Pauh/Penyabungan/Merlung Village, Tungkal Ulu District, Tanjung Jabung Regency, Jambi	2011	Certified on 15 <sup>th</sup> August 2012
Muara Bulian	Singoan/Bukit Sari/ Bulian Jaya Village, Muara Bulian/Pemayang 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 <sup>th</sup> January 2013
Tungkal Ulu (Plasma)	Renah Mendalo, Merlung, Muara Papalik District, Tanjung Jabung Barat Regency, Jambi	2012	Certified on 11 <sup>th</sup> July 2013
Muara Bulian (Plasma)	Maro Sebo Ilir District, Batanghari Regency, Jambi	2012	Certified on 12 <sup>th</sup> July 2013
Muara Bulian (KKPA)	Maro Sebo Ilir District, Batanghari Regency, Jambi	2012	Certified on 12 <sup>th</sup> July 2013
Topaz & Seed Garden	Petapahan Village, Tapung District, Kampar Regency, Riau	2013	Certified on 30 March 2015
Taman Raja & Badang	Lubuk Bernai / Kampung Baru / Pelabuhan Dagang / Pematang Pauh Village, Tungkal Ulu District, Tanjung Jabung Regency, Jambi	2013	Certified on 20 <sup>th</sup> February 2015
Segati	Langkan / Penarikan / Tambak / Sotol Village, Langgam District, Pelalawan Regency, Riau	2014	Main Audit in December 2014 Re-Audit in 2017
Penarikan & Gondai	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	2014	Moved to 2018
Gunung Sahilan (KKPA)	Gunung Sahilan Village, Lipat Kain District, Pelalawan Regency, Riau	2014	Moved to 2018
Bahilang	Bahilang Village, Tebing Tinggi District, Serdang Bedagai Regency, North Sumatra	Brought Forward from 2015 to 2013	Certified 18 <sup>th</sup> May 2015
Tanah Datar	Tanah Datar Petatal Village, Talawi District, Asahan Regency, North Sumatra	Brought Forward from 2015 to 2013	Certified 18 <sup>th</sup> May 2015
Aek Nabara	S1-S3 / Sukadame Village, Bilah Hulu / Kota Pinang District, Labuhan Batu Regency, North Sumatra	Brought Forward from 2015 to 2013	Certified on 6 <sup>th</sup> March 2015
Teluk Panjie	Teluk Panjie Village, Kampung Rakyat District, Labuhan Batu Regency, North Sumatra	Brought Forward from 2015 to 2013	Certified on 21 <sup>st</sup> April 2015
Peranap	Simelinyang / Pauh Ranap / Sengkilo Village, Peranap District, Indragiri Hulu Regency, Riau	Brought Forward from 2016 to 2013	Certified on 7 <sup>th</sup> January 2015
Bungo Tebo	Tuo Sumai / Sungai Rambai Village, PWK Sumai / Tebo Ulu District, Bungo Tebo Regency, Jambi	Brought Forward from 2016 to 2014	Certified 3 <sup>rd</sup> December 2015
Peranap (Plasma)	Simelinyang / Pauh Ranap / Sengkilo Village, Peranap District, Indragiri Hulu Regency, Riau	2016	Certified 19 <sup>th</sup> August 2016
Bungo Tebo (Plasma)	Tuo Sumai / Sungai Rambai Village, PWK Sumai / Tebo Ulu District, Bungo Tebo Regency, Jambi	2016	Certified 7 <sup>th</sup> February 2017
Tanjung Selamat	Kampung Padang Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatra	Brought Forward from 2017 to 2014	Certified 26 <sup>th</sup> May 2015

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Pangkalan	Sennah Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatra	Brought Forward from 2017 to 2014	Certified 26 <sup>th</sup> May 2015
Sentral & Batu Anam	Gonting Mahala Village, Bandar Pulau District, Asahan Regency, North Sumatra	Brought Forward from 2017 to 2014	Certified 8 <sup>th</sup> July 2015
Pulau Maria	Rahuning Village, Bandar Pulau District, Asahan Regency, North Sumatra	Brought Forward from 2017 to 2014	Certified 7 <sup>th</sup> September 2015
Nagri Lama	Nagri Lama Seberang Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatra	Brought Forward from 2018 to 2013	Certified on 6 <sup>th</sup> April 2015
Aek Kuo	Aek Korsik Village, Aek Natas District, Labuhan Batu Regency, North Sumatra	Brought Forward from 2016 to 2013	Certified on 6 <sup>th</sup> April 2015

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**Appendix C: Certification Unit RSPO Certificate Details**

PT. Saudara Sejati Luhur  
Gunung Melayu I Palm Oil Mill  
Rahuning Village,  
Bandar Pulau District,  
Asahan Regency,  
North Sumatera Province  
INDONESIA

BSI RSPO Certificate No: RSPO 620755  
Date of Initial Certificate Issued: 07/09/2015  
Date of Expiry: 06/09/2020

RSPO membership number: 1-0022-06-000-00, dated 06<sup>th</sup> February 2006

Applicable Standards: **RSPO P&C INA NI 2016**; *RSPO Supply Chain Certification Standard November 2014*  
*Module Module E - CPO Mills: Mass Balance*

<b>PT. Saudara Sejati Luhur - Gunung Melayu I Palm Oil Mill and Supply Base</b>						
Location Address	Rahuning Village, Bandar Pulau District, Asahan Regency, North Sumatera Province, Indonesia					
GPS Location	99° 35' 54" E - 02° 47' 30" N					
CPO Tonnage Total	60,613.00 MT					
PK Tonnage Total	16,490.00 MT					
CPO Claimed for Certification*	11,862.00 MT					
PK Claimed for Certification *	2,491.00 MT					
Own estates FFB Tonnage	47,449.00 MT					
Scheme Smallholder FFB tonnage	- MT					
Estates	Production Area		Other use & Infrass (ha)	HCV (ha)*	Certified Area / Total land lease (ha)	Annual FFB Production (mt)
	Mature (ha)	Immature (ha)				
Pulau Maria Estate	2,063.00	0.00	226.83	17.17	2,307.00	47,449.00
<b>TOTAL</b>	<b>2,063.00</b>	<b>0.00</b>	<b>226.83</b>	<b>17.17</b>	<b>2,307.00</b>	<b>47,449.00</b>

Note : \* HCV area are included in the planted area

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### Appendix D: Assessment Plan

CAV 2 Assessment plan

Date	Time	Subjects	MJ	EW	AH
			PRSCO LA/SCC	PRSCO- SA	PRSCO- OHS/E MS
Monday, 05/06/2017	07.50 – 10.30	<b>Traveling from Jakarta to Medan</b> (Edy Widodo)		√	
Tuesday, 06/06/2017	08.00 – 09.00	<b>Opening Meeting</b>	√	√	√
	09.00 – 12.00	Document Review: Pulau Maria Estate	√	√	√
		<b>Field Visit: Pulau Maria Estate</b> Herbicide application programmes, harvesting, fertilising operations, water management, road maintenance, terracing, HCV's, riparian zones, etc.  Interview with Workers	√		
		<b>Field Visit: Pulau Maria Estate</b> Agrochemical stores, Fertilizer store, workshops, housing, landfill, Clinic, Riparian zones, Hazardous Waste, etc.  Interview with Workers			√
		<b>Field Visit: Pulau Maria Estate</b> Boundaries inspection, worker interviews, social amenities, etc.  Interview with: Labour Union, Gender Committee, Local contractor		√	
		<b>Verification of ASI findings on previous compliance assessment for indicator: 4.1.2, 4.6.4, 4.6.11, 4.7.3, 6.43, 6.5.3, 6.8.2, 6.8.3</b>	√	√	√
	12.00 – 14.00	Break, Lunch, Sholat			
	14.00 – 17.00	<b>Document Review: Pulau Maria Estate</b> Best management practices Agronomy, OHS implementation, EMS implementation, Social and Labour, HCV, Continual improvement, etc.	√	√	√
Wednesday, 07/06/2017	08.00 – 12.00	<b>Document Review: Gunung Melayu I Mill</b>	√	√	√
		<b>Field Visit: Gunung Melayu I Mill</b> 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,	√		√



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		salary), housing complex, etc			
		<b>Verification of ASI findings on previous compliance assessment for indicator: 4.1.2, 4.6.4, 4.6.11, 4.7.3, 6.43, 6.5.3, 6.8.2, 6.8.3</b>	√	√	√
	12.00 – 14.00	Break, Lunch, Sholat			
	14.00 – 15.00	<b>Document Review:</b> Gunung Melayu I Mill including SCC for CPO Mill	√	√	√
	15.00 – 16.00	Preparation for Closing Meeting	√	√	√
	16.00 – 17.00	<b>Closing Meeting</b>	√	√	√

**Appendix E: Stakeholders Contacted**

<p><b>Internal Stakeholders</b></p> <ol style="list-style-type: none"> <li>1. Gender Committee of PT Saudara Sejati Luhur</li> <li>2. Employee PT Saudara Sejati Luhur (harvester, sprayer, manuring worker, operator, etc)</li> </ol>	<p><b>Union/Contractors/Local Communities</b></p> <ol style="list-style-type: none"> <li>1. Worker union representative of PT Saudara Sejati Luhur</li> <li>2. Local community and village head of Sidomulyo, Gonting Malaha, Bandar Pulau District.</li> </ol>
<p><b>Government Departments</b></p> <ol style="list-style-type: none"> <li>1. Dinas Tenaga Kerja dan Transmigrasi Kabupaten Asahan (Manpower and Transmigration Office – Asahan Regency)</li> <li>2. Badan Lingkungan Hidup Kabupaten Asahan (Environmental Office – Asahan Regency)</li> <li>3. Dinas Pertanian dan Perkebunan Kabupaten Asahan (Agriculture and Plantation Service – Asahan Regency)</li> <li>4. Kantor Pertanahan Kabupaten Asahan (Land affairs office, Asahan Regency)</li> </ol>	<p><b>NGO</b></p> <p>Invitation letter to comment was sent before audit, there was no comment submit by NGO.</p>

**Appendix F: CPO Mill Supply Chain Assessment Report (Module E - CPO Mills: Mass Balance)**

<b>Criterion E.1. Definition</b>															
	<b>Requirement</b>	<b>Evidence</b>	<b>Compliance</b>												
E.1.1	Certification for CPO mills is necessary to verify the volumes of certified and uncertified FFB entering the mill and volume sales of RSPO certified producers. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. In that scenario, the mill can claim only the volume of oil palm products produced from processing of the certified FFB as MB.	Based on procedure "Traceability" no. AA-MPM-OP-1400.17-R4 updated 23 <sup>rd</sup> April 2015 and "Book Keeping" no. AA-MPM-OP-1400.18-R4 updated 23 <sup>rd</sup> April 2015 covering all SCCS activities since FFB receiving until CSPO/CPK send to buyer. FFB from certified estate marked as Sustainable FFB and certified CPO and certified PK marked as Certified in Delivery Notes.	Yes												
<b>Criterion E.2. Explanation</b>															
E.2.1	The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the CB in the public summary of the P&C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced should then be recorded in each subsequent annual surveillance report.	<p>The projection of CPO and PK product from Gunung Melayu I POM is recorded by CB in the public summary report and RSPO certificate. CB has been submitted to the RSPO E-trace Gunung Melayu I 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.</p> <p>The projection of production and actual as below:</p> <table border="1"> <thead> <tr> <th>Description</th> <th>Projection in 2016</th> <th>Actual in 2016</th> </tr> </thead> <tbody> <tr> <td>FFB</td> <td>52,771</td> <td>45,086</td> </tr> <tr> <td>CPO</td> <td>13,456</td> <td>11,163</td> </tr> <tr> <td>PK</td> <td>2,797</td> <td>2,372</td> </tr> </tbody> </table> <p>During this assessment, the actual of production CPO and PK is reorded in daily, monthly and yearly basis.</p>	Description	Projection in 2016	Actual in 2016	FFB	52,771	45,086	CPO	13,456	11,163	PK	2,797	2,372	Yes
Description	Projection in 2016	Actual in 2016													
FFB	52,771	45,086													
CPO	13,456	11,163													
PK	2,797	2,372													
E.2.2	The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).	The company has registered and projected volume and sold out of product is registered in Palmtrace.	Yes												
<b>Criterion E.3. Documented procedures</b>															

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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	The premise has implemented a supply chain and traceability procedure under "Traceability" no. AA-MPM-OP-1400.17-R4 and "Book Keeping" no. AA-MPM-OP-1400.18-R4, updated 23 <sup>rd</sup> April 2015 The procedure explains in all aspects of supply chain and traceability scope in Gunung Melayu POM, starting from FFB harvesting, FFB delivery to Palm Oil Mill; FFB receiving and processing in Palm Oil Mill, CPO and PK production and reporting; CPO and PK dispatch from Palm Oil Mill and receiving in storage tank for export, Shipping instruction and preparation, CPO stock balancing post-shipping.	Yes
	b) The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site procedures for the implementation of this standard.	Based on Prosedur "Traceability" no. AA-MPM-OP-1400.17-R4, updated 23 <sup>rd</sup> April 2015, the company has appointed the responsible person for handling supply chain along their supply chain is Mill Manager. Based on interview with Mill Manager, he has knowledge how supply chain procedures implemented, he was worked in Asian Agri Mill for more than 5 years which managed RSPO certified mill.	Yes
E.3.2	The site shall have documented procedures for receiving and processing certified and non-certified FFBs.	Supply chain and traceability procedure under "Traceability" no. AA-MPM-OP-1400.17-R4 and "Book Keeping" no. AA-MPM-OP-1400.18-R4, updated 23 <sup>rd</sup> April 2015	Yes
<b>Criterion E.4. Purchasing and goods in</b>			
E.4.1	The site shall verify and document the tonnage and sources of certified and the tonnage of non-certified FFBs received.	Sample taken: FFB Received: Own certified estate (Pulau Maria Estate) 1. Surat Pengantar (Delivery Order of FFB from Field): - SP. No: 018795 - Date: 09/06/2017 - Truck: BK 8120 DQ - Quantity: 670 bunches	Yes

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		<ul style="list-style-type: none"> <li>- Sustainable Product.</li> </ul> <p>2. Weight Bridge:</p> <ul style="list-style-type: none"> <li>- Ticket No.: PGSA517214547</li> <li>- Date: 09/06/2017</li> <li>- Origin: Pulau Maria Estate- Afd II</li> <li>- Quantity: 6,540 kg</li> <li>- RSPO Certified SPO620755</li> <li>Batch Number: 018795</li> </ul> <p>FFB from supplier as non certified product Sample taken: Incoming FFB From Supplier Abdul Gani on 31<sup>th</sup> May 2017:</p> <ul style="list-style-type: none"> <li>- Ticket No.: PGSA517214188</li> <li>- Date: 31/05/2017</li> <li>- Origin: Supplier Abdul Gani</li> <li>- Quantity: 18,620 kg, 900 bunches</li> <li>- Non certified Product.</li> <li>- Truck: BK 8348 MU</li> </ul>	
E.4.2	The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.	This has been regulated in procedure "Book Keeping" no. AA-MPM-OP-1400.18-R4, updated 23 <sup>rd</sup> April 2015, 6.5. "Head of Environment and sustainability will informed the certification body if there is any over projection".	Yes
<b>Criterion E.5. Record keeping</b>			
E.5.1	a. The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis.	The company has documented FFB certified and non-certified received based, CPO and PK produced and CPO/PK despatch both claimed as certified and non non certified three monthly basis as documented in "CPO/PK Production and sales balance". Sampel taken: 3 monthly basis report (January – March 2017 and April – June 2017)	Yes
	b. All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO.	FFB received, CPO/PK produced and CPO/PK despatch is recorded in daily basis (Processing daily Report), monthly report (Production and Despatch Report), 3 monthly basis (CPO/PK Production and sales balance" Delivered CPO as "Certified Product": During 2017 there is no delivery and sale of	Yes

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		<p>CPO certified product by PT Saudara Sejati Luhur.</p> <p>Delivered CPO as "Non Certified Product":</p> <ul style="list-style-type: none"> <li>- Ticket no.: PGSC116100469</li> <li>- Origin: PMKS Gunung Melayu I</li> <li>- Name of product: Crude Palm Oil</li> <li>- Receiver: PT. Musim Mas</li> <li>- Date: 24/03/2017</li> <li>- Quantity: 26,720 kg</li> <li>- Truck: BK 8177 LQ</li> <li>- SP No. 001610</li> <li>- CPO: Non Certified</li> </ul>	
	<p>c. The site can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three months. However, a site is allowed to sell short.(ie product can be sold before it is in stock.)</p>	<p>Based on review 3 monthly basis, no any delivery mass balance from negative stock.</p>	<p>Yes</p>
E.5.2	<p>In cases where a mill outsources activities to an independent (not owned by the same organization) palm kernel crush, the crush still falls under the responsibility of the mill and does not need to be separately certified. The mill has to ensure that the crush is covered through a signed and enforceable agreement.</p>	<p>No outsourcing</p>	<p>N/A</p>

**Actual Tonnage Certified Palm Production 01/2016 – 12/2016**

Mill	Capacity	CPO (MT)	PK (MT)
Gunung Melayu I POM	60 tons FFB/hour	11,163	2,372

**Actual Tonnage Sales of Certified Palm Products 01/2016 – 12/2016**

Mill	Certified CPO Sales (MT)	Certified PK Sales (MT)	Remarks
Gunung Melayu I POM	0	2,713.10	Palmtrace transaction

**Actual Tonnage Sales of Certified Palm Products Other Scheme 01/2016 – 12/2016**

Mill	Certified CPO Sales (MT)	Certified PK Sales (MT)	Remarks
Gunung Melayu I POM	8,449.90	0	ISCC Certified

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**Actual Tonnage Sales of Conventional Palm Products Other Scheme 01/2016 – 12/2016**

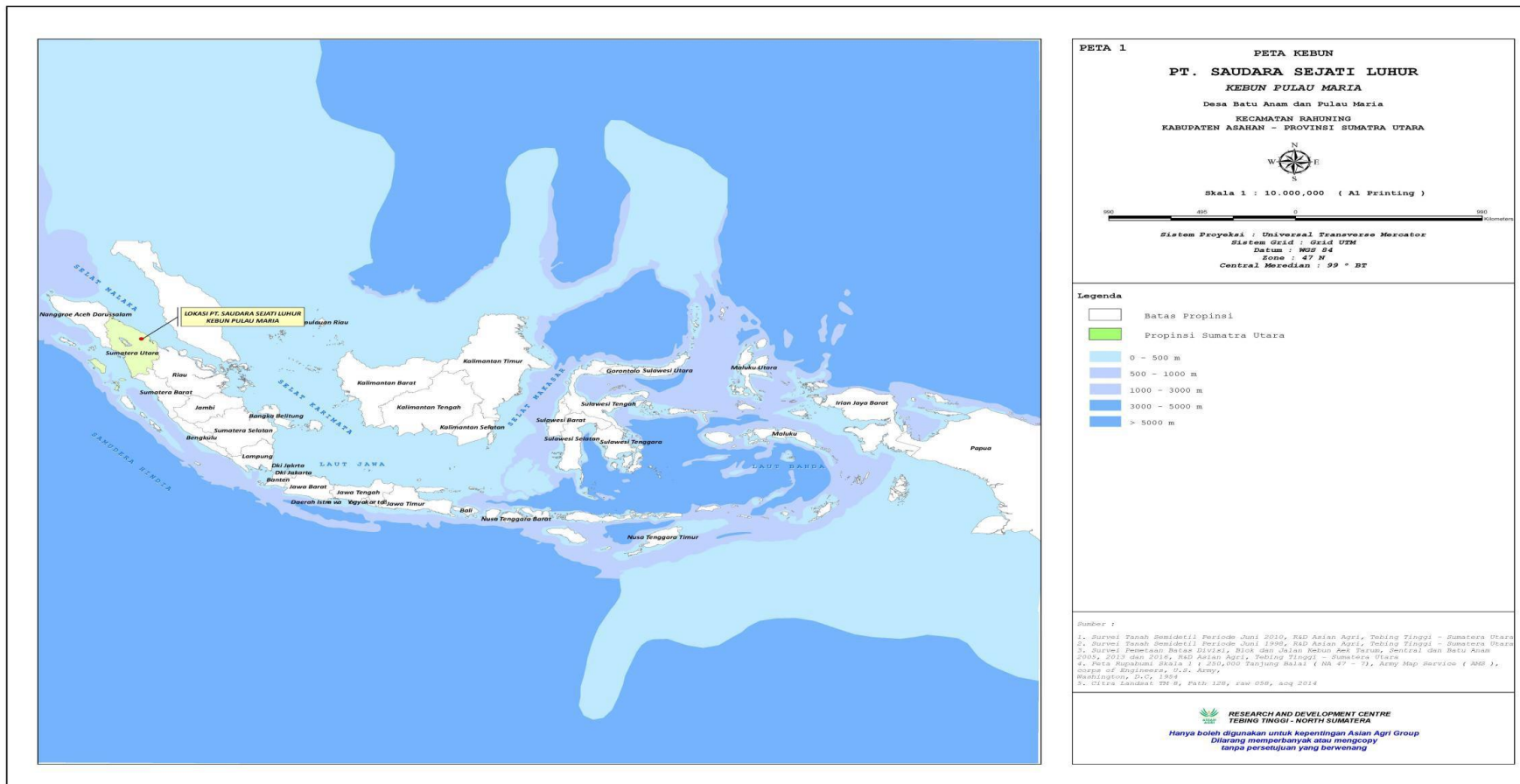
Mill	Non Certified CPO Sales (MT)	Non Certified PK Sales (MT)	Remarks
Gunung Melayu I POM	-	-	Non Certified

**Actual FFB Production from Own certificate Scope**

Month	Certified Supply Base (from own certificate scope) (MT)	
	Pulau Maria Estate	Total FFB/Month (MT)*
January 2016	2526	2526
February 2016	1846	1846
March 2016	2293	2293
April 2016	2285	2285
May 2016	3989	3989
June 2016	4634	4634
July 2016	4935	4935
August 2016	4760	4760
September 2016	5125	5125
October 2016	4931	4931
November 2016	3982	3982
December 2016	3782	3782
<b>Total</b>	<b>45,088</b>	<b>45,088</b>

**Appendix G: Location Map of Certification Unit and Supply bases**

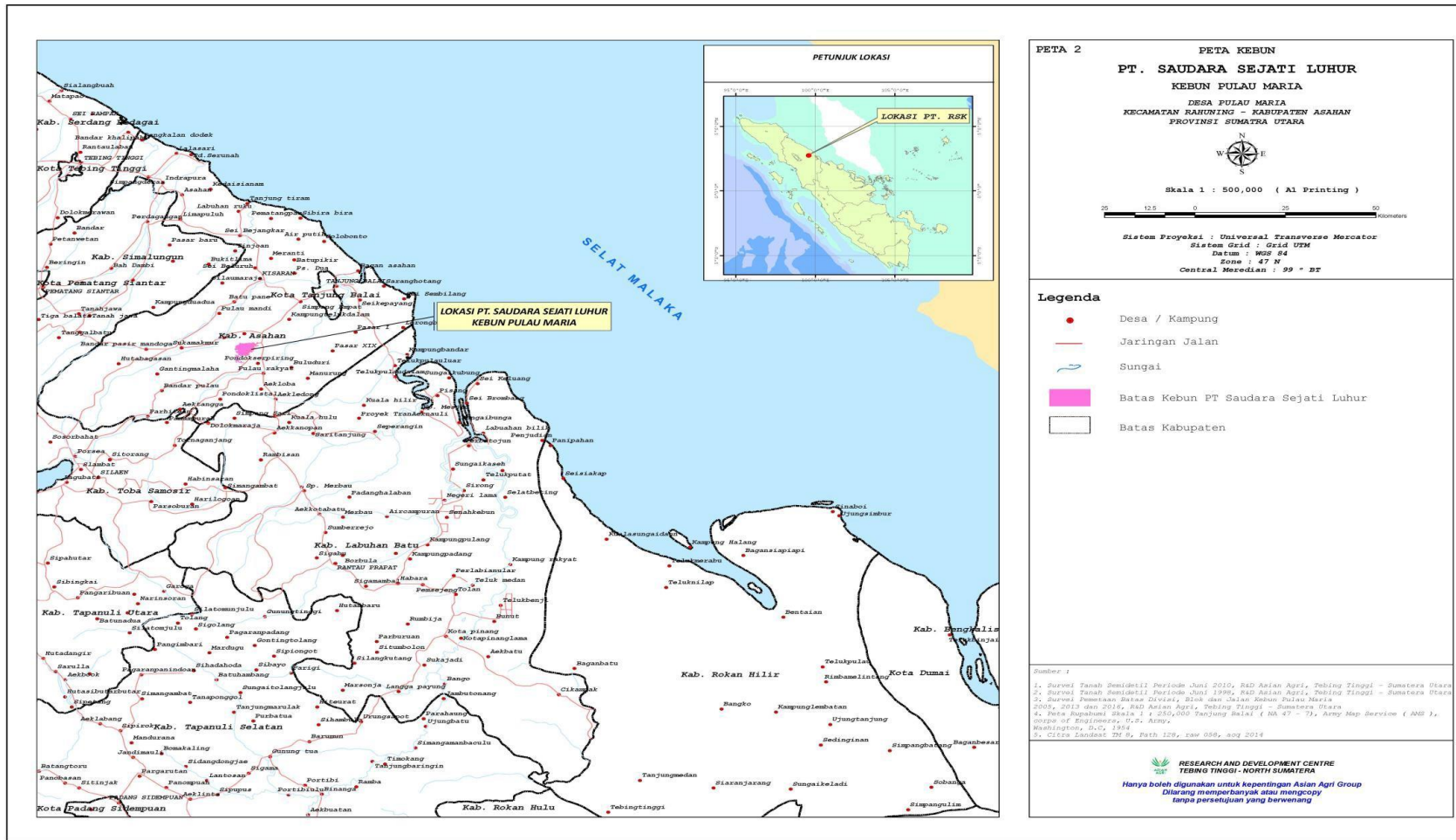
**Map 1. Location of PT. Saudara Sejati Luhur in Indonesia**





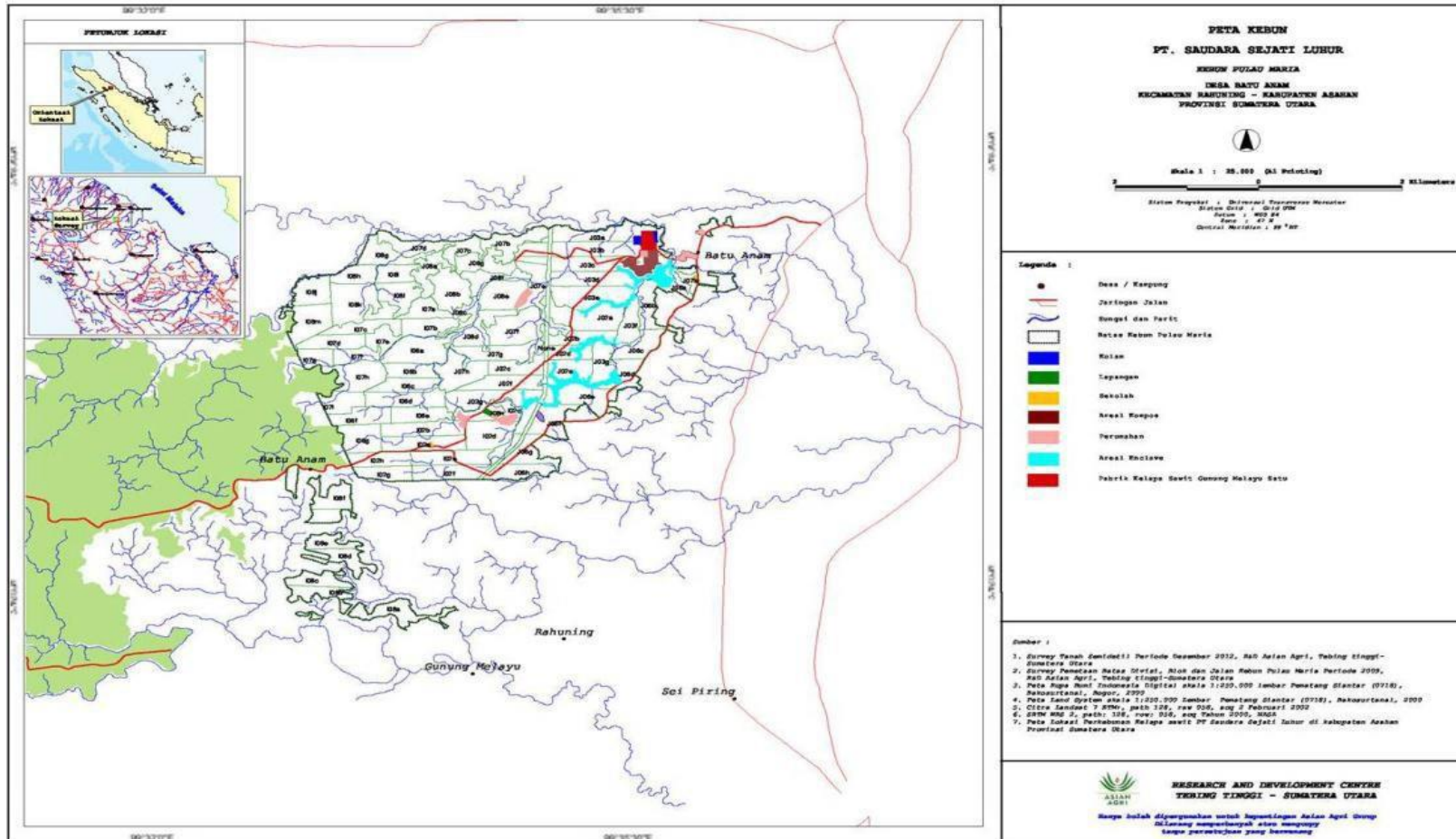
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**Map 2.** Location of PT. Saudara Sejati Luhur in North Sumatera Province, Indonesia.



**Appendix H: Estate Field Map**

**Map 3. Location of PT. Saudara Sejati Luhur (Pulau Maria Estate) and neighbouring entities**



**Appendix I: Smallholder List**

Not Applicable, since there is no smallholder included in the certification scope.

## Appendix J: GHG Reporting Executive Summary

The GHG emissions that were produced in 2016 for PT Saudara Sejati Luhur - Gunung Melayu I Palm Oil mill and supply base was calculated using the GHGpalm Calculator version 3.0. The assessment team had verified the data input in the GHGplam Calculator against operations records. Palm GHG 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 estates.

The summary of the Nett GHG emitted in 2016 for Gunung Melayu I mill and supply base are as following:

Emission per product	tCO <sub>2</sub> e/tProduct
CPO	0.001
PK	0.001

Extraction	%
OER	19.44
KER	5.29

Production	t/year
FFB process	311,718
CPO Produced	60,613
PK Produced	16,490

Land use	Ha
OP Planted Area	2,063
OP Planted on peat	0
Conservation area (forested)	0
Conservation area (non forested)	17.17
<b>Total</b>	<b>2,307</b>

## Summary of Field Emission and Sink

	Own Crop		Group		3 <sup>rd</sup> Party		Total	
	tCO <sub>2</sub> e	tCO <sub>2</sub> e /FFB	tCO <sub>2</sub> e	tCO <sub>2</sub> e /FFB	tCO <sub>2</sub> e	tCO <sub>2</sub> e /FFB	tCO <sub>2</sub> e	tCO <sub>2</sub> e /FFB
<b>Emission</b>								
Land Conversion	26,379.05	0.55	0	0	0	0	26,379.05	0.55
CO <sub>2</sub> Emission from fertilizer	816.55	0.02	0	0	0	0	816.55	0.02
NO <sub>2</sub> Emission	2,754.26	0.03	0	0	0	0	2,754.26	0.03
Fuel consumption	438.76	0.01	0	0	0	0	438.76	0.01
Peat oxidation	0	0	0	0	0	0	0	0
<b>Sink</b>								
Crop sequestration	-25,003.85	-0.52	0	0	0	0	-25,003.85	-0.52
Conservation sequestration	0	0	0	0	0	0	0	0
<b>Total</b>	<b>5,384.77</b>	<b>0.08</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,384.77</b>	<b>0.08</b>

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**Summary of Mill Emission and Credit**

	<b>tCO<sub>2</sub>e</b>	<b>tCO<sub>2</sub>e/tFFB</b>
Emission		
POME	21,109.18	0.07
Fuel Consumption	168.5	0
Grid Electricity	7.67	0
Utilisation		
Credit		
Export of Grid Electricity	-18.31	0
Sales of PKS	-47454	-0.15
Sales of FFB	0	0
<b>Total</b>	<b>-26,186.95</b>	<b>0.08</b>

**Summary of Kernel Crusher Emission and Credit (Not applicable)** - There is no Kernel Crusher operation

<b>Emission Source</b>	<b>tCO<sub>2</sub>e</b>
PK from own mill	-77.87
PK from other sources	0
Fuel consumption	0
Total crusher emissions	-77.87

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

<b>POME Diverted to Anaerobic Digestion:</b>	
Divert to anaerobic diversion (%)	38
Divert to methane captured (flaring) (%)	0
Divert to methane captured (energy generation) (%)	62

**Appendix K: List of Abbreviations Used**

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