



SGS RSPO PROGRAM
(Associated Document)

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Page:

1 of 70

Issue:

03

RSPO PRINCIPLES & CRITERIA CERTIFICATION REPORT

Public Summary Information

Job Number:	6391-ID		
Client:	PT Austindo Nusantara Jaya Agri – Binanga Mill	RSPO membership #	1-0032-07-000-00
Country:	Indonesia	RSPO Registered Parent Company name:	PT Austindo Nusantara Jaya Agri
Scope:	Production of Crude Palm Oil and Palm Kernel at Binanga Palm Oil Mill with a capacity of 60 MT/hour using Module E: Mass Balance (MB) which FFB supplied from East Estate, Central Estate and West Estate.		
Supply Chain Module:	Module E: CPO Mills- Mass Balance		
Mill Capacity	60 tonne/hour	Number of Estate	3 (three) Estates
Certificate Number:	SGS-RSPO/PC17-00010	Start Date:	14 November 2017
		End Date:	13 November 2022
		Date of Certificate issue:	01 November 2017
		Date of First Certification	14 November 2012
SGS Accreditation Code	ASI-ACC-077	Date of accreditation:	5 th July 2016
Contacts Job Description:	Sustainability Compliance Manager		
Name:	Mr. Antoperis Tarigan		
Address: Street and number: Town/City State/Country Zip/Postal code Country	Physical address: Mill Site : Simangambat Subdistrict, Padang Lawas Utara District, North Sumatera Province, Indonesia Estates : Simangambat and Huristak Subdistricts, Padang Lawas Utara and Padang Lawas Districts, North Sumatera Province, Indonesia	Postal address: Head office : Sinar Mas Land Plaza Lantai 7, Jl. Diponegoro No.18, Medan – North Sumatera Province, Indonesia	
	Tel: +62-614537480 Ext 235		
Cell Phone :	+62 81361514290		
Fax:	+62-614538366		
Web Site Address:	www.anj-group.com		
Email:	antoperis.tarigan@anj-group.com		
Standard:	<ul style="list-style-type: none"> Indonesia National Interpretation of RSPO P&C 2013 dated on 30 September 2016 RSPO Supply Chain Certification Standard dated on 21 November 2014 		
Date of last report update	27 Oct. 2017		
Actual Certified FFB Received by the Mill 2017	January: 8,210.60 MT February: 6,202.17 MT March: 7,181.04 MT April: 5,672.77 MT	July: 8,942.27 MT August: - September: - October: -	

SGS services are rendered in accordance with the applicable SGS General Conditions of Service accessible at <http://www.sgs.com/en/Terms-and-Conditions.aspx>

	May: 5,444.50 MT June: 6,794.29	November: - December: -
Actual Annual CSPO Tonnage produced 2017	10,655.56 MT	
Actual Annual CSPK Tonnage produced 2017	2,220.52 MT	
Actual Annual CSPO Tonnage Sold 2017	3,500.00 MT	
Actual Annual CSPK Tonnage Sold 2017	1,894.45 MT	

End of Public Summary

BASIC EVALUATION INFORMATION

RE-CERTIFICATION EVALUATION			
Evaluation Dates:	21-26 August 2017 with CAR Closure date on 4 Sept. 2017		
Team Leader/Team:	Zaenal Abidin (Team Leader) / Gunung Winarko and Nurul Qomaria (Team Members) and Dr. Hariyadi (Technical Expert)		
Affiliate Project Manager:		Date:	
Report approved by:	Aryo Gustomo	Date:	1 Nov 2017
Certification approved by:	Shashibhushan Jogani	Date:	3 Nov 2017
Database logged by:	Lisda Verawati	Date:	3 Nov 2017
SURVEILLANCE 1			
Evaluation Dates:			
Team Leader/Team:			
Affiliate Project Manager:		Date:	
Report reviewed & approved by:		Date:	
Certification approved by:		Date:	
Database logged by:		Date:	
SURVEILLANCE 2			
Evaluation Dates:			
Team Leader/Team:			
Affiliate Project Manager:		Date:	
Report reviewed & approved by:		Date:	
Certification approved by:		Date:	
Database logged by:		Date:	
SURVEILLANCE 3			
Evaluation Dates:			
Team Leader/Team:			
Affiliate Project Manager:		Date:	
Report reviewed & approved by:		Date:	
Certification approved by:		Date:	
Database logged by:		Date:	
SURVEILLANCE 4			
Evaluation Dates:			
Team Leader/Team:			
Affiliate Project Manager:		Date:	
Report reviewed & approved by:		Date:	
Certification approved by:		Date:	
Database logged by:		Date:	

TABLE OF CONTENTS

BASIC EVALUATION INFORMATION3

List of Abbreviation6

1. Scope of certification assessment7

 1.1 National Interpretation Used 7

 1.2 Certification Scope 7

 1.3 Location and Maps 7

 1.4 Description of Supply Base and Mill Processing Capacity 10

 1.5 Area of Plantation 10

 1.6 Date of Planting and Cycle 11

 1.7 Other Certification Held 11

 1.8 Organizational Information and Contact Person 12

 1.9 Time-bound Plan for Other Management Units 12

2. Assessment Process 17

 2.1 Certification Body 17

 2.2 Assessment Methodology, Programme, Site Visits 17

 2.3 Qualification of Lead Assessor and Assessment Team 19

 2.4 Stakeholder Consultation and List of Stakeholders Contacted 20

3. Assessment Findings20

 3.1 Summary of Findings 20

 3.2 Corrective Action Request 63

 3.3 Noteworthy Positive Components 63

 3.4 Status of Non-Conformities Previously Identified 63

 3.5 Issues Raised by Stakeholders and Findings 63

4. Acknowledgement of Organization Internal Responsibility64

 4.1 Conclusion 64

 4.2 Date of Next Surveillance Visit 64

 4.3 Date of Closing Non-Conformities 64

 4.4 Acknowledgement of Internal Responsibility and Formal Sign-off Assessment Findings 64

APPENDIX A: CORRECTIVE ACTION REQUEST & OBSERVATION65

APPENDIX B: NON-CONFORMITIES PREVIOUSLY IDENTIFIED - NONE68

APPENDIX C: TIMEBOUND PLAN69

APPENDIX D: LIST OF STAKEHOLDERS CONTACTED70

LIST OF TABLES

Table 1: Mill and Supply Base GPS Location 7

Table 2: Actual and Projected FFB from Supply Base (2017/2018) 10

Table 3: Actual and Projected Mill Processing Data 10

Table 4: Area Statement of the Supplying Estates.....	11
Table 5: Planting Age Profiles for all Supply Base Estates	11
Table 6: Assessment Program	18
Table 7: Auditors Profile	19

LIST OF FIGURES

Figure 1: Situation Map of PT Austindo Nusantara Jaya Agri - Binanga Mill spotted in Sumatera Island Indonesia	8
Figure 2: Site Map of PT Austindo Nusantara Jaya Agri - Binanga Mill and Estates with Planting Years distribution	10

LIST OF ABBREVIATION

Short Form	Meanings
AMDAL	<i>Analisis Mengenai Dampak Lingkungan</i> (Environmental Impact Assessment-EIA)
ANJA	<i>Austindo Nusantara Jaya Agri</i> (audited company)
ASEAN	Association of South East Asia Nations
B3	<i>Bahan Berbahaya dan Beracun</i> (hazardous material)
BOD	Biological Oxygen Demand
CAR	Corrective Action Request
CPO	Crude Palm Oil
CBD	Convention on Biodiversity
EFB	Empty Fruit Bunches
EMS	Environmental Management System
FFA	Free Fatty Acids
FFB	Fresh Fruit Bunches
Ha	Hectare
HCV	High Conservation Value
HGU	<i>Hak Guna Usaha</i> (Land Use Title)
IPM	Integrated Pest Management
INA-NI	Indonesian National Interpretation
ISO	International Organisation for Standardisation
IUCN	International Union for Conservation of Nature and Natural Resources
IUP	<i>Izin Usaha Perkebunan</i> (Plantation Operation Licence)
K3	<i>Kesehatan dan Keselamatan Kerja</i> (Occupational Health and Safety)
kW	Kilowatt
LC	Land Clearing
M	Meter
Mg	Magnesium
Mm	Millimeter
MT	Metric ton
N	Nitrogen
NGO	Non Governmental Organisation
OER	Oil Extraction Rate
OSH	Occupational Safety & Health
P	Phosphate
P & C	Principles and Criteria
PK	Palm Kernel
POM	Palm Oil Mill
POME	Palm Oil Mill Effluent
PPE	Personal Protective Equipment
RKL/RPL	<i>Rencana Kelola Lingkungan/Rencana Pemantauan Lingkungan</i> (Environmental Management Plan/Environmental Monitoring Plan)
RSPO	Roundtable on Sustainable Palm Oil
SOP	Standard Operating Procedure
UKL/UPL	<i>Upaya Kelola Lingkungan/Upaya Pemantauan Lingkungan</i> (Environmental Management Efforts/Environmental Monitoring Efforts)
WHO	World Health Organisation
Yr	Year

1. SCOPE OF CERTIFICATION ASSESSMENT

1.1 National Interpretation Used

The operations of the mill and their supply based of FFB were assessed against the **Roundtable on Sustainable Palm Oil (RSPO), Indonesia National Interpretation of RSPO Principles and Criteria for Sustainable Palm Oil Production 2013 (approved by RSPO on 30 September 2016)**.

1.2 Certification Scope

The scope of certification includes the production of PT Austindo Nusantara Jaya Agri - Binanga Mill and its supply base from East Estate, Central Estate and West Estate according to the RSPO standard requirement of **Roundtable on Sustainable Palm Oil (RSPO), Indonesia National Interpretation of RSPO Principles and Criteria for Sustainable Palm Oil Production 2013 (approved by RSPO on 30 September 2016)** and **RSPO Supply Chain Certification Standard dated 21 November 2014**.

1.3 Location and Maps

PT Austindo Nusantara Jaya Agri - Binanga Mill is located in Simangambat Subdistrict, Padang Lawas Utara District, North Sumatera Province, Indonesia (**Figure 1**). More detailed information on the estates location and layouts is shown in **Figures 2**. The GPS locations of the mills are shown in Table 1.

Table 1: Mill and Supply Base GPS Location

Mill/Supply Base (Estate/smallholder)	Longitude	Latitude
Binanga Mill	E 99°57.483'	N 01°28.754'
East Estate	E 99°58.526'	N 01°30.321'
Central Estate	E 99°57.502'	N 01°28.814'
West Estate	E 99°52.265'	N 01°25.977'

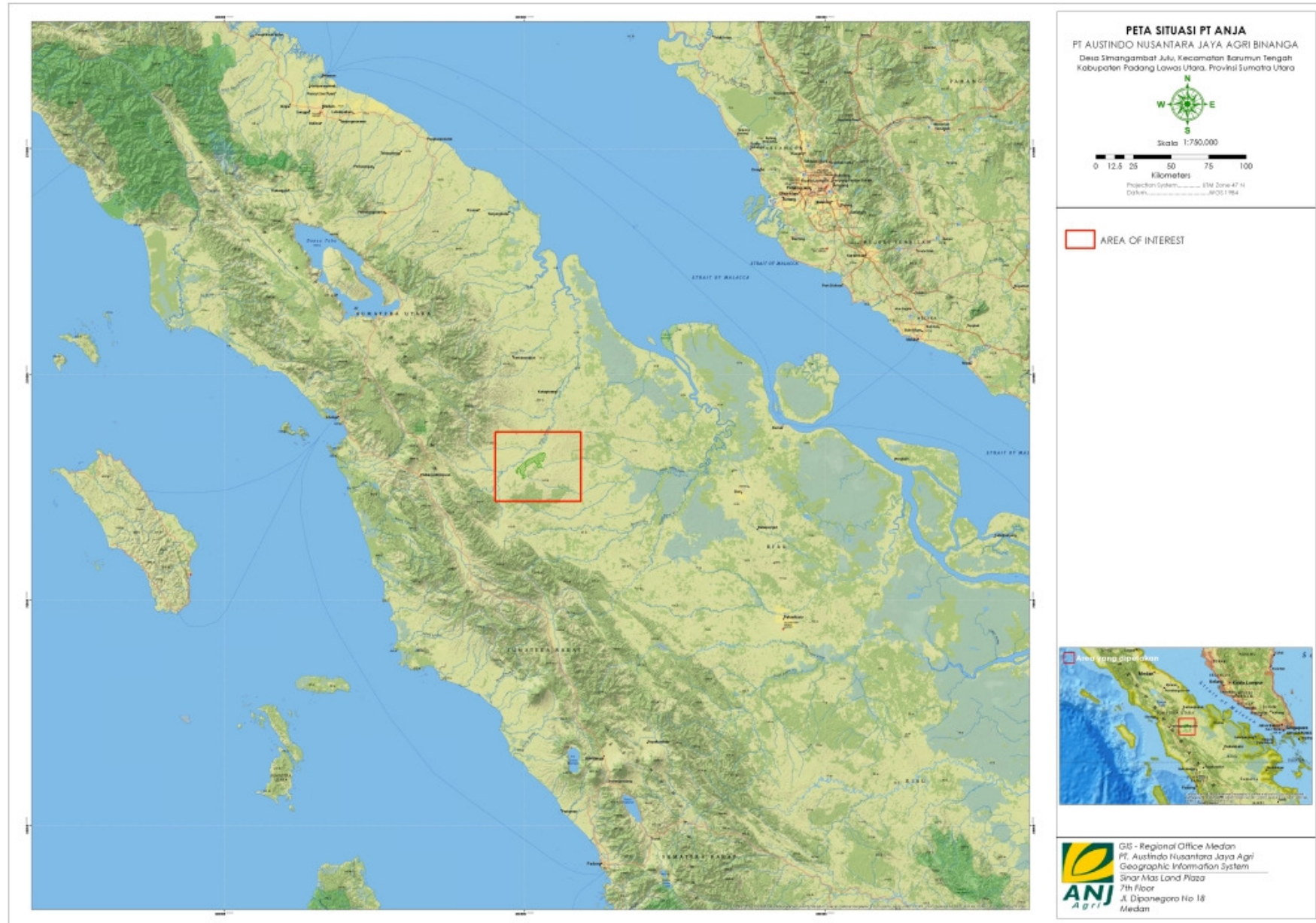
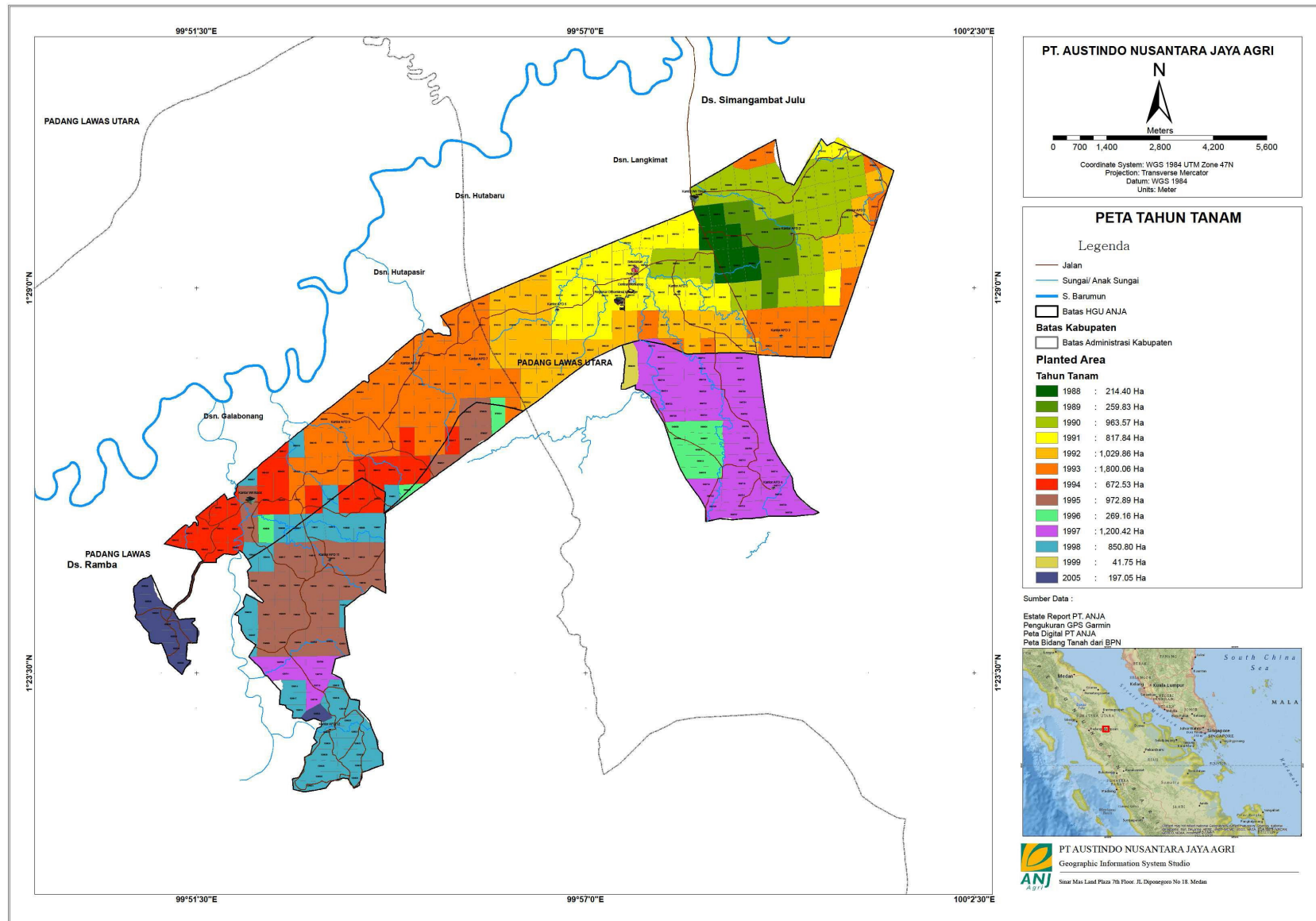
Figure 1: Situation Map of PT Austindo Nusantara Jaya Agri - Binanga Mill spotted in Sumatera Island Indonesia

Figure 2: Site Map of PT Austindo Nusantara Jaya Agri - Binanga Mill and Estates with Planting Years distribution



1.4 Description of Supply Base and Mill Processing Capacity

The FFB is sourced from 3 estates which is directly managed by PT Austindo Nusantara Jaya Agri. The OER rate is 21.99%. The budgeted crop yields from each estate are listed in Table 2 below. The projection for 2018 is showing significant reduction due to Replanting programme largely is taken place in some company own estate areas.

Table 2: Actual and Projected FFB from Supply Base (2017/2018)

Estates supply base	FFBs (Tonnage)		
	Estimation (2017)	Actual (Jan-Jul 2017)	Projection (2018)
East Estate	73,000.00	22,255.24	51,760.01
Central Estate	70,810.00	13,364.62	50,530.89
West Estate	75,031.94	12,827.79	63,562.75
Subtotal (own RSPO certified supply base)	218,841.94	48,447.66	165,854.00
Certified FFB received from other RSPO certification scope within adjacent estates (if any)	0.00	0.00	0.00
Subtotal (other RSPO certified supply base)	0.00	0.00	0.00
Total tonnage claimed for RSPO certification	218,841.94	48,447.66	165,854.00
Other Sources from Non-certified FFB (Third Party)	-	49,965.27	-
Total tonnage of FFB produced	218,841.94	98,412.93	165,854.00

Table 3: Actual and Projected Mill Processing Data

Mill Name	Volume tonnage claimed for Certification					
	Estimation (2017)		Actual (Jan-Jul 2017)		Projection (2018)	
	CPO	PK	CPO	PK	CPO	PK
Binanga POM	47,904.00	10,887.00	10,655.56	2,221.52	36,073.00	8,293.00
Extraction Rate	OER: 21.80%	KER: 4.97%	OER: 21.99%	KER: 4.59%	OER: 21.80%	KER: 5.00%

1.5 Area of Plantation

The areas of supplying estates for this operating unit are listed in Table 4. Details of planted area (mature/immature), total land area, conservation, HCV and others are also listed.

Table 4: Area Statement of the Supplying Estates

Name of Estates	Planted Area		Conservation Area (Ha)	HCV Area (Ha) **)	Others use (Ha)	Total Land Lease Area (Ha)
	Immature Area (Ha)	Mature Area (Ha)				
East Estate	0	3,065.51	0	116.31	17.39	3,082.90
Central Estate	0	2,989.10	0	153.10	106.37	3,095.47
West Estate *)	0	3,236.59	0	52.70	16.46	3,253.05
Total	0	9,291.20	0	322.11	140.22	9,431.42

Remarks: *) It has included land use title (HGU) areas on the process amount of 19.47 ha

**) HCV areas inside plantation areas so that no include calculate of total area

1.6 Date of Planting and Cycle

The PT Austindo Nusantara Jaya Agri – Binanga Mill own estates were planted between 1988 and 2005. The palms were considered matured when approaching four years after planting and productive until the age of 25 years. A replanting program for all estates involved are available and being projected for the next five (5) financial years (2018 to 2022). The age profiles for all the estates are simplified in Table 5 below.

Table 5: Planting Age Profiles for all Supply Base Estates

Name of supplying estate	Planting Age (Ha)			
	Immature	>4 - 14 years	>14 - 25 years	>25 years
East Estate	0.00	0.00	1,595.13	1,470.38
Central Estate	0.00	0.00	2,222.27	766.83
West Estate	0.00	197.05	3,039.54 *)	0.00
Total	0.00	197.05	6,856.94	2,237.21

Remark: *) It has included land use title (HGU) areas on the process amount of 19.47 ha

1.7 Other Certification Held

PT Austindo Nusantara Jaya Agri – Binanga Mill has other certificates as follows:

- ISCC Certificate Number EU-ISCC-Cert-DE129-35186923 valid until 01 November 2017.
- ISPO Certificate Number TNI-ISPO-G-1604 valid until 18 July 2021.
- Certificate ISO 14001:2004 and OHSAS 18001:2007

1.8 Organizational Information and Contact Person

The company contact person details are as follows:

Name:	Mr. Antoperis Tarigan
Designation:	Sustainability Compliance Manager
Address:	Sinar Mas Land Plaza Lt. 7, Jln. P. Diponegoro No 18 Medan 20152 Indonesia
Contact No.:	+62-614537480 Ext 235
Email address:	antoperis.tarigan@anj-group.com

1.9 Time-bound Plan for Other Management Units

PT Austindo Nusantara Jaya Agri is a member of RSPO and has been involved in the certification since 2007; the membership number with RSPO is 1-0032-07-000-00.

PT Austindo Nusantara Jaya Agri owns and operates 4 mills and 15 oil palms estates, together with 8 operating unit covering approximately 150,448.28 ha in Indonesia. PT Austindo Nusantara Jaya Agri has developed a time-bound plan (**Appendix C**) for the phased implementation of the RSPO P&C, commencing with mills and estates. PT Austindo Nusantara Jaya Agri will use the experience gained from achieving certification of the first few mills and estates to implement the RSPO P&C in parallel with the remainder of its operations. The SGS assessment team considers that PT Austindo Nusantara Jaya Agri is on the right track which is reasonable and challenging, given the widespread geographic locations of its properties, the resources required and the numbers of smallholders involved.

Auditor Finding on the Time Bound Plan and Partial Certification against Requirements of Clause 4.2.4 of RSPO Certification System documents.

Time Bound Plan		
Requirement	Findings and any action required	Compliance
<p>Description of Company's Management Structure being audited in relation to Majority of shareholder (whom ultimately controlling shareholder) and its subsidiaries companies.</p> <p><i>Guidance for Auditor:</i></p> <p><i>Beside interview with company's management representative, these required information should be supported with browsing through Internet search for the company name such as media coverage, legal registration, and RSPO Annual Communication on Progress (ACOP). As addition, if other Certification Body(s) has performing evaluation to this requirements either in the company being audited and/or at other certified companies under same holding, Auditor may request for the summary report through the company and consider it as part of this audit.</i></p> <p><i>The parent organization or one of its</i></p>	<p>PT Austindo Nusantara Jaya Agri is majority of shareholder (99.998%). This company is RSPO member with membership number 1-0032-07-000-00 on behalf PT Austindo Nusantara Jaya Agri since year 2007.</p>	<p>Yes</p>

<p><i>majority owned and / or managed subsidiaries are member of RSPO, whether the registered RSPO member is the holding company or one of its subsidiaries;</i></p> <p><i>NOTE 1: For groups with complex management structures the following are required:</i></p> <p><i>i. A statement of the ultimate controlling shareholders and directors in the managing agency company/companies.</i></p> <p><i>ii. Ditto in respect of each of the operating groups.</i></p> <p><i>iii. Application for membership by the top asset owning company/companies.</i></p> <p><i>iv. Application for membership by the managing agency company/companies</i></p> <p><i>NOTE 2 : Majority shareholding: the largest shareholding, where the largest shareholdings are equal (e.g. 50/50) this applies to the organisation that has management control.</i></p>		
<p>Does the plan include all subsidiaries, estates and mills?</p>	<p>There are 8 management unit have been included into the time bound plan. 3 of 8 management units have been certified as follows:</p> <ul style="list-style-type: none"> • PT Austindo Nusantara Jaya Agri • PT Austindo Nusantara Jaya Agri Siais • PT Sahabat Mewah dan Makmur <p>See Appendix C.</p>	<p>Yes</p>
<p>Have there been any newly acquired subsidiaries?</p>	<p>The company reported 7 management units in ACOP 2015. Then in ACOP 2016, the company has reported 8 management units. The newly acquired subsidiary is PT Pusaka Agro Makmur (one of subsidiary) has merged to PT ANJ Tbk (holding company).</p>	<p>Yes</p>
<p>Is the time bound plan challenging?</p> <ul style="list-style-type: none"> • Age of plantations. • Location. • POM development • Infrastructure. • Compliance with applicable law. 	<p>The time bound plan has challenged as follows:</p> <ul style="list-style-type: none"> • Age of plantations. • Location. • POM development • Infrastructure. • Compliance with applicable law. <p>See Appendix C</p>	<p>Yes</p>
<p>Have there been any changes since the last audit? Are they justified?</p>	<p>See above explanation. The existing 3 Mills and 10 Estates have been certified.</p> <p>PT ANJA has set up a time bound to achieve RSPO certification for all subsidiary companies</p>	<p>Yes</p>
<p>If there have been changes, what circumstances have occurred?</p>	<p>See explanation above.</p> <p>PT ANJA has fully committed to achieve RSPO certification for all</p>	<p>Yes</p>

	management units, taking into account that the time bound plan is challenging.	
Have there been any isolated lapses in implementation of the plan?	There is no isolated laps. The existing 3 Mills and 10 Estates have been certified. PT ANJA has set up a time bound to achieve RSPO certification for all subsidiary companies.	Yes
Have there been any stakeholder comments during assessment to the Company's Time Bound Plan, or to other certified companies under same holding? <i>Guidance for Auditor:</i> <i>Targeted stakeholder consultation may be carried out by the SGS audit team either contacting them by email, phone call, meeting, or other methods.</i> <i>If this has already been conducted by other certification body(s) either in the company being audited and/or at other certified companies under same holding, Auditor may request for the summary report through the company and consider it as part of this audit.</i> <i>These must be recorded in this audit report i.e. Section 2.4 and Appendix D and should be part of consideration during this verification process.</i>	No stakeholder comment that affect Time bound Plan set up by PT ANJA.	Yes
<p>Un-Certified Units or Holdings</p> <p>Note for Auditor:</p> <ul style="list-style-type: none"> ▪ Companies should demonstrate compliance by clear evidences of a self-audit (i.e. an internal audit for all subsidiaries, estates and Palm Oil Mills) against each of the RSPO P&C requirements. ▪ Auditor should select sample(s) of un-certified units subsequently review/check the Internal audit results. The minimum sample(s) should follow 0.8\y where y is number of subsidiaries company. Auditor may increase the number of sample(s) selected if there are some stakeholder inputs received during assessment. ▪ The Company responsible for the area being audited and shall ensure that any necessary corrections and corrective actions are taken without undue delay to eliminate detected non-conformities and their causes. If not then Auditor should consider to raise Major or Minor non-compliances. 		
Requirement	Findings and any action required	Compliance
Did the company conduct an internal audit? If so, has a positive assurance statement been produced? <i>Guidance for Auditor:</i> <i>Positive assurance statement, which is based upon self-assessment (i.e. internal audit) by the organisation. This would require evidence of the self-assessment against each RSPO P&C requirement for all un-certified units.</i>	PT ANJA has conducted internal audit for un-certified subsidiaries as follows: 1. PT Kayung Agro Lestari (1 mill, 4 estates and 1 KKVA) has been audited by CB in Sep 2016. Time bound plan has been revised to 2017. PT ANJA has issued the statement letter of change of time bound plan for PT KAL. 2. PT Galempa Sejahtera Bersama has been internal audit in April 2017. This company has achieved 40.58%	Yes

	<p>compliance with the legal requirements. Time bound plan is 2020.</p> <p>3. PT Putera Manunggal Perkasa has been internal audit in April 2017. This company has achieved 67.00% compliance with the legal requirements. Time bound plan is 2020.</p> <p>4. PT Permata Putera Mandiri has been internal audit in April 2017. This company has achieved 63.00% compliance with the legal requirements. Time bound plan is 2020.</p> <p>5. PT Pusaka Agro Makmur has been internal audit in April 2017. This company was developing NPP. Time bound plan is 2022.</p>	
<p>Are there any stakeholder comments during assessment to the un-certified companies under same holding?</p> <p><u>Guidance for Auditor:</u></p> <p><i>Targeted stakeholder consultation may be carried out by the SGS audit team either contacting them by email, phone call, meeting, or other methods.</i></p> <p><i>If this has already been conducted by other certification body(s) either in the company being audited and/or at other certified companies under same holding, Auditor may request for the summary report through the company and consider it as part of this audit.</i></p> <p><i>These must be recorded in this audit report i.e. Section 2.4 and Appendix D and should be part of consideration during this verification process.</i></p>	<p>Based on interview result with Sustainability Compliance Manager and internet browsing stated that there are no any stakeholder comments to the un-certified companies.</p>	
<p>No replacement after dates defined in NIs Criterion 7.3:</p> <ul style="list-style-type: none"> • Primary forest. • Any area identified as containing High Conservation Values (HCVs). • Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3. <p><u>Guidance for Auditor:</u></p> <p><i>If this cases occur in one or more of company's un-certified units, the following shall be checked and verified:</i></p> <ul style="list-style-type: none"> - <i>Action Plan (with details steps and time line to fulfill)</i> - <i>Does company follow the latest requirements of LUCA and RaCP procedures?</i> 	<p>Based on internal audit for un-certified subsidiaries, several information were reviewed as follows:</p> <ol style="list-style-type: none"> 1. PT Kayung Agro Lestari has submitted LUCA to RSPO and last responded by RSPO dated on 16 Aug 2017. Currently, PT KAL is reviewing the RSPO response. 2. PT Galempa Sejahtera Bersama reported NPP and it was verified by CB in 2014. Currently, this company was conducting land acquisition. 3. PT Putera Manunggal Perkasa reported NPP and it was verified by CB in 2014. Currently, this company was conducting land acquisition. 4. PT Permata Putera Mandiri reported NPP and it was 	<p>Yes</p>

	<p>verified by CB in 2014. Currently, this company was conducting land acquisition.</p> <p>5. PT Pusaka Agro Makmur was developing NPP and verified by the CB in June 2017. The HCV report was being reviewed by licensed HCV assessor.</p>	
Any new plantings since January 1 st 2010 must comply with the RSPO New Plantings Procedure.	See above explanation	Yes
<p>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.</p> <p><u>Guidance for Auditor:</u></p> <p>To check the as to whether this cases found during Internal audit at company's uncertified units.</p> <p>Auditor should also checked in RSPO Complaint tracker in RSPO website as one of the following links:</p> <p>http://www.rspo.org/</p> <p>http://www.rspo.org/members/status-of-complaints/</p> <p>http://www.rspo.org/members/dispute-settlement-facility</p> <p>http://www.rspo.org/members/dispute-settlement-facility/status-of-disputes</p> <p>As addition to check is to search in the public court documents which available online. Some countries may not available due to restriction rules.</p>	<p>PT ANJA has provided the procedure for “<i>Penyelesaian Sengketa Lahan</i>” (land dispute resolution) # 021A/HR&GA/CP regarding land acquisition.</p> <p>There is no significant land conflict based on interviewed with Sustainability Compliance Manager and browsing internet.</p>	Yes
<p>Any Labor disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.</p> <p><u>Guidance for Auditor:</u></p> <p>To check the as to whether this cases found during Internal audit at company's uncertified units.</p> <p>Auditor should also checked in RSPO Complaint tracker in RSPO website as one of the following links:</p> <p>http://www.rspo.org/</p> <p>http://www.rspo.org/members/status-of-complaints/</p> <p>http://www.rspo.org/members/dispute-settlement-facility</p> <p>http://www.rspo.org/members/dispute-settlement-facility/status-of-disputes</p> <p>As addition to check is to search in the public court documents which available online. Some countries may not available due to restriction rules.</p>	<p>PT ANJA has provided a workforce grievance mechanism issued by Mr. Yusrizal (GM) # 024/GM/YZ/02/2012 dated 23 February 2012.and also LKS bipartite to resolve labour dispute.</p> <p>No labour dispute based on internal audit.</p>	Yes
Any Legal non- compliance is being resolved in accordance with	PT ANJA has conducted internal audit for un-certified subsidiaries	Yes

<p>the legal requirements, with reference to RSPO criteria 2.1 and 2.2.</p> <p><i>Guidance for Auditor:</i></p> <p><i>To check the as to whether this cases found during Internal audit at company's uncertified units.</i></p> <p><i>Auditor should also checked in RSPO Complaint tracker in RSPO website as one of the following links:</i></p> <p>http://www.rspo.org/</p> <p>http://www.rspo.org/members/status-of-complaints/</p> <p>http://www.rspo.org/members/dispute-settlement-facility</p> <p>http://www.rspo.org/members/dispute-settlement-facility/status-of-disputes</p> <p><i>As addition to check is to search in the public court documents which available online. Some countries may not available due to restriction rules.</i></p>	<p>as follows:</p> <ol style="list-style-type: none"> 1. PT Kayung Agro Lestari has been audited by CB in Sep 2016. This company has achieved 90% compliance with the legal requirements. 2. PT Galempa Sejahtera Bersama has achieved 40.58% compliance with the legal requirements. 3. PT Putera Manunggal Perkasa has achieved 67.00% compliance with the legal requirements. 4. PT Permata Putera Mandiri has achieved 63.00% compliance with the legal requirements. 5. PT Pusaka Agro Makmur was developing NPP by CB. <p>Based on interviewed with Sustainability Compliance Manager and browsing internet, there is no significant issue of legal compliance for 5 un-certified units. They have complied with Act # 39/2014 regarding Plantation (<i>Perkebunan</i>).</p>	
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2. ASSESSMENT PROCESS

2.1 Certification Body

SGS is the world’s leading inspection, verification, testing and certification company. SGS is recognized as the global benchmark for quality and integrity. With more than 80,000 employees, SGS operates a network of over 1,650 offices and laboratories around the world.

The RSPO Programme is the SGS Group’s RSPO Certification Programme internationally accredited by the ASI to carry out oil palm plantation and supply chain certification for global RSPO certification.

2.2 Assessment Methodology, Programme, Site Visits

The assessment was conducted in 5 audit days and involving 3 estates of PT Austindo Nusantara Jaya Agri. The audit covers documentation review, internal procedures, management system, field inspection as well as identification of any significant issues for both environment or social issues. A sample of stakeholders was consulted during the assessment to get their feedback on the management practices.

The assessment was conducted based on random samples and therefore nonconformities may exist which have not been identified. The methodology for objective evidence collection included physical site inspection, observation of tasks and processes, interview with workers, families and stakeholders, documentation review and monitoring data.

The assessment program is included as shown in Table 6 below.

Table 6: Assessment Program

Date	Time	Auditor	Organisational and Functional Units/ Processes and Activities	Key Contact
21.08.17	06.55	All	Travel from Jakarta to Sibolga Airport by Garuda	
	09.00	All	Arrival at Sibolga Airport and continue to consultation with Dinas Perkebunan at PALUTA	Relevant personnel
	PM	All	Continue to travel to Site by CAR	
	PM	All	Arrival at Guest House End of 1 st day audit	
22.08.17	08.00	All	Opening meeting	Management representative and relevant personnel
	08.30	All	Documents review (legal, land title, timebound plan, environmental monitoring & measurement, HCV, SOPs for best agriculture practices, health & safety, social aspect, labour and supply chain)	Relevant personnel
	12.00	All	Break and Lunch	
	13.00	All	Binanga Mill: <ul style="list-style-type: none"> • Palm Oil Mill Supply Chain (procedures, record keeping, training, FFB receiving, processing, sales of RSPO products, registration and claims) • Site & facilities visit (water usage, production area, workshop, chemical room, bulky storage, waste water pond, land application, hazardous waste storage, environmental management and monitoring, interview with workers and OSH). 	Relevant personnel
17.00	All	End of 2 nd day audit		
23.08.17	08.00	All	East Estate: Field work inspection: IPM, spraying, fertiliser, harvesting, planting, soil and water conservation, riparian/buffer zone, HCV, boundary, road construction and maintenance, waste disposal, workshop, storage area, line-site, occupational safety and health, interview with workers and stakeholders consultation.	Relevant personnel
	12.00	All	Break and Lunch	
	13.00	All	Continue morning agenda	Relevant personnel
	17.00		End of 3 rd day audit	
24.08.17	08.00	All	Central Estate: Field work inspection: IPM, spraying, fertiliser, harvesting, nursery, planting, soil and water conservation, riparian/buffer zone, HCV, boundary, road construction and maintenance, waste disposal, workshop, storage area, line-site, occupational safety and health, interview with workers and stakeholders consultation.	Relevant personnel

Date	Time	Auditor	Organisational and Functional Units/ Processes and Activities	Key Contact
	12.00	All	Break and Lunch	
	13.00	All	Continue morning agenda	Relevant personnel
	17.00	All	End of 4 th day audit	
25.08.17	08.00	All	West Estate: Field work inspection: IPM, spraying, fertiliser, harvesting, planting, soil and water conservation,, riparian/buffer zone, HCV, boundary, road construction and maintenance, waste disposal, workshop, storage area, line-site, occupational safety and health, interview with workers and stakeholders consultation.	Relevant personnel
	12.00	All	Break and Lunch	
	13.00	All	Report preparation and audit team meeting	Relevant personnel
	14.00	All	Closing Meeting	Management representative and relevant personnel
	15.00	All	End of audit and travelling to Sibolga	
	PM	All	Arrival at Sibolga and stay overnight at Hotel	
26.08.17	09.55	All	Travelling from Sibolga Airport to Jakarta by Garuda	

2.3 Qualification of Lead Assessor and Assessment Team

PT SGS Indonesia holds copies of educational qualifications, certificates and audit logs for each of the audit team members. SGS has evaluated the qualifications and experience of each audit team member and has registered the following designations for conducting RSPO Assessment. Summary of auditors' educational background and experience are listed in Table 7 below.

Table 7: Auditors Profile

Evaluation Team	Notes
Team Leader - Social	Zaenal Abidin has a degree in Forestry and CBE Auditor in PT SGS Indonesia, 22 years national experience in forestry sector in Indonesia. Has undergone the necessary ISO 14001, ISO 9001, RSPO and ISPO Lead Auditor course and involved in a number audits on oil palm plantations and forest certification. His specific qualification for RSPO audit is social, stakeholder consultation and Supply Chain.
Auditor 1 – Plantation	Nurul Qomaria, a Bachelor of Agriculture Science holder. He has 7 years working experience in oil palm plantation sector in Indonesia. He has undergone ISO 9001 and ISCC and ISPO Lead Auditor training and involved in a number of audits on oil palm plantations in Indonesia. His specific qualification for RSPO audit is Good Agriculture Practices and Legal.
Auditor 2 – Environment	Gunung Wijanarko has a degree in Forestry and SSC Auditor in SGS ID (Indonesia), 17 years national experience in forestry sector in Indonesia. He has undergone ISPO Lead Auditor course and ISCC and involved in a

	number of audits on oil palm plantations in Indonesia. His specific qualification for RSPO audit is environment and HCV.
Technical Expert	Dr. Ir. Hariyadi, MS., a lecture of Agronomy and Horticulture Department, Faculty of Agricultural - IPB (S1 and S2 programs)

2.4 Stakeholder Consultation and List of Stakeholders Contacted

Public Stakeholder Notification was made on 21 July 2017, 30 days prior to the recertification assessment. There is no written feedback received at the end of the 30 days period. Stakeholder consultation involved internal and external stakeholders. External stakeholders were contacted by telephone and email to arrange meetings at a location convenient to them to discuss PT Austindo Nusantara Jaya Agri Certification Unit’s environmental and social performance.

Meetings were held with stakeholders to seek their views on the performance of the company with respect to the RSPO requirements and aspects where they considered that improvements could be made, These included environmental interest groups, local government agencies and relevant authorities, social groups, and workers’ unions etc. At the start of each meeting, the interviewer explained the purpose of the audit followed by an evaluation of the relationship between the stakeholder and the company before discussions proceeded. The interviewer recorded comments made by stakeholders and these have been incorporated into the assessment findings.

Structured worker interviews with male and female workers and staff were held in private at the workplace in the mill and the estates. Fieldworkers were interviewed informally in small groups in the field. In addition, the wives of workers and staff were interviewed in informal group meetings at their housing. Separate visits were made to each of the local communities to meet with the village head and residents. Company officials were not present at any of the internal or external stakeholder interviews. A list of Stakeholders contacted with detail comments is included as **Appendix D**.

3. ASSESSMENT FINDINGS

3.1 Summary of Findings

3.1.1 Principles & Criteria

As outlined, objective evidence was obtained separately for each of the RSPO Indicators and criterion for the mills and estates. The results for each indicator from each of the operational areas were evaluated to provide an assessment of conformity. A statement is provided for each of the RSPO indicators in order to support the findings of the assessment team.

There is 1 (one) Major Non-conformities and 1 (one) Minor Non-conformities identified during this assessment. Some areas identified with potential areas for improvement has leaded into 6 (six) Observations raised. Details for each Non-conformities and observations are given in **Appendix A**. Major Non-conformities has been closed out within the period of 90 days after the re-certification. Minor Non-compliances and Observations will be followed up during the next Annual Surveillance Audit which is scheduled to be conducted within the period of twelve months after the Report approval of Assessment.

Principle 1: Commitment to Transparency					
Criterion 1.1: Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.					
1.1.1	List of information related to criterion 1.2 that can be accessed by relevant stakeholders shall be available.				<i>Minor</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence	<p>The company has conducted regular meeting with stakeholder (6 monthly). Last meeting 14 August 2017 attended by 55 participants (local government, police, army, labour union, mass media, contractor, supplier, public figure, and NGO, etc). In the meeting, the company informed a list of information that can be accessed by relevant stakeholders including authorization who take responsible to give this documents to the public, when requested.as follows:</p> <ul style="list-style-type: none"> a) Land titles / user rights (C 2.2) b) Safety and health plan (C 4.7) c) Plans and impact assessment relating to environmental and social impacts (C 5.1, 6.1, 7.1, 7.8) d) HCV documentation (Criteria 5.2 and 7.3) e) Pollution Prevention and Reduction Plans (C 5.6) f) Details of complaints and Grievances (C 6.3) g) Negotiation procedures (C 6.4) h) Continual improvement plans (C 8.1) i) Public summary of certification assessment report j) Human Rights Policy (C 6.13) 				
1.1.2	Records of requests for information and responses to the information requested shall be available.				<i>Major</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence	<p>The Company has recorded stakeholder request or input and the company response into minute of meeting (dated on 14 August 2017) and it was distributed to stakeholders. Requests or input from the stakeholders were mainly for donation for the villages, for examples: clean water source, labor supply and CSR program.</p>				
Criterion 1.2: Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.					
1.2.1 (a)	Land titles/user rights (Criterion 2.2)				<i>Major</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence	<p>There is a land titles/user rights documents that available for public including authorization who take responsible to giving this documents to the public, upon request. See Indicator 2.1.1.</p>				
1.2.1 (b)	Occupational health and safety plans (Criterion 4.7);				<i>Major</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence	<p>There is Occupational Safety and Health Policy that available for public signed by Mr. Geetha Govindan (President Director) dated on 12 Jan 2017. Occupational Safety and Health documents include authorization who take responsible to giving this documents to the public, upon request. The policy has been displayed at the estate office and communicated to all workers through information board and morning briefing. The policy specifies that the company is committed to comply with all applicable occupational health and safety, process safety, and procedure safety requirements, continually improve performance on criteria relevant to its businesses and operations, and insist that all work, however urgent, be done safely.</p>				
1.2.1 (c)	Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8);				<i>Major</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence	<p>There is a impact assessment documents that available for public. There are impact assessment documents include authorization who take responsible to giving this documents to the public,</p>				

	upon request.					
	<p>A documented impact assessment, i.e. <i>Analisis Mengenai Dampak Lingkungan</i> (AMDAL) is available, which consists of the following documents</p> <ol style="list-style-type: none"> 1. The actual environmental impact assessment report, i.e. <i>Analisis Dampak Lingkungan</i> (ANDAL) 2. Rencana Pengelolaan Lingkungan (environmental management plan) 3. Rencana Pemantauan Lingkungan (environmental monitoring plan) <p>The AMDAL document has been approved by government and the process to get approval has been followed through stakeholders consultation in order to identify impacts and develop any mitigation measures.</p> <p>The AMDAL also cover to both estates and mills. The environmental impacts identified are land erosion, water pollution, wild life disturbance, fire, social economic and culture and health.</p> <p>The regular reports of environmental management and monitoring implementation (RKL/RPL) is remains consistently implemented and reported to government authorities twice a year. Verified during audit the RKL/RPL period report on Semester II year 2016 and Semester I year 2017.</p>					
1.2.1(d)	HCV documentation (Criteria 5.2 and 7.3);					<i>Major</i>
Findings	In compliance:	Yes:	X	No:		
Objective evidence	There is a High Conservation Value assessment document that available for public including authorization who take responsible to giving this documents to the public, upon request. HCV assessment has been done in 2011 in corporation with the FOCUS CONSULTING GROUP and lead by approved HCV assessor (Ir. Siswoyo, MSi).					
1.2.1 (e)	Pollution prevention and reduction plans (Criterion 5.6);					<i>Major</i>
Findings	In compliance:	Yes:	X	No:		
Objective evidence	<p>There is pollution prevention and reduction plans documents that available for public including authorization who take responsible to giving this documents to the public, upon request.</p> <p>Pollution prevention and reduction plans has been included in RKL document and ISO 14001:2004 implementation. Management and monitoring of pollution prevention and reduction plans has been conducted periodically through the implementation of the Environmental Management and Monitoring (RKL/RPL) and GHG calculation according to RSPO palm GHG calculator.</p>					
1.2.1 (f)	Details of complaints and grievances (Criterion 6.3);					<i>Major</i>
Findings	In compliance:	Yes:	X	No:		
Objective evidence	Minute of meeting of regular stakeholders meeting (6 monthly) is always distributed to stakeholders. So that stakeholders know a detail of their complaints and grievances. Moreover, the company has provided a suggestion box at each estate to collect grievance.					
1.2.1 (g)	Negotiation procedures (Criterion 6.4);					<i>Major</i>
Findings	In compliance:	Yes:	X	No:		
Objective evidence	<p>There are negotiation procedures documents that available for public including authorization who take responsible to giving this documents to the public, upon request.</p> <p>Negotia procedures are as follows:</p> <ol style="list-style-type: none"> 1. SOP for <i>Penanganan Komunikasi Stakeholder</i> (Stakeholder Communication Procedure), No. PRS-SDV-006. 2. SOP for Communication and Dissemination of Information, No. SOP-Leg-02. 3. SOP for Handling of Different Opinion with Community and Land Conflict/dispute, No. SOP-LEG-03. 4. SOP for <i>Pembebasan Lahan</i> (Land Release), No. 021/HR&GA/CP/Pembebasan Lahan/06-09. 					
1.2.1 (h)	Continual improvement plans (Criterion 8.1);					<i>Major</i>
Findings	In compliance:	Yes:	X	No:		
Objective evidence	<p>There is a continual improvement plans documents that available for public including authorization who take responsible to giving this documents to the public, upon request.</p> <p>The management regularly monitors and reviews their social and environment program to allow</p>					

	for demonstrable continuous improvements. The company captures the performance and expenditure in social and environmental aspects through their budget which is reviewed and adjusted annually to cope with changes in requirement.				
1.2.1 (i)	Public summary of certification assessment report;				<i>Major</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence	There is a public summary of certification assessment report documents that available for public including authorization who takes responsible to provide this document to the public, upon request. The public summary is available in head office and it has also available in website RSPO (www.rspo.org).				
1.2.1 (j)	Human Rights Policy (Criterion 6.13)				<i>Major</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence	There is a Human Rights Policy documents that available for public includeing authorization who takes responsible to giving this document to the public, upon request. The company policy according to respecting the human right is available on "Kebijakan Penghormatan terhadap HAM, Perdagangan Manusia dan Kerja Paksa" signed by Mrs. Istini T.S dated on 4 Aug 2016.				
Criterion 1.3: 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.				<i>Minor</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence	The company has established a Code of Ethic Business Behavior (<i>Kode Etik Perilaku Bisnis</i>), dates 1 January 2014 and the policy has been communicated to all levels of the workers and operations in 2015. Code of Ethic Business Behavior of PT ANJA as follows: 1) identify and conduct business in accordance with applicable legislation; 2) maintaining quality standards in accordance with the company to participate in protecting the environment, safety and health for all of employees, customers, and suppliers within the scope of the company; 3) treat all customers, suppliers and government with honest and fair; 4) avoid of probity situation in which any personal conflict of interest with company interest; 5) Properly maintain and use internal information, assets, resources, companies and other organizations in the realm of Austindo Nusantara Jaya Agri (ANJA). Regarding all forms of corruption and bribery are prohibited based on company code of conduct.				

Principle 2: Compliance with Applicable Laws and Regulation

Criterion 2.1: There is compliance with all applicable local, national and ratified international laws and regulations.

2.1.1	Evidence of compliance with relevant legal requirements shall be available.				<i>Major</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence	The company has list of law and regulation year 2017 (FRM-SOP Leg 01 – 01 rev.03) and has maintained a copy of all licenses both in hard and soft files. The company has carried out evaluation of compliance to regulation and law period of 2016 and the result of evaluation has stated on a report (FRM-SOP Leg 01 – 02). An overview of evaluation of compliance with laws and regulations is mentioned below: 1. Law no. 5 year 1960 (land legacy) and Governor regulation no.16 year 2004 (land management) with some evidences are the company has land use right. 2. Law no.18 year 2004 (plantation and mill) with some evidence is the company has plantation business/ operational permit (IUP) such as no.503/0004/IUP/I/2013 for palm oil mill, no. 105/HK.350/SK/Dj/BUN/10.97/1997 for area 6,000 ha, no.525/472/K/2005 for area 3,214.90 ha, and no.525.26/9541/2007 for area 238.69 ha. Moreover, the company has got approval for change of plantation type from rubber (5,500 ha) & cocoa (2,500 ha) to oil palm (6,000 ha) on the land bank of 10,000 ha from Minister of Agriculture (c.q Directorat of Jenderal of Plantation) on the letter no.HK.350/E4.162/04.88 dated on 11 April 1988 jo no.HK.350/E4.616/07.91 dated on 23 July 1991. 3. Ministry of Agriculture decree no.17/Permentan/OT.14/2010 (guidelines for assessment of				

- plantation business) with evidence is head of plantation department decree on North Sumatera Province regarding plantation category on behalf the company is class I.
4. Law no. 41 year 1999 (forestry) with evidence is management and monitoring of HCV and buffer zone (procedure no.SOP-SCD-02).
 5. Law no.32 year 2009 (fundamental rules on environmental protection) with evidence is the company has implemented the law into the SOP/procedure concerning land clearing with zero burning (SOPAGR-03), marginal land management (SOP-AGR-06), soil and water conservation (SOP-AGR-05), management of HCV and buffer zone (SOP-SCD-02), peat land management (SOP-AGR-04), etc.
 6. Government regulation no. 27 year 1999 (environmental impact assessment) with evidence is the company has obtained approval of EIA based on the Ministry of Agriculture no. 08/AMDAL/RKLRPL/BA/III/1998 dated on 03 November 1998.
 7. Law no.17 year 2004 (Kyoto protocol on climate change) with evidence is the company has obtained the ISCC certification with current certificate no.EU-ISCC-Cert-DE129-35186923 validity period 2 November 2016 until 01 November 2017 which relates to monitoring emissions.
 8. Government regulation no. 41 year 1999 (emission control) and decree of environmental agency no.KEP-205/BAPEDAL/07/1996 (static emission) with evidence is the company has conducted air pollution control and emission control periodically every six months at the mill.
 9. Government regulation no. 74 year 2001 (management of hazardous substance) with evidence is the company have safety instruction management of chemicals (SOP-AGR-19), pesticides and management (SOP-AGR-18), weed control (SOP-AGR-17) and IPM (SOP-AGR-20).
 10. Government regulation no.18 year 1999 (hazardous waste management) with evidence is hazardous waste management conducted in collaboration with CV Amindy Barokah (third party) where CV Amindy Barokah hold operation permit from environmental agency of Padang Lawas District no. B.3843/Dep.IV/LH/03/2013 valid until year 2018.
 11. Government regulation no. 101 year 2014 (permit for chemical and hazardous substances storage) with evidence is hold hazardous storage permit from environmental agency of Padang Lawas District no.503/009/B3/VII/2014 valid until year 2019 (stored for maximum 90 days). Moreover, the company have MoU with hazardous waste collector (CV Amindy Barokah) date on 24 June 2017 for used container of pesticide chemicals, expired chemicals, used oil, TL lamp, used battery, medical waste and laboratory used and valid until 24 June 2018.
 12. Decree of environmental Ministry no.28 and 29 year 2003 land application permit of POME with evidence is technical guidelines for assessment and licensing procedure for land application of POME and hold permit of land application from Environmental agency of Padang Lawas District no.503/0001/LA/VIII/2017 valid until 18 August 2020.
 13. Presidential decree no. 71 year 2011 (national inventory and mitigation of GHG) with evidence is the company has conducted the inventory and mitigation of GHG year 2016.
 14. Law no. 13 (labour) with evidence is the company has complied regarding minimum wage based on North Sumatera Governor decree of 29 December 2016, prohibition of employment of children under the age of 18 years through SOP no.018/HR & GA/CP/05-2009 on guidelines employee acceptance, ban on pregnant and lactating women to perform spraying and employee promotion.
 15. Law no.1 year 1970 (occupational of work) with evidence is the company has a safety management system through OSH manual for estate and mill. The company has some permits such as boiler operation license no. 02/P.001A (boiler Vikers) valid until May 2019, no. 600/042/2014 (boiler Mackenzie) valid until May 2019 and boiler operation license for the staff who works at the boiler was approved and granted by Department of labour.
 16. Law no. 3 year 1992 (labor social insurance) with evidence is the company has joined as member of the social insurance (certificate no.07AB3004 and 7AB3005) since January 1, 1995. Inspection of payment records at either mill or estates year 2017 was available.
 17. Law no.21 year 2000 (labour union) with evidence is the company has issued memorandum from Human Resource Director no. 079/ANJA-Binanga/GM-HRD/IM/VIII/2013. In this memorandum the company allows their employees to perform the labor union and provides facility for the meeting.
 18. Law no. 2 year 2004 (resolution of labor dispute) with evidence is the company has issued the memorandum from human resources director no. 017/GM/ANJ-BINANGA/2-2014. In this memorandum the company has a mechanism on how to resolve if any dispute happened.
 19. Government decree no. 8 year 1981 and labor decree no. 4 year 1993 (OHS) with evidence is the company has included their employees in a health insurance program no. 150000005595 date on July 2015.
 20. Government regulation no. 101 year 2014 appendix 1 (hazardous waste) that the company was compliance with regulation because container of agrochemical used as container of fossil fuel and management of contaminated sands (spill kit sand) has yet to refer to regulation it on house of genzet, warehouse of pesticide, warehouse of washing agrochemical container, central warehouse, warehouse of fossil fuel and warehouse of hazardous waste (TPS LB3).

2.1.2	A documented system, which includes written information on legal requirements, shall be maintained.	<i>Minor</i>
Findings	In compliance: Yes: <input type="checkbox"/> X No: <input type="checkbox"/>	
Objective evidence:	The company has mechanism to ensure compliance with all applicable laws and regulations through SOP of regulation compliance evaluation (SOP-Leg-01 dated on 30 March 2015 rev 3). Implementation of this procedure was followed up by providing a List of Applicable Law and Regulations and Report on the Evaluation of Compliance with Laws and Regulations. Documented systems to comply with change in related applicable law and regulation and others requirement is available and verified during the audit. Sighted List of Applicable Law and Regulations year 2017 (doc no. FRM-SOP Leg 01 – 01) and Report on the Evaluation of Compliance with Laws and Regulations year 2017 (doc no. FRM-SOP Leg 01 – 02) date on 17 March 2017.	
2.1.3	A mechanism for ensuring compliance shall be implemented.	<i>Minor</i>
Findings	In compliance: Yes: <input type="checkbox"/> X No: <input type="checkbox"/>	
Objective evidence:	The company has mechanism to ensure compliance with all applicable laws and regulations through procedure of regulation compliance evaluation (SOP-Leg-01 dated on 30 March 2015 rev 3). Implementation of this procedure was followed up by providing a List of Applicable Law and Regulations (FRM-SOP Leg 01 – 01) and Report on the Evaluation of Compliance with Laws and Regulations (FRM-SOP Leg 01 – 02). Documented systems to comply with change in related applicable law and regulation and others requirement is available and verified during the audit. The legal department of the company has been involved in Internal Audit to verify legal criteria. Internal audit of RSPO by Sustainability Department was carried out on 13 – 18 March 2017.	
2.1.4	A system for tracking any changes in the law shall be available and implemented.	<i>Minor</i>
Findings	In compliance: Yes: <input type="checkbox"/> X No: <input type="checkbox"/>	
Objective evidence:	The legal department of the company is responsible to update the list of applicable law and regulation by using internet access via relevant webmail address of and/or consultation to the related institutions, seminar/socialization/workshop by related institutions, accredited institution which relates with law and regulation (refers to SOP-Leg-01). The latest update of the report was on 17 March 2017 with added Regulation of Environment and Forestry Ministry No. P14, P15 and P16 year 2017 about peat land ecosystem, water level, restoration of peat land.	
Criterion 2.2: The right to use the land is demonstrated, and is not legitimately contested by local people who can demonstrate that they have legal, customary or user rights.		
2.2.1	Documents showing legal ownership or lease, history of land tenure ownership/control, and the actual legal use of the land shall be available.	<i>Major</i>
Findings	In compliance: Yes: <input type="checkbox"/> X No: <input type="checkbox"/>	
Objective evidence:	<p>The company holds the land use rights (Hak Guna Usaha) such as :</p> <ul style="list-style-type: none"> • Land use right certificate no.1 dated on 4 September 1993 on behalf PT Eka Pendawa Sakti in Simangambat Julu village, Barumon Tengah Sub District (current is Simangambat Sub District), Tapanuli Selatan District with total areas is 6,000 ha with their base of register is Head of National Land Agency decree No.32/HGU/BPN/91 dated on 6 November 1991 (total areas is 5,833.75 ha) jo no.32/HGU/BPN/91/A/50 dated on 31 May 1993 (total areas is 6,238 ha). Illustration of land use right areas has showed on map of special situation (peta gambar situasi khusus) no.5/10/IV/1993 dated on 8 January 1993. The first validity of certificate until 31 December 2021 and based on Head of Land Use Right decree no.76/HGU/BPN/2005 dated on 21 June 2005 that validity of certificate has extended until 31 December 2076. Section i) on land use right certificate no.1 has informed that certificate for at least areas of ± 238 ha will be issued after the company has controlled/compensated areas it. During audit has verified progress land use right (HGU) on process as follow: HGU on process 20 ha (part of ± 238 ha), sighted copy Letter No. 040/LP/ANJA/EM/XI/2016 dated November 01, 2016 regarding land registration Issuing HGU certificate up on issuing decree letter of land use right no. 32/HGU/BPN/91 dated November 06, 1991 Jo Decree Letter HGU No. 32/HGU/BPN/91/A/50, dated May 31, 1993 for 20 ha area in Padang Lawas District on behalf PT Austindo Nusantara Jaya Agri. The letter sent to head of land officer Tapanuli Selatan District. The company propose to register 20 ha land located in Pulo Bariang village, Hurisrak sub district, Padang Lawas utara district. The letter was received by land officer Tapanuli Selatan District on November 02, 2016 as seen on receiving notes on the letter. There is no new progress for this HGU on process. • Land use right certificate no. 02 dated on 10 September 2009 on behalf PT Austindo Nusantara Jaya Agri in Ramba village, Huristik Sub District, Padang Lawas District (Tapanuli 	

	<p>Selatan is old district name) with total areas is 197.05 ha with their base of register is Head of National Land Agency decree No.02-540.2-22-2009 dated on 16 March 2009. Illustration of land use right areas has showed on map of special situation (peta gambar situasi khusus) no.18/10/2008 dated on 27 March 2008. The validity of certificate until 9 September 2044. Based on Head of Forestry Department in Tapanuli Selatan letter no.522/1527/2006 dated on 18 September 2006 that it has excluded from forest areas which refer to Minister of Forest decree no.44/Menhut-II/2005 dated on 16 February 2005 and or Minister of Forest decree no.201/Menhut-II/2006 dated on 5 June 2006).</p> <ul style="list-style-type: none"> • Land use right certificate no. 03 dated on 26 January 2001 on behalf PT Eka Pendawa Sakti in Simangambat Julu, Pasing Pinang, Air Gala village, Barumon Tengah Sub District, Padang Lawas District (Tapanuli Selatan is the old name for district) with total areas is 3,214.90 ha with their base of register is Head of National Land Agency decree No.67/HGU/BPN/2000 dated on 18 December 2000. Illustration of land use right areas has showed on map of special situation (peta gambar situasi khusus) no.05/10/2000 dated on 9 May 2000. The validity of certificate until 25 December 2091. <p>Based on notary act no.6 dated on 6 dated on 20 July 2005 on section 1 by notary of Mala Mukti,SH has informed that there is change of company name from PT Eka Pendawa Sakti to PT Austindo Nusantara Jaya Agri but shareholder no change. It has approved by government on decree of Minister of law and human right no.C-20304.HT.01.04.TH.2005 dated on 22 July 2005. Moreover, the change of company name has written by Investment Coordinating Board on letter no.1350/B.1/A.6/2005 dated on 2 August 2005.</p>				
2.2.2	Legal boundaries are demonstrated clearly and maintained.				<i>Minor</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>The company has map of boundary stone from National Land Agency each region or estate with scale 1:30,000. Moreover, the company has showed map of special situation each land use right decree or land use right certificate which has informed distribution of boundary stone. The company has mechanism regarding maintenance of boundary stone where the company will conduct boundary monitoring every 6 month. The report of boundary monitoring consisted of the list and photograph of boundary stones and minute activity re-checking or monitoring of boundary stone. Sighted reports of boundary monitoring in 2017:</p> <ul style="list-style-type: none"> • East Estate date on 27 March 2017 with result that all boundary stones demonstrated clearly and maintained. • Central Estate date on 30 March 2017 with result that all boundary stones demonstrated clearly and maintained. • West Estate date on 3 April 2017 with result that all boundary stones demonstrated clearly and maintained. <p>Field inspection for legal boundaries at Div 3 block K36 – boundary stone no. EPS 001 (N 1^o 28' 2.576"; E 99^o 59' 26.419") and Div 12 block L12 – boundary stone no. BPN 037 001 (N 1^o 27' 12.286"; E 99^o 58' 1.822") showed that legal boundaries are demonstrated clearly and maintained.</p>				
2.2.3	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.				<i>Minor</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>The company has maintained records all former land acquisition process including documents of land dispute resolution during 1993 to 2005. There is no new land acquisition until now.</p> <p>Currently, the company is handling a case of rubber trees in HGU area amount 1.6 ha owned by Mr. Marwan. The company was identifying the land and communicating with head of village and rubber trees owner to resolve this case.</p> <p>The company has implemented Procedure for Handling of Different Opinion with Community and Land Conflict/dispute, No. SOP-LEG-03 to resolve this case.</p>				
2.2.4	There shall be an absence of significant land conflict, unless requirements for acceptable conflict resolution processes (see Criteria 6.3 and 6.4) are implemented and accepted by the parties involved.				<i>Major</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>During audit, there is no significant land conflict. Currently, the company is handling a case of rubber trees in HGU area amount 1.6 ha owned by Mr. Marwan. The company was identifying the land and communicating with head of village and rubber trees owner to resolve this case.</p>				

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.	<i>Minor</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	The company has maintained records all former land acquisition process including documents of land dispute resolution during 1993 to 2005. There is no new land acquisition until re-certification audit. Currently, the company is handling a case of rubber trees in HGU area amount 1.6 ha owned by Mr. Marwan. The company was identifying the land and communicating with head of village and rubber trees owner to resolve this case.	
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.	<i>Major</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	Currently, the company is handling a case of rubber trees in HGU area amount 1.6 ha owned by Mr. Marwan. The company was identifying the land and communicating with head of village and rubber trees owner to resolve this case. There was no evidence that the company has instigated violence. Procedure for Handling of Different Opinion with Community and Land Conflict/dispute (No. SOP-LEG-03) has been implemented to resolve this case.	
Criterion 2.3: Use of the land for oil palm does not diminish the legal, customary or users 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).	<i>Major</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	The company has map of estates scale 1:30,000. This map is recognized legal from National Land Agency. This map was developed through participatory mapping involving affected parties (local community, relevant institutions and the company). Based on consultation with local communities at Tar Sihoda-hoda and Tobing Jae Villages, the land boundary was clear and no customary right in the estates.	
2.3.2	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: a. Evidence of consultation b. Statement of transfer of rights c. Evidence of compensation See specific guidance 2.3.2	<i>Minor</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	The company has maintained records all former land acquisition process including documents of consultation, official report of compensation and land dispute resolution during 1993 to 2005. There is no new land acquisition until re-certification audit. Currently, the company is handling a case of rubber trees in HGU area amount 1.6 ha owned by Mr. Marwan. The company was identifying the land and communicating with head of village and rubber trees owner to resolve this case.	
2.3.3	Relevant information shall be available in appropriate forms and languages, including analysis of impacts, proposed benefit sharing, and legal arrangements.	<i>Minor</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	The company has maintained records all former land acquisition process including documents of consultation, official report of compensation and land dispute resolution during 1993 to 2005. The company used the land compensation manner to land acquisition. There is no new land acquisition until re-certification audit.	

2.3.4	Evidence shall be available to show that communities are represented through institutions or representatives of their own choosing, including legal counsel.	<i>Major</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	The company has maintained records all former land acquisition process including documents of consultation, official report of land compensation and land dispute resolution during 1993 to 2005. The company used the land compensation manner to land acquisition. Based on official report of land compensation, local government and land owners involved in the land acquisition. There is no new land acquisition until re-certification audit.	

Principle 3: Commitment to Long-Term Economic and Financial Viability		
Criterion 3.1: There is an implemented management plan that aims to achieve long-term economic and financial viability.		
3.1.1	A documented management plan, a minimum of three years shall be available, including, where appropriate, plan for scheme smallholders.	<i>Major</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	The company has financial projection period of 2017 – 2021 such as 1) Basic information: planting program (new planting & replanting), total areas (mature & immature), FFB production from internal (estate) & external, yield (tonnes/ha), yield standard, extraction of CPO & PK (internal (estate) & external), CPO & PK production (internal (estate) & external), sale of CPO & PK (tonnes), price of CPO & PK (USD), opening & closing stock CPO & PK; 2) Income statement: sale of CPO & PK (USD) selling expenses, FFB purchase, estate expenses (field work, harvesting & transport, general changes ex-medan, general changes estate), oil mill expenses (processing, mill administration cost) & inventory adjustment, operation profit, head office expenses, depreciation of medan office, other income/expense, exchange gain/loss, profit before interest, financial charges, profit before tax tax, profit after tax; 3) Cashflow: profit after tax, plus depreciation, working capital & interest expense, corporate tax, estate capital (machinery, field development expenditure, housing and building, road and bridges, water & power, vehicle and heavy equipment, furniture & fitting & office equipment), palm oil mill, medan office capital expenditure, construction in progress, total capex, shareholders loan repayment, dividend, capital withdrawal/injection, investment in subsidiaries, bank loan, payment related to plasma, interest payment, net cash flow, opening balance & closing balance.	
3.1.2	An annual replanting programme projected for a minimum of five years (but longer where necessary to reflect the management of fragile soils, see Criterion 4.3), with yearly review, shall be available.	<i>Minor</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	The company has a replanting program for 5 years (year 2016 to 2021) date on 17 March 2017 (ref doc no. REK-GMO-13). Replanting program in 2018 for year of planting (YOP) 1988, 1990 and 1991 with total area 576.31 Ha. YOP 1988, 1990 and 1991 still productive and still visible to harvest in field in 2017.	

Principle 4: Use of Appropriate Best Practices by Growers and Millers		
Criterion 4.1: Operating procedures are appropriately documented, consistently implemented and monitored.		
4.1.1	Standard Operating Procedures (SOPs) for estates (land clearing to harvesting) and SOP for mills (reception of FFB to dispatch of CPO and PKO) shall be available.	<i>Major</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	The company has policy, manual, procedures, work instruction, management plan, internal memo and records for plantation and mill and it was documented. Documentation system procedure (SOP-SCD-01) consist of document approval level, code of department, code of document, identity of document, document control, record control, complete of information on document, numbering system on document, etc. All document system has provided on working areas/keeping areas. The procedures have been covering all main activity such as harvesting, transportation, manuring, IPM, best practice and supply chain. Based on visits to plantation and	

mill, the location has provided each the procedures.

All policies and procedures have been stated on master list of document (FRM-SOP SCD 01-01). Some policies and procedures (standard of procedure (SOP) for all operational activities such as:

- Agronomy Procedure consist of: SOP of road construction and estate lay out (SOP-AGR-01), SOP of LC with zero burning (SOP-AGR-03), SOP of soil and water conservation (SOP-AGR-05), SOP of nursery (SOP-AGR-07), SOP of muccuna planting (SOP-AGR-08), SOP of fertilizer and manuring (SOP-AGR-11), SOP of harvesting preparation (SOP-AGR-15), SOP of IPM (SOP-AGR-20), SOP of replanting (SOP-AGR-28) etc.
- Sustainability Compliance Procedure consist of: SOP of documentation system (SOP-SCD-01), SOP of HCV and buffer zone (SOP-SCD-02), SOP of Internal audit management system (SOP-SDD-03), SOP of GHG (SOP-SCD-04), SOP of Traceability (SOP-SCD-05), SOP of Mass Balance (SOP-SCD-06), SOP of calibration (SOP-SDD-12), SOP of emergency response etc.
- Environment, Health and Safety Procedure consist of: SOP of safety for spraying worker (SOP-EHS-001), SOP of safety for harvesting worker (SOP-EHS-003), SOP of waste management plan (SOP-EHS-008), SOP of LB3 handling (SOP-EHS-009), SOP of identification of hazardous and risk assessment (SOP-EHS-019) etc.
- Clinic Procedure consist of: SOP of health service about outpatient, inpatient and referral (SOP-BP-01), SOP of health service for emergency condition (SOP-BP-02), SOP of health logistic (SOP-BP-03), SOP of medical check up for employee (SOP-BP-04) etc.
- HR & GA Procedure consist of: corporate policy of training (014/HR&GA/CP/Training/07-2007), corporate policy of PPE (CP-HR&GA-027) etc.
- Central Workshop & Transport Procedure consist of: SOP of road maintenance (SOP-CWT-001), SOP of central workshop (SOP-CWT-002) and SOP of transport management (SOP-CWT-003).
- Mill Procedure consist of: SOP of FFB receipt station (ST.01/Eng-RCT); SOP of sterilizer station (ST.02/Eng-STR), SOP of Threshing station (ST.03/Eng-THRS), SOP of Kernel station (ST.06/Eng-KRN), SOP of circulation and transferring CPO in storage tank (ST.24/Eng-LAB), SOP of Dispatch CPO and Kernel (ST.14/Eng-DPCT) etc.
- Purchasing Procedure consist of: SOP of product request by Medan/Jakarta office (No.I), SOP of location of buying/requesting product (No.II), SOP of product purchasing (No.III), SOP of requesting and buying of fertilizer (No.IV), SOP of CAPEX and purchasing flowchart (No.V).
- Finance and Accounting Procedure consist of: SOP of operation procedure (ANJA-CEO-SOP 01), SOP of conflict interest (SOP-GEO-SOP 02), SOP of preparation of annual budget (ANJA-CEO-SOP03), SOP of font standard, cost/data write system, stock code, account/description code and terminology (ANJAF&A-SOP28), SOP of requirement for FFB supplier (ANJA-F&A-SOP31) etc.
- Legal Procedure consist of: SOP of evaluation of compliance regulation & law (SOP-Leg-01), SOP of communication & information dessionation (SOP-Leg-02), SOP of handling of different opinion with community and land conflict/dispute (SOP-Leg-03).
- Civil Engineering Procedure consist of: SOP of brick and plaster work (SOP-CE-02), SOP of grouting work (SOP-CE-03), SOP of harvesting bridge (SOP-CE-04) etc.
- Training Procedure consist of: SOP of training (SOP-PDV-01)

During field inspection at nursery, Central Estate showed that:

- Nursery at PT ANJ Agri Binanga has done in 2 stages, pre nursery (PN) and main nursery (MN).
- The seedlings grown in the nursery are from PT Sucofindo, Sriwijaya (SJ-5) and PT ASD-Bakrie Oil Palm Seed Indonesia (Themba). Sighted seed certificate from producers.
- Planting seedlings in MN using plant spacing 90 cm x 90 cm x 90m or population 13,600 seedlings per hectare.
- Watering seedlings using Sumisansui Irrigation System, with 2 : 1 system.
- Spray water volume in pre nursery 300 ml/ day/ babybag, while in main nursery 2 liters/ day/ polybag.
- Number of seedlings embedded in MN (main nursery) as much as 130,568 seeds consisting of 123,588 Socfindo seedlings and 6,980 seedlings SJ-05.
- The growth conditions of seedlings in PN and MN showed good results.

No		Socfindo	Sriwijaya (SJ-05)	PT ASD-Bakrie (Themba)
1	Initial normal sprouts	106,286	5,701	6,236
2	Initial doubletone sprouts	17,302	1,013	547
3	Total	123,688	6,714	6,783
	Culling result at pre nursery :			
4	Normal sprouts	93,614	5,236	
5	Doubletone sprouts	15,824	967	

6	Todate culling percentage	14,150		
7	Amount of sprouts from culling	109,438	6,203	
Doubletone seedling :				
8	Separation of doubletone seedling	31,648	1,934	
9	Culling d-tone transplanting to Main Nursery	1,674	190	
10	Result	29,974	1,744	
11	Total transplanting to Main Nursery	123,588	6,980	

During field inspection at pre nursery still found chimera seed, seed with rolled leaf and seed with leaf such as grass leaf although only few.

During field inspection for Black Bunch Cencus (BBC) at East Estate (Div 4, Block K-37), Central Estate (Div 7, Block H-25) and West Estate (Div 12, Block J-10) showed that:

- East Estate (Div 4, Block K-37), YOP 1997
BBC (Black Bunch Cencus) is conducted to estimate FFB production in the next 4 months. The calculated fruit is a black fruit (raw). Currently conducted BBC activity 3rd period. The tree that the census has done is marked with the number of fruits, the census period and the year. Example of the census mark is 9 / III / 2017 which means the number of fruits = 9, the 3rd census period and the year 2017. To estimate the yield of tomorrow's harvest, a harvesting harvest is observed. The harvest density (AKP) at the block K-37 is 1 : 6, meaning that every 6 trees have 1 bunches that can be harvested, with 3 times a month harvest rotation.
- Central Estate (Div 7, Block H-25), YOP 1995
BBC (Black Bunch Cencus) is conducted to estimate FFB production in the next 4 months. The calculated fruit is a black fruit (raw). Currently conducted BBC activity 3rd period. The tree that the census has done is marked with the number of fruits, the census period and the year. Example of the census mark is 9 / III / 2017 which means the number of fruits = 9, the 3rd census period and the year 2017. To estimate the yield of tomorrow's harvest, a harvesting harvest is observed. The harvest density (AKP) at the block H-25 is 1 : 6, which means that every 6 trees there are 1 bunches that can be harvested, with harvest rotation 3 times a month
- West Estate (Div 12, Block J-10), YOP 1994
BBC (Black Bunch Cencus) is conducted to estimate FFB production in the next 4 months. The calculated fruit is a black fruit (raw). Currently conducted BBC activity 3rd period. The tree that the census has done is marked with the number of fruits, the census period and the year. Example of the census mark is 9 / III / 2017 which means the number of fruits = 9, the 3rd census period and the year 2017. To estimate the yield of tomorrow's harvest, a harvesting harvest is observed. The harvest density (AKP) at the block J-10 is 1 : 6, which means that every 6 trees there are 1 bunches that can be harvested, with harvest rotation 3 times a month.

4.1.2	Checking or monitoring of operations procedures is conducted at least once a year.	<i>Minor</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	Based on internal memo no.024/GM/ANJA-BNG/IM/III-2017 dated on 10 March 2017 that the company has carried out review of SOP and their result is all SOPs still appropriate so that all operations shall be implement refer to SOPs. Policy, manual, SOP and work instruction shall reviewed minimum 1 year refers to SOP of documentation system (SOP-SCD-01).	
4.1.3	Records of monitoring and any follow-up actions shall be available.	<i>Minor</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	The company has mechanism to check implementation of SOP through internal audit procedure refers to SOP of audit internal for management system (SOP-SDD-03). Correction action from internal audit has stated on nonconformity report. The management monitored the implementation and operations of the mill and estates through Internal Audit Operations, Engineering and Agronomy visit and internal audit of RSPO. The internal audit and external financial audit have been conducted once a year. Internal audit of RSPO was carried out on 13 – 18 March 2017 with 8 Major and 7 Minor non-conformities. Record of the internal audit was maintained properly and 13 non-conformities have been closed by 8 April 2017 and 2 NCs are in progress.	
	All activities regarding the estate and mill operation were recorded in the estate and mill monthly report (DOC-ANJA-001) respectively, working paper and or form of application, master list of document. The monthly report contains amongst others: detailed FFB/CPO/PK production and	

	<p>expenses, fertilizer, pesticide and herbicide application, stock balance of warehouse, operational expenses, medical expenses and labour expenses. Documents and records of monitoring was maintained and available example Rek-ANJA-SCD-07 (list of fertilizer has used), Rek-ANJA-SCD-06 (list of agrochemical & LD50 was used in year 2017), Rek-ANJA-SCD-02 (agrochemical used and ingredient used per hectare and per FFB), Rek-ANJA BNG-MILL-005 (monitoring of mass balance), Rek-ANJA BNG-MILL-001 (recapitulation of production in mill), recapitulation of EFB application (REK-GMO-09), recapitulation of agricare application (REK-GMO-08), EHS monthly report estate (Rek-ANJA-EHS-01), program and realization of EHS activities in estate (FRM-SOP EHS 025-062), accident report (FRM-SOP EHS 020-015), investigation of work accident report (loss time accident) (FRM-SOP EHS 020-016), accident root cause analysis checklist (FRM-SOP EHS 20 – 069), etc.</p> <p>Based on observations at the field, most of the area of PT ANJ Agri Binanga has undulated topography. At Central Estate and East Estate there is no terracing action against areas with high steepness. The implementation of terrace has only done at Block J-26, J-27 and J-28 in West Binanga Estate area of 372 ha.</p> <p>The company has applied good agriculture practices to regulate soil fertility among others by:</p> <ol style="list-style-type: none"> 1. In accordance with the Technical Guidelines of the Leaf Sampling Unit (LSU), the company has performed leaf analysis for the determination of fertilizer requirement for one year. Technical sampling of leaves was performed on the 17th leaf on each plant sample 2. In accordance with the Technical Guidelines of Soil Sampling Unit (SSU) the company has conducted soil analysis every 7 (seven) years. Technical sampling of the soil is done in die gravity with a depth of 0-30 cm and 30-60 cm from the soil surface <p>The company has been doing activities to improve soil fertility by EFB application, especially at sandy area. Preparation of EFB for the sandy area is applied to each inter-row.</p> <p>The company has applied fertilizer application with POME by Land Application (LA), especially in the area near mill, at block C-16, E-08, E-09, E-06, E-07, F-20 and F-21. Land application is applied on dead path (<i>gawangan mati</i>), with flatbed size 20 cm (depth), 2.5 m (wide) and 3.0 m (long).</p> <p>The company already has IPM program such as:</p> <ul style="list-style-type: none"> • Biological way with the planting of <i>Turnera subulata</i>, <i>cassia</i> sp and <i>Antigonon</i> sp, as well as owls (<i>tyto alba</i>). • Chemical way with pesticide. The company does not use paraquat anymore. <p>Observation of owl's gupon from 3 gupon there are 2 gupon still active which is indicated by bone of food scraps, egg shell, dirt and bird feathers.</p> <p>Observations at blocks K-37, K-39, H-25, J-12 show the condition of the plant is well preserved, circle and path fairly clean from the weeds.</p> <p>The condition of oil palm trees are well preserved, circle and path are quite clean from weeds and the SPH is quite good with 20 years old oil palm trees and SPH 122 per ha. Mature FFB criteria at PT ANJ Agri Binanga are 2 dropped bunches per kg of FFB. FFB treatment is good enough, short handle FFB with "V-shaped" cotton "V" system. FFBs are placed in TPH (collection points) with marked harvest numbers. FFB transport from TPH to mill is done by truck. The condition of the road from the garden to the factory is quite adequate with road conditions hardened with sand and stone. The harvest base is 59 JJG (bunch), with a more base premium for TBS Rp 40.- / JJG and Rp 120.- / kg fruit loose (<i>brondolan</i>).</p> <p>During field inspection for harvesting activity at West Estate, Div 12, Block J-10 YOP 1994 showed that many of Dura variety at this division.</p> <p>Based on sampling observations of several activities such as harvesting at block K-40, H-25, and J-33 have used APD as appropriate e.g helmet, and boots. While interviewing spraying workers at block K-37, K-39 and J-12, when conduct spraying they use APD such as apron, boots, masks, eye words, and rubber gloves. Workers have also understood the mechanism for replacing PPE when it is damaged and the company has provided PPE stock in the material warehouse. The company already has mechanisms for the provision of PPE and the replacement of PPE.</p>				
4.1.4	Records of the origins of all third-party FFB sourced (collector, deliver, Cooperative, Farmers Association and outgrower) shall be available.				<i>Major</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>The company already has grading system for FFB from Estates and from third party suppliers. FFB grading of FFB from Estates has been done strictly with sorting of the parthenocarpic, unripe FFB, long handle, over ripe FFB (restan > 2 days) and BJR < 6 kg. As for FFB from third party, the sorting is more loose, sorting especially to the waste, dirt and sand, black/ green FFB, over ripe FFB (restan > 2 days) and small FFB (< 6 kg).</p> <p>Binanga POM has procedure of the third party FFB sourcing (SOP-ANJ-01) and procedure of requirement to be FFB supplier (SOP-ANJA-F&A-SOP31) where the mill has implemented their SOP example the mill has carried out the selection to the third party FFB suppliers and listed them</p>				

in form of FM-ANJ-01-001 (approved supplier list / Daftar Supplier Terseleksi), including the third party FFB suppliers, FFB purchase agreement between the company with every FFB supplier, e.g:

- No. 005/ANJ-Agri/SP/TBS/I/2017 between PT ANJ Agri with Muhammad Sapi'i Pasaribu date on 2 January 2017 valid until 31 December 2017.
- No. 004/ANJ-Agri/SP/TBS/I/2017 between PT ANJ Agri with Unik Ponco Retnowati (UPR) date on 2 January 2017 valid until 31 December 2017.
- No. 003/ANJ-Agri/SP/TBS/I/2017 between PT ANJ Agri with Rika Rahayu Ritonga - CV HSR date on 2 January 2017 valid until 31 December 2017.
- No. 002/ANJ-Agri/SP/TBS/I/2017 between PT ANJ Agri with Siti Aman Siregar (STR) date on 2 January 2017 valid until 31 December 2017.
- No. 001/ANJ-Agri/SP/TBS/I/2017 between PT ANJ Agri with Sulkan Arifin (SJ) date on 2 January 2017 valid until 31 December 2017.

Mill has recorded the origins of all third party sourced FFB daily record in the form of FM-ENG-GRD (FFB grading report/ Laporan grading TBS), weighing slip, FFB delivery letter, report of FFB from third party.

There are supply of FFB by third party (ref date on 10 August 2017), the detailed amount is describe in table below.

No	Name of FFB supplier	Address	Amount of kg FFB (Jan – July 2017)
1	Sulkan Arifin (SJ)	Padang Sidempuan	4,491,640
2	Siti Aman Siregar (STR)	Pekan Sabtu	391,620
3	Unik Ponco Retnowati	Labuhan Batu	4,142,870
4	CV H. Sati Rambe (HSR)	Desa Simangambat Julu	32,193,520
5	M. Sapi'i Pasaribu	Labuhan Batu	8,745,620

Field inspection for receiving FFB from third party at Mill showed that Mill employee understand and know his job for FFB grading.

Observations at mill for the sorting of FFB from Estate, still found abnormal FFB (parthenocarpic) although the number is low, while the long handle, unripe FFB and over ripe FFB not found.

Observations at mill for the sorting of the FFB from third party, still found unripe FFB (under ripe) with mesocarp yellow or orange, and long handle but still acceptable or not sorted, while the sorting is done on garbage, dirt and sand.

Sighted FFB grading from third party date on 22 August 2017 as follow:

- Weighing slip no. 00862992
- Supplier: M. Sapi'i Pasaribu
- Vehicle no: BK 1478 XY
- Amount of FFB: 76 bunch
- Bunch Type: BB (big bunch)
- Empty bunch: 1 kg
- Dirt: 30 kg
- Total reduction: 30 kg
- Net weight: 1,200 kg

Criterion 4.2: Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.

4.2.1	A record of SOP implementation to maintain soil fertility that ensures optimal and sustained yield, shall be available	<i>Minor</i>
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Findings	In compliance: <input type="checkbox"/>	Yes: <input type="checkbox"/>	X <input checked="" type="checkbox"/>	No: <input type="checkbox"/>	<input type="checkbox"/>
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Objective evidence: The company has a procedure of fertilization i.e. SOP of fertilizer and fertilizing (SOP-AGR-11) and it has implemented on filed. To maintain soil fertility and improve soil structure, the company uses both inorganic fertilizer and organic fertilizer and implements good agriculture practices such as planting legume as cover crops, placing frond stack on inter-row.

During audit no fertilizer application. Sighted fertilizer application in Jan – July 2017 and EFB application period January – July 2017 as follow:

Estate	Dosage (Kg/Ha)	EFB Application (Ha)	Total (Kg)
East	40,000	169.09	6,763,600
Central	40,000	199.33	8,438,500
West	40,000	59.81	2,392,400

East Estate

Fertilizer	Recommendation (kg)	Realization (kg)
Sem 1		

GRP	578,014	578,045
HGFB-48	54,718	54,714
ZA	394,572	394,575
MOP	643,925	619,462
Sem 2		
ZA	515,160	326,627
MOP	502,495	-
Urea	334,342	-
Kieserite	71,843	-
Agricare	27,260	-

Central Estate

Fertilizer	Recommendation (kg)	Realization (kg)
Sem 1		
GRP	704,247	703,997
HGFB-48	48,058	48,038
ZA	382,276	382,155
MOP	470,464	459,716
Agricare Mature	55,958	55,959
Agricare Sempadan	18,778	17,725
Sem 2		
ZA	518,602	235,569
MOP	486,179	-
Urea	322,719	-
Agricare Mature	55,958	-
Agricare Sempadan	18,778	-

West Estate

Fertilizer	Recommendation (kg)	Realization (kg)
Sem 1		
GRP	751,794	751,794
HGFB-48	59,625	59,625
ZA	400,460	400,460
MOP	502,882	502,882
Sem 2		
ZA	555,381	307,929
MOP	594,154	-
Urea	379,767	-

The company has soil and leaf analysis procedure (SOP-AGR-26). In the procedure stated that the leaf analysis conducted once a year or every year and soil analysis conducted every 7 year. Soil analysis is conducted by estate department – PT ANJ Agri where the last report was in March 2013. Latest leaf or foliar analysis report has carried out on 22 March 2017 by PT Nusa Pusaka Kencana Analytical & QC Laboratory (Asian Agri research & development centre) and report issued on 2 May 2017 (ref No. 125/RD/EXT/L/MEI/17). Fertilizer recommendation based on leaf/ foliar analysis. Sighted fertilizer recommendation in 2017 e.g:

East Estate

Fertilizer	Recommendation (kg)
Sem 1	
GRP	578,014
HGFB-48	54,718
ZA	394,572
MOP	643,925
Sem 2	
ZA	515,160
MOP	502,495
Urea	334,342
Kieserite	71,843
Agricare	27,260

Central Estate

Fertilizer	Recommendation (kg)
Sem 1	
GRP	704,247
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4.2.2	Records of fertilizer inputs shall be available.	<i>Minor</i>																																						
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>																																							
Objective evidence:	<p>The company has a procedure of fertilization i.e. SOP of fertilizer and fertilizing (SOP-AGR-11) and it has implemented on filed. To maintain soil fertility and improve soil structure, the company uses both anorganic fertilizer and organic fertilizer and implements good agriculture practices such as planting legume as cover crops, placing frond stack on inter-row.</p> <p>EFB application on mature areas that volume of EFB application on PT ANJ Agri – Binanga Mill in January – July 2017 as follow:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Estate</th> <th style="text-align: center;">Dosage (Kg/Ha)</th> <th style="text-align: center;">EFB Application (Ha)</th> <th style="text-align: center;">Total (Kg)</th> </tr> </thead> <tbody> <tr> <td>East</td> <td style="text-align: center;">40,000</td> <td style="text-align: center;">169.09</td> <td style="text-align: right;">6,763,600</td> </tr> <tr> <td>Central</td> <td style="text-align: center;">40,000</td> <td style="text-align: center;">199.33</td> <td style="text-align: right;">8,438,500</td> </tr> <tr> <td>West</td> <td style="text-align: center;">40,000</td> <td style="text-align: center;">59.81</td> <td style="text-align: right;">2,392,400</td> </tr> </tbody> </table> <p>Land application for POME period January – July 2017: area = 200 ha, POME applied = 115,832 m3.</p> <p>Record of other fertilizers application described on paragraph above.</p> <p>During audit no fertilizer application at PT ANJ Agri – Binanga. Based on the result of interviewed with manuring workers showed that type of fertilizer used is a single fertilizer given alternately in 8 times a year. The company has provided APD facilities such as mask, boots and gloves.</p>		Estate	Dosage (Kg/Ha)	EFB Application (Ha)	Total (Kg)	East	40,000	169.09	6,763,600	Central	40,000	199.33	8,438,500	West	40,000	59.81	2,392,400																						
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4.2.3	Records of periodical leaf, soil and visual analysis shall be available.	<i>Minor</i>																																						
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>																																							
Objective evidence:	<p>The company has soil and leaf analysis procedure (SOP-AGR-26). In the procedure stated that the leaf analysis conducted once a year or every year and soil analysis conducted every 7 year. Soil analysis is conducted by estate department – PT ANJ Agri where the last report was in March 2013. Leaf analysis or foliar analysis report has carried out in March 2016 by PT Nusa Pusaka Kencana Analytical & QC Laboratory (Asian Agri research & development centre) and report issued on 7 April 2016 (ref No.072/RD/EXT/L/APR/16). The result of leaf analysis to be baseline the fertilizer recommendation for year 2017. Latest leaf or foliar analysis report has carried out on 22 March 2017 by PT Nusa Pusaka Kencana Analytical & QC Laboratory (Asian Agri research & development centre) and report issued on 17 April 2017 (ref No. 118/RD/EXT/L/APR/17) and 2 May 2017 (ref No. 125/RD/EXT/L/MEI/17).</p>																																							
4.2.4	A nutrient recycling strategy is recorded, including use of Empty Fruit Bunches (EFB), land application, and palm residues after replanting.	<i>Minor</i>																																						
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>																																							

Objective evidence:	<p>The company has a procedure of fertilization i.e. SOP of fertilizer and fertilizing (SOP-AGR-11) and it has implemented on filed. To maintain soil fertility and improve soil structure, the company uses both inorganic fertilizer and organic fertilizer and implements good agriculture practices such as planting legume as covercrops, placing frond stack on inter-row.</p> <p>Company has applied EFB and POME application by Land Application. Record of EFB application period January – July 2017 as follow:</p> <p>EFB application:</p> <table border="1"> <thead> <tr> <th>Estate</th> <th>Dosage (Kg/Ha)</th> <th>EFB Application (Ha)</th> <th>Total (Kg)</th> </tr> </thead> <tbody> <tr> <td>East</td> <td>40,000</td> <td>169.09</td> <td>6,763,600</td> </tr> <tr> <td>Central</td> <td>40,000</td> <td>199.33</td> <td>8,438,500</td> </tr> <tr> <td>West</td> <td>40,000</td> <td>59.81</td> <td>2,392,400</td> </tr> </tbody> </table> <p>Land application for POME period January – July 2017: area = 200 ha, POME applied = 115,832 m³.</p>					Estate	Dosage (Kg/Ha)	EFB Application (Ha)	Total (Kg)	East	40,000	169.09	6,763,600	Central	40,000	199.33	8,438,500	West	40,000	59.81	2,392,400
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Criterion 4.3: Practices minimize and control erosion and degradation of soils.																					
4.3.1	Maps of any fragile/marginal soils shall be available.				Major																
Findings	In compliance:	Yes:	X	No:																	
Objective evidence:	<p>The company has soil map with scale 1 : 35,000 and there is no fragile soil found. PT ANJ Agri – Binanga estate as a member of ANJ Group has developed <i>SOP Pengelolaan Tanah Marginal</i> or Marginal Soil Maintenance (SOP-AGR-06) dated on 1 August 2012 for managing fragile soils. This is procedure has shown that the management of ANJ Group takes care about the practices to minimize and control erosion and degradation of soils and this is applicable for all companies within the group.</p>																				
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																
Findings	In compliance:	Yes:	X	No:																	
Objective evidence:	<p>The company has topography map with scale 1 : 25,000. The topography of land in general was flat. Only a small area has 15-25% slope and to prevent this area from erosion, the company has developed land and water conservation program. The program includes terracing and planting leguminosae cover crop such as <i>Muccuna sp.</i> Map of topography and photographs for both terracing and LCC planting were available. Moreover, the company has planted vetiver grass on slope land to minimise soil erosion.</p> <p>Field inspection at West Estate showed that area of West Binanga Estate is mostly undulated/ slope, at Div 12, Block J-26, J-27 and J-28, YOP 1994 have been done terracing of about 372 ha.</p>																				
4.3.3	A road maintenance programme shall be in place.				Minor																
Findings	In compliance:	Yes:	X	No:																	
Objective evidence:	<p>The company has established SOP to maintain road as stated in SOP of road maintenance (PRS-CWT-001). Record of road maintenance was kept in <i>Program dan Realisasi Pemeliharaan Jalan</i> (Road Maintenance Program) e.g July 2017:</p> <ul style="list-style-type: none"> Central Estate Div 5, block E01 = 350 m, block E02 = 150 m, block E03 = 350 m. East Estate Div 2, block B03 = 510 m, block B04 = 840 m, block B05 = 560 m. West Estate Div 10, block M07 = 500 m, block M06 = 1500 m, block M05 = 1000 m. <p>During field visit sighted road maintenance at Div 10 block J33, West Estate. Transportation of TBS from bin to mill is done by truck. The condition of the road from Estates to Mill is quite adequate with road conditions hardened with sand and stone.</p> <p>Sighted significant difference between planning and realization for 2016 and 2017 at West Estate as follow:</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Program</th> <th>Realization</th> </tr> </thead> <tbody> <tr> <td>2016</td> <td>66,206</td> <td>464,800</td> </tr> <tr> <td>2017</td> <td>135,863</td> <td>423,903</td> </tr> </tbody> </table>					Year	Program	Realization	2016	66,206	464,800	2017	135,863	423,903							
Year	Program	Realization																			
2016	66,206	464,800																			
2017	135,863	423,903																			
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																
Findings	In compliance:	Yes:	X	No:																	
Objective evidence:	N/A. No peat soil at PT Austindo Nusantara Jaya Agri – Binanga.																				
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				Minor																

	growing.					
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>					
Objective evidence:	N/A. No peat soil at PT Austindo Nusantara Jaya Agri – Binanga.					
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).	<i>Minor</i>				
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>					
Objective evidence:	The company has soil map with scale 1 : 35,000 and no fragile soil found. Based on soil map shows that soil type consist of: sandy clay loam, sandy clay, sandy loam, clay, clay loam and loamy sandy. PT ANJ Agri – Binanga as a member of ANJ Group has developed <i>SOP Pengelolaan Tanah Marginal</i> or Marginal Soil Maintenance (SOP-AGR-06) dated on 1 August 2012 for managing fragile soils. This procedure has shown that the management of ANJ Group takes care about the practices to minimize and control erosion and degradation of soils and this is applicable for all companies within the group.					
Criterion 4.4: Practices maintain the quality and availability of surface and ground water.						
4.4.1	An implemented water management plan shall be in place.	<i>Minor</i>				
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>					
Objective evidence:	N/A no peat land, no water management plan for peat land					
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.	<i>Major</i>				
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>					
Objective evidence:	PT ANJ Agri – Binanga has SOP of HCV and buffer zone (SOP-SCD-02) which explains HCV and buffer zone. Field inspection shows that no agrochemical application at buffer zone (50 m from river).					
4.4.3	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).	<i>Minor</i>				
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>					
Objective evidence:	<p>The mill has processed effluent in form of palm oil mill effluent (POME) pond (Instalasi Pengelolaan Air Limbah (IPAL)). POME pond is 16 pond (aerobic, anaerobic and fish pond as indicator). Flow of effluent treatment process is liquid waste or effluent come from clarification station and or sludge separator dispatch to fat fit pond →control pond in fat fit pond →to colling pond →to anaerobic I pond →to anarebic II & III pond →anaerobic IV pond (and or cross circulation) →to aerobic V pond and or aerobic IX pond →effluent from aerobic V pond dispatch to aerobic VI pond →to aerobic VII pond →to aerobic VIII pond →to aerobic IX pond (effluent from aerobic and anaerobic pond mixing in here and as outlet of effluent to land application areas) →to land application areas. The cordinate inlet of effluent (fat fit pond) is 099053'22,7" E-01025'0,68" N and outlet of effluent (aerobic IX pond) is 099053'22,7" E- 01025'0,68".</p> <p>The company has measured quality of effluent or liquid waste every month according regulation (Ministry of Environment decree no.28 year 2003) with some parameters such as pH (6 to 9), BOD (< 5,000 mg/l), COD, Cd, Cu, Pb, Zn, Oil & Fat and volume of effluent or liquid waste. The result of measurement year 2017 period January – July (especially BOD) is compliance with standard or no over standard. Result of BOD analysis period Jan – July 2017 respectively 99.6 mg/l, 99.6 mg/l, 2290 mg/l, 99.3 mg/l, 1,930 mg/l, 1,420 mg/l and 2,300 mg/l.</p> <p>The company has a license for discharge effluent to land application areas from local government and has compliance with the requirement of the license. Permit of land application from Environmental agency of Padang Lawas District no.503/0001/LA/VIII/2017 valid until 18 August 2020. The company has noted volume of effluent or liquid waste discharge to land application and rotation block of land application for discharge effluent.</p>					
4.4.4	Monitoring of mill water use per ton of FFB shall be recorded.	<i>Minor</i>				
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>					
Objective evidence:	The company has monitoring of mill water use per ton FFB in 2017 refers to doc no. REK-ANJA BNG-MILL-007 as follow:					
	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%;">Month</td> <td style="width: 25%;">Water (M3)</td> <td style="width: 25%;">FFB (ton)</td> <td style="width: 25%;">M3/ton FFB</td> </tr> </table>	Month	Water (M3)	FFB (ton)	M3/ton FFB	
Month	Water (M3)	FFB (ton)	M3/ton FFB			

	Total Input	Process		Total Input	Process
January	50,944	20,608	14,734	3.46	1.40
February	44,891	22,945	13,637	3.29	1.68
March	50,435	23,808	15,502	3.25	1.54
April	36,483	13,916	11,916	3.06	1.17
May	54,119	29,106	13,793	3.92	2.11
June	49,256	25,865	10,335	3.65	1.92
July	55,474	27,200	12,570	2.98	1.46

Based on monitoring of mill water usage shows that ratio of water usage per ton FFB between 1.17 – 2.11 m³/ton FFB while based on Standard of Ditjen Perkebunan, 1997 : 4, ratio of water usage per ton FFB between 1.2 – 1.5 m³/ton FFB. Ratio of water usage per ton FFB at Binanga POM was higher than Standard of Ditjen Perkebunan because low crop and turbin operated 24 hours to produce electricity.

Criterion 4.5: Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.

4.5.1	Monitoring of Integrated Pest Management (IPM) plan implementation shall be available.	<i>Major</i>
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Findings	In compliance:	Yes:	X	No:	
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Objective evidence: The company has a IPM program for decreasing agrochemical usage. Available program and realization agrochemical 2016 – 2017. Sighted record of agrochemical usage 2016 – 2017 e.g:

- BM Metron (metil metsulfuron 20%): realization in 2016 as amount 206,386.634 g, realization in 2017 (until July) as amount 6,971.842 g with program in 2017 as amount 15,752.484 g
- Amiphosate 540 SL (kalium glifosat 540 g/ l): realization in 2016 as amount 13,188.26 l, realization in 2017 (until July) as amount 6,971.84 l with program in 2017 as amount 16,926.05 l.
- Garlon (triklofir 480 g/ l): realization in 2016 as amount 324.81 l, realization in July 2017 (until July) as amount 72.966 l with program in 2017 as amount 241.584 l.

The company has houses of owl (gupon) which used as predator to rat and beneficial plant program with *turnera subulata*, *cassia sp* and *antigonon sp*. Field inspection shows that there are houses of owl bird which used as predator to rat and beneficial *turnera subulata*, *cassia sp* and *antigonon*.

During audit there was no spraying activity, but interviews were conducted with the spraying workers. The company has provided APD facilities such as masks, glasses, helmets, boots, long-sleeved shirts, gloves and apron. Before spraying, spraying energy gets extra fooding (milk and egg). Spraying workers are adequately trained, have undergone training conducted internally.

4.5.2	Training records of Integrated Pest Management (IPM) shall be available.	<i>Minor</i>
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Findings	In compliance:	Yes:	X	No:	
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Objective evidence: Records of IPM training e.g:

- IPM training on 19 April 2016 by Baringin Marpaung at Central Estate (37 participants)
- IPM training on 24 february 2017 by Aswin Syahri at East Estate Office (12 participants).
- IPM training on 6 April 2017 by Ade M. Putra at Div 11, West Estate (61 participants).

Criterion 4.6: Pesticides are used in ways that do not endanger health or the environment.

4.6.1	Documented evidence shall be available to show that pesticide used based on regulations and the use of pesticide is specific to target species with appropriate dosage which have minimal impact on non-target species.	<i>Major</i>
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Findings	In compliance:	Yes:	X	No:	
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Objective evidence: The company have a list of agrochemical & LD50 year 2017 (REK-ANJA-SCD-06) and justification of use or function each agrochemical where type of agrochemical was used such as :

- Herbicide group: Garlon 670EC (ingredient : *triclopyr butoxy ethyl ester* 670 gr/l); Lindomin 865 SL (ingredient: *2,4-D dimetil amina* 865 gr/l); Amiphosate ultra 54 SL (ingredient : *kalium glifosat* 540 g/l); Basta 150 SL (ingredient: ammonium glufosinat 150 g/l), Glufo 150 SL (ingredient : *ammonium glufosinat* 150 g/l); Bionasa 480 SL (ingredient : *isopropil amina gliosat* 480 g/l), BM Metron 20 WG (ingredient : metil metsulfuron 20%) and Ally 20 Wg (ingredient: metal metsulfuron 20%).
- Insecticide group: Dipel SC (ingredient : *bacilus thuringiensis*); Antong 75 SP (ingredient : *asefat* 75%), Fenval 200 EC (ingredient: fenvalent 204.28 g/l), Sime RB Pheromone 1000 SL (ingredient: etil-4-metiloktanoat 999.9 g/l), Metaribb (ingredient: metarrhizium anisopliae), Marshal 5 G (ingredient: karbosulfan 5%), Decis 25 EC (ingredient: deltametrin 25 g/l) and

	<p>Meothrin 50 EC (ingredient: fenfropatrin 50 g/l).</p> <ul style="list-style-type: none"> Fungicide group: Bayfidan 3 g (ingredient: triadimenol 3%), Tiflo 80 WP (ingredient: tiram 80%) and Dithane M-45 80 WP (ingredient: mankozeb 80%) Additive or mixer: Agristick (ingredient : <i>alkilari poliglikol eter</i>) <p>Every agrochemical above has explained regarding product permit number, expired time, issued by, maximum dosis for poisoning level (LD 50 (mg/kg)) if via oral, inhalasi and skin, and agrochemical status every year, example:</p> <ul style="list-style-type: none"> Garlon has function herbicide to weight leaf, product permit number: RI. 0103011984695, expired date on 25 September 2018, issued by PT Dow AgroSciences Indonesia; LD 50 (mg/kg) via oral 1,581 mg/ kg, via inhalasi not available, via skin > 2,000 mg/kg and agrochemical status year 2017 is used. Lindomin 865 SL has function herbicide to weight leaf, product permit number: RI. 0103011989867 expired date on 12 December 2020, issued by PT Nufarm Indonesia; LD 50 (mg/kg) via oral 2,872 mg/ kg, via inhalasi not available, via skin 2,143 mg/ kg and agrochemical status year 2017 is used. <p>Recommendation of using agrochemical (l/ha) refer to recommendation of fertilizer and agrochemical from internal company or government.</p>																																																																	
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.	<i>Major</i>																																																																
Findings	In compliance: Yes: <input type="checkbox"/> X No: <input type="checkbox"/>																																																																	
Objective evidence:	<p>The company has data of agrochemical used year 2017 (Rek-ANJA-SCD-02), e.g:</p> <p>Amiphosate 540 SL (kalium glifosat 540 g/ l)</p> <table border="1"> <thead> <tr> <th>Estate</th> <th>Area</th> <th>FFB (ton)</th> <th>litre</th> <th>gram active ingredient</th> <th>litre/ ha</th> <th>gram active ingredient/ ha</th> <th>gram active ingredient/ ton</th> </tr> </thead> <tbody> <tr> <td>East</td> <td>3,129.39</td> <td>22,699.73</td> <td>2,265.70</td> <td>1,223,478</td> <td>0.7240</td> <td>390.96</td> <td>53.898</td> </tr> <tr> <td>Central</td> <td>3,414.53</td> <td>16,013.33</td> <td>2,499.45</td> <td>1,349,704</td> <td>0.7320</td> <td>395.28</td> <td>84.286</td> </tr> <tr> <td>West</td> <td>3,268.86</td> <td>13,140.07</td> <td>2,206.69</td> <td>1,191,613</td> <td>0.6751</td> <td>364.53</td> <td>90.685</td> </tr> </tbody> </table> <p>LD 50 (mg/kg) via oral > 5,000 mg/ kg, via inhalasi > 0.77 - < 2.21 mg/ l, via skin > 5,000 mg/ kg and agrochemical status year 2017 is used.</p> <p>Garlon (triklofir 480 g/l)</p> <table border="1"> <thead> <tr> <th>Estate</th> <th>Area</th> <th>FFB (ton)</th> <th>litre</th> <th>gram active ingredient</th> <th>litre/ ha</th> <th>gram active ingredient/ ha</th> <th>gram active ingredient/ ton</th> </tr> </thead> <tbody> <tr> <td>East</td> <td>3,129.39</td> <td>22,699.73</td> <td>61.120</td> <td>29,338</td> <td>0.01953</td> <td>9.37</td> <td>1.2924</td> </tr> <tr> <td>Central</td> <td>3,414.53</td> <td>16,013.33</td> <td>11.846</td> <td>5,686</td> <td>0.00347</td> <td>1.6653</td> <td>0.3551</td> </tr> <tr> <td>West</td> <td>3,268.86</td> <td>13,140.07</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> </tbody> </table> <p>LD 50 (mg/kg) via oral 1,581 mg/ kg, via inhalasi not available, via skin > 2,000 mg/kg and agrochemical status year 2017 is used.</p>	Estate	Area	FFB (ton)	litre	gram active ingredient	litre/ ha	gram active ingredient/ ha	gram active ingredient/ ton	East	3,129.39	22,699.73	2,265.70	1,223,478	0.7240	390.96	53.898	Central	3,414.53	16,013.33	2,499.45	1,349,704	0.7320	395.28	84.286	West	3,268.86	13,140.07	2,206.69	1,191,613	0.6751	364.53	90.685	Estate	Area	FFB (ton)	litre	gram active ingredient	litre/ ha	gram active ingredient/ ha	gram active ingredient/ ton	East	3,129.39	22,699.73	61.120	29,338	0.01953	9.37	1.2924	Central	3,414.53	16,013.33	11.846	5,686	0.00347	1.6653	0.3551	West	3,268.86	13,140.07	0	0	0	0	0	
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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.	<i>Major</i>																																																																
Findings	In compliance: Yes: <input type="checkbox"/> X No: <input type="checkbox"/>																																																																	
Objective evidence:	No prophylactic use of pesticides. Pesticides used for control the pest are based on the pest monitoring, however the PT Austindo Nusantara Jaya Agri – Binanga using the owl for every 10 ha and using beneficials plan such as turnera subulata, antigonon and cassia tora to control pest population.																																																																	
4.6.4	The evidence shall be available to demonstrate that use of Pesticides, categorized in Class 1A or 1B by World Health Organization, or those are listed in the Stockholm and Rotterdam Conventions, and paraquat are not used, except in specific situations identified in national Best Practice guidelines. The use of such pesticides shall be minimized and eliminated as part of a plan, and shall only be used in exceptional circumstances.	<i>Minor</i>																																																																
Findings	In compliance: Yes: <input type="checkbox"/> X No: <input type="checkbox"/>																																																																	
Objective evidence:	The company has not a special policy regarding commitment not use agrochemical which avoided by national and international regulation (WHO category 1A & 1B or conversion of Stockholm and																																																																	

	<p>Rotterdam) but company have SOP of agrochemical and their management (SOP-AGR-18) which has explained type or group agrochemical, matter required attention by agrochemical operator, keeping agrochemical, poisoning agrochemical and their symptom and first aid action for poisoning agrochemical. Moreover, the company have SOP of using agrochemical (SOP-AGR-19) which was explained regarding how to use agrochemical with safe, poisoning level, keeping agrochemical with safe for preventive action, mixing agrochemical and application, first aid if any poisoning, how to using and maintenance of apron.</p> <p>The company does not apply pesticides categorized in Class 1A or 1B by World Health Organization and paraquat.</p>																															
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>	<i>Major</i>																														
Findings	<p>In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> X No: <input type="checkbox"/></p>																															
Objective evidence:	<p>During audit no spraying activities at East Estate, Central Estate and West Estate. Interview was conducted to the spraying workers as follow: Sandi Yugi Hasugian and Nurmawan at Div 4, East Estate and Yutir Marwati at Div 10, West Estate. Based on the interview shows that all workers including their supervisor have a good understanding regarding the using pesticides and how to handle if there are a unsafe conditions, and records of training also available. Record of training for spraying worker e.g:</p> <ul style="list-style-type: none"> • IPM training on 19 April 2016 by Baringin Marpaung at Central Estate (37 participants) • IPM training on 24 february 2017 by Aswin Syahri at East Estate Office (12 participants) • IPM training on 6 April 2017 by Ade M. Putra at Div 11, West Estate (61 participants) • Safety for harvesting, manuring and spraying worker on 3 Feb 2017 by A. Tumanggor at Div 9, West Estate (34 participants) • Safety for harvesting, manuring and spraying worker on 3 Feb 2017 by A. Tumanggor at Div 10, West Estate (92 participants) • Safety for harvesting, manuring and spraying worker on 3 Feb 2017 by A. Tumanggor at Div 12, West Estate (40 participants) • Environment, Health and Safety training for spraying workers on 7 July 2017 by Joko Supriyanto and Wirya Syahputra at East Estate (26 participants) <p>Based on interview shows that spraying workers received appropriate and utilized safety equipment such as mask, apron, glove, safety shoes from company.</p>																															
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>	<i>Major</i>																														
Findings	<p>In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> X No: <input type="checkbox"/></p>																															
Objective evidence:	<p>During visit to the chemical storages at East Estate, Central Estate and West Estate show that permanent pesticides storage with emergency procedure and facilities such as eye washer, showers, mask, glove, goggles, apron and all pesticides in good handling. Empty pesticides containers are manged well, where the empty containers are kept in registered hazardous waste with already damaged. Sighted stock of agrochemical at agrochemical store:</p> <p>East Estate 23 August 2017</p> <table border="1"> <thead> <tr> <th>Agrochemical</th> <th>Balance</th> </tr> </thead> <tbody> <tr> <td>Lindomin (l)</td> <td>30.063</td> </tr> <tr> <td>Agristick (l)</td> <td>10.00</td> </tr> <tr> <td>Amiphosate (l)</td> <td>955.62</td> </tr> <tr> <td>BM Metron 20 WG (g)</td> <td>30.53</td> </tr> <tr> <td>Glufo 150 SL (l)</td> <td>59.00</td> </tr> <tr> <td>Fenval (l)</td> <td>21.00</td> </tr> </tbody> </table> <p>Central Estate 24 August 2017</p> <table border="1"> <thead> <tr> <th>Agrochemical</th> <th>Balance</th> </tr> </thead> <tbody> <tr> <td>Lindomin (l)</td> <td>6,596</td> </tr> <tr> <td>Agristick (l)</td> <td>24.92</td> </tr> <tr> <td>Amiphosate (l)</td> <td>1,266.18</td> </tr> <tr> <td>Garlon (l)</td> <td>3.45</td> </tr> <tr> <td>Basta 150WSC (l)</td> <td>8</td> </tr> <tr> <td>BM Metron 20 WG (g)</td> <td>52,076</td> </tr> <tr> <td>Glufo 150 SL (l)</td> <td>67.23</td> </tr> </tbody> </table>	Agrochemical	Balance	Lindomin (l)	30.063	Agristick (l)	10.00	Amiphosate (l)	955.62	BM Metron 20 WG (g)	30.53	Glufo 150 SL (l)	59.00	Fenval (l)	21.00	Agrochemical	Balance	Lindomin (l)	6,596	Agristick (l)	24.92	Amiphosate (l)	1,266.18	Garlon (l)	3.45	Basta 150WSC (l)	8	BM Metron 20 WG (g)	52,076	Glufo 150 SL (l)	67.23	
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4.6.7	Application of pesticides shall be by proven methods that minimise risk and negative impacts.	<i>Minor</i>																
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>																	
Objective evidence:	All worker who handling pesticides are facilitated with appropriate protective equipment such as mask, googles, glove, and apron. All workers are trained and has a good understanding how to used the pesticides including emergency responds procedure. The application pesticides are based on the target weed and pest controlled with minimum concentration used.																	
4.6.8	Pesticides may only be applied aerially where there is a documented justification. Surrounding communities shall be informed of impending aerial pesticide applications with all relevant information within reasonable time prior to application.	<i>Major</i>																
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>																	
Objective evidence:	N/A. No aerially pesticides used at PT Austindo Nusantara Jaya Agri – Binanga.																	
4.6.9	Evidence of training on handling pesticide for workers and scheme smallholder (if any) shall be available.	<i>Minor</i>																
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>																	
Objective evidence:	Record of Training for spraying workers, e.g. : <ul style="list-style-type: none"> IPM training on 19 April 2016 by Baringin Marpaung at Central Estate (37 participants) IPM training on 24 february 2017 by Aswin Syahri at East Estate Office (12 participants). IPM training on 6 April 2017 by Ade M. Putra at Div 11, West Estate (61 participants). Safety for harvesting, manuring and spraying worker on 3 Feb 2017 by A. Tumanggor at Div 9, West Estate (34 participants) Safety for harvesting, manuring and spraying worker on 3 Feb 2017 by A. Tumanggor at Div 10, West Estate (92 participants) Safety for harvesting, manuring and spraying worker on 3 Feb 2017 by A. Tumanggor at Div 12, West Estate (40 participants) Environment, Health and Safety training for spraying workers on 7 July 2017 by Joko Supriyanto and Wirya Syahputra at East Estate (26 participants) 																	
4.6.10	Proof that pesticide waste has been handled as per legal regulations and understood by worker and manager, shall be demonstrated.	<i>Minor</i>																
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>																	
Objective evidence:	During visit to the chemical storage at East Estate, Central Estate and West Estate show that permanent pesticide storages with emergency procedure and facilities such as eye washer, showers, mask, glove, googles, apron and all pesticides in good handling. During audit no spraying activities at East Estate, Central Estate and West Estate. Interview was conducted to the spraying workers as follow: Sandi Yugi Hasugian and Nurmawan at Div 4, East Estate and Yutir Marwati at Div 10, West Estate. Based on the interview shows that all workers including their supervisor have a good understanding regarding the using pesticides and how to handle if there are a unsafe conditions, and records of training also available. Empty pesticides containers are manged well, where the empty containers are kept in registered hazardous waste with already damaged.																	
4.6.11	Annual medical records of pesticide operators, and follow-up treatment of medical results, shall be available	<i>Major</i>																
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>																	

Objective evidence:	<p>The company has established SOP for medical examination for employee (SOP-BP-04) which explained medical examination for new employee until medical examination surveillance every 6 months for spraying worker.</p> <p>Monitoring of medical examination surveillance for spraying worker has been conducted every 3 months before 2017 and since 2017 every 6 months, records are available on 31 July 2017, 9 August 2017 and 10 August 2017.</p> <p>Monitoring of pregnant and breast feeding women has been conducted every month e.g record of monitoring of pregnant and breast feeding women at Central Estate on July 2017 (6 women workers).</p> <p>Based on interview with the spraying workers, no pregnant and breast feeding women on pesticides application at Estate. If any, spraying worker pregnant or breast-feeding women so that the company will relocating job to other job which not related with chemical.</p>				
4.6.12	Records shall be available to show that spraying is not conducted by pregnant or breast-feeding women.				<i>Major</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>The company has procedure of safety for spraying or pesticide operator (SOP-EHS-001). It has explained that boy and girl, pregnant women and breast-feeding women not allowed involve in chemist application.</p> <p>Monitoring of pregnant and breast feeding women has been conducted every month e.g record of monitoring of pregnant and breast feeding women at Central Estate on July 2017 (6 women workers).</p> <p>Based on interview with the workers, no pregnant and breast feeding women on pesticides application at East Estate, Central Estate and West Estate. If any, spraying worker pregnant or breast-feeding women so that the company will relocating job to other job which not related with chemical.</p>				
Criterion 4.7:					
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.				<i>Major</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>PT ANJ Agri has health and safety policy under “Kebijakan Lingkungan, Keselamatan dan Kesehatan Kerja (LK3)” date on 12 Jan 2017 signed by President Director (Mr. Geetha Govindan), Head of LKS Bipartit (Mr. M. Amin Pohan) and General Manager (Mr. Juli Wankara Purba), stated:</p> <p>“Austindo Nusantara Jaya Agri (ANJ Agri) berkomitmen untuk melaksanakan dan mengimplementasikan program-program LK3 sebagai bagian dari sistem manajemen perusahaan dengan mengacu pada peraturan yang berlaku dan untuk meningkatkan kesejahteraan karyawan serta menjadikan perusahaan berkelas dunia dengan melakukan peningkatan produktivitas, efisiensi dan perbaikan yang berkelanjutan.”</p> <p>The policy has been put on the information board at each estate and mill offices.</p> <p>The company has also established a health and safety plan, for examples:</p> <ul style="list-style-type: none"> • Environmental, health and safety induction for new employee and contractor. • Training of emergency preparedness and response (including first aid) • Periodic medical examination for workers • Providing of PPEs and first aid kits. <p>Observed in fields, the company has provided first aid boxes for supervisors and available monthly monitoring for first aid equipment such as sterile gauze, bandages, plaster, wound tape, cotton, wound wash, betadine, tweezers, scissors, first aid book guidance. Sighted Internal Memo No. 071/GM/ANJA-BNG/IM/VIII-2017 about ‘Daftar Isian Wajib Tas Pinggang (P3K)’ date on 24 August 2017.</p>				
4.7.2	A documented risk assessment shall be available and its implementation shall be recorded.				<i>Major</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>The company has conducted hazard identification and risk assessment for every kind of job types according to procedure of hazard identification and risk assessment (SOP-EHS-019). The risk assessment is last updated in 2017 and available at estates and mill. The company has recorded its implementation, for examples: written procedures or work instructions, warning signs, PPEs use, medical examination, etc.</p>				

4.7.3	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.	<i>Major</i>
Findings	In compliance: Yes: <input type="checkbox"/> X No: <input type="checkbox"/>	
Objective evidence:	<p>Training for safety working practices have been conducted by the company to the workers in 2016-2017. Records of safety training, e.g. :</p> <ul style="list-style-type: none"> • Environment, Health and Safety induction training for new employees on Nov 2016 by Habibi at EHS Officer Room - GMO (10 participants). • Environment, Health and Safety, HR, LKS Bipartit training for workers training on 23 Nov 2016 by Melvan Trisandy, Habibi, M. Amin Pohan at Div 5, Central Estate (100 participants). • Housekeeping and Environment Sanitation at office and house training on 24 Nov 2016 by Habibi at TC PT ANJ (21 participants) • Safety and First Aid training for Harvesting workers and Mandor on 18 April 2017 by Joko Supriyanto at East Estate (26 participants) • Environment, Health and Safety, HR, LKS Bipartit training for workers on 28 July 2017 by Joko Supriyanto, Melvan Trisandy, Amin Pohan and Mangara H Harianja at Div 12, West Estate (59 participants) • Environment, Health and Safety training for workers on 14 July 2017 by Joko Supriyanto, Mangara H. Harianja, Amin Pohan at Div 10, West Estate (70 participants) • Environment, Health and Safety training for spraying workers on 7 July 2017 by Joko Supriyanto and Wira Syahputra at East Estate (26 participants) • Environment, Health and Safety Induction for contractor of LB3/ waste store on 4 June 2017 by Joko Supriyanto (3 participants) • Simulation of fire, spill and evacuation dated on 29 Jul 2017. Chemical handling and problem solving WTP dated on 25 March 2017 (13 participants). 	
4.7.4	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.	<i>Major</i>
Findings	In compliance: Yes: <input type="checkbox"/> X No: <input type="checkbox"/>	
Objective evidence:	<p>P2K3 (safety committee) has been approved by government # 560/0239/2017 valid until 05 March 2019. Secretary of P2K3 PT ANJA (Mr. Joni Nopiansyah) has the license of General H&S Expert valid until 23 Sep 2018.</p> <p>P2K3 always conducts monthly H&S meeting, last meeting dated on 10 July 2017. The last meeting discussed on simulation of EPR, <i>TPS LB3</i> in CWT, bulletin and fire fighting training. The meeting was attended by 30 participants from Mill and Estates.</p>	
4.7.5	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.	<i>Minor</i>
Findings	In compliance: Yes: <input type="checkbox"/> X No: <input type="checkbox"/>	
Objective evidence:	<p>The company has established SOP for emergency response (SOP EHS-018) and SOP for handling work accident (SOP-EHS-030 rev.0 dated on 06/03/2017). The procedure is available in Indonesia Language.</p> <p>Based on P2K3 organisational chart, first aiders were available at each estate and mill. They have followed First Aid Training dated on 18 April 2017.</p>	
4.7.6	All workers shall be provided with medical care, and covered by accident insurance (see criterion 6.5.3).	<i>Minor</i>
Findings	In compliance: Yes: <input type="checkbox"/> X No: <input type="checkbox"/>	
Objective evidence:	<p>All workers and staff have been covered the social and health insurance program (BPJS program). As such, any work accident will be covered by the company until BPJS is officially available.</p> <p>The company has provided with medical care (2 clinics) for workers and their families at Central and West estates. Clinic at Central estate also covers East estate.</p>	
4.7.7	Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics.	<i>Minor</i>
Findings	In compliance: Yes: <input type="checkbox"/> X No: <input type="checkbox"/>	
Objective	During Jan-Jul 2017, there are 8 accidents with category of first aid and LTA is zero. The	

evidence:	company has regularly submitted the report to P2K3 (including accident report) to relevant government at Padang Lawas and Padang Lawas Utara Regencies, last report period April-June 2017.				
Criterion 4.8:					
All staffs, 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.				<i>Major</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>Records of training program related to the aspects of RSPO Principles and Criteria is available as follows:</p> <ul style="list-style-type: none"> • <i>Sistem Manajemen Sertifikasi</i> at PT ANJ Agri on 16 June 2017 by Wira Syahputra at West Estate (31 participants). • <i>Sistem Manajemen Sertifikasi</i> at PT ANJ Agri on 7 July 2017 by Wira Syahputra at East Estate (31 participants). <p>That training covered INANI of RSPO P&C standard and RSPO S&C generic standard. Training module and attendance list are available and verified.</p>				
4.8.2	Records of training for each employee shall be maintained.				<i>Minor</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	The company has established SOP for training (SOP-PDV-01). Records of training for each employee are maintained by HRD and it is evaluated annually to ensure that the employee has matched with the competence standard.				

Principle 5: Environmental Responsibility and Conservation of Natural Resources and Biodiversity					
Criterion 5.1: Aspects of plantation and mill management, including replanting, that have environmental impacts are identified and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.					
5.1.1	Environmental impact assessment document(s) shall be available.				<i>Major</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>The company already has EIA Assessment (AMDAL) which is consist of KA-ANDAL, ANDAL, RKL and RPL. Ka-ANDAL have been approved by Governor based on letter number 152/BA 5/VII/1994 dated 25 July 1994, while for ANDAL, RKL and RPL have been approved by Governor based on letter number 08/ANDAL/RKL/RPL-BA/I/1998 on 11 March 1998 about approval of the ANDAL and RKL-RPL PT Pendawa Sakti Eka in the Barumon Tengah, South Tapanuli Regency, North Sumatra Province with a scope document is 10,000 ha of palm oil plantation and factory capacity is 60-90 tons FFB/hour.</p> <p>Furthermore, PT ANJ Agri - Binanga maintains the full scope of ISO14000. The documented impact assessment: SOP- Identifikasi & Evaluasi Aspek dan Dampak Lingkungan (SOP-SCD-09 Rev 1, 1 Apr 2014) is remains available during audit 2017. Observed that the above document is made available to all estates as well as the processing mills.</p> <p>Last report "Identifikasi Aspek Lingkungan" on 2017.</p> <p>The impact assessment cover the area: raw water & wastewater treatment plant, logistic, store, maintenance, lab, ramp, sterilizer, kernel, clarification, boiler & power house, land application.</p>				
5.1.2	Environment management plan document to prevent negative impacts, its implementation report and revision (if the identification of impact requires changes in current company's practices) shall be available. The company's management shall appoint the responsible person(s) for the implementation of the document.				<i>Minor</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	The EIA document as described on 5.1.1 above is also accomplished with the environmental management plan document (Rencana Pengelolaan Lingkungan – RPL) where management prescriptions defined to prevent negative environmental impacts of all activities since pre-construction, construction, operations and post operation of the plantation and mills. The RPL document is a document that required under Indonesian regulation and it must be updated should any changes of the scope of operation and activities for instance increasing mill capacity.				

Since the RPL document established on last 1998, none changes of the management plan document due to no changes of the scope of operation and activities.

The sustainable team is responsible to control the compliance of the operations to the implementation of the environmental management plan (RPL).

The management plan as determined on RKL/RPL documents has been implemented and monitored. The company is also implements Environmental Management System (EMS) to ensure effective measures to mitigate environmental impacts of all identified significant environmental aspects.

The regular reports of implementation environmental management plan (RPL) and monitoring report of environmental monitoring plan (RKL) is remains consistently implemented and reported to government authorities for every three months. Verified during audit the RKL/RPL period report on Period I (Jan-Jun) 2017 and Period II (Jul-Dec) 2016. Summary of monitoring describe as following:

Period	Parameter	Monitoring points	Result
Semester II	Fire	All estates and mill	Fire accident at boundary HGU (*)
Jul-Dec	POME	WWTP outlet	BOD within range 1890 – 3844
2016	Water Quality	Inlet outlet water river	BOD within range 1.2 – 2.0
	Air emission	Boiler stack	NO2 & SO2 below 88.6 mg/m3
	Vehicle emission	73 vehicles	CO emission pass a test
Semester I	Fire	All estates and mill	No fire within period
Jan-Jun	POME	WWTP outlet	BOD within range 1930 – 2290
2017	Water Quality	Inlet outlet water river	BOD within range 1.6 – 2.0
	Air emission	Boiler stack	NO2 & SO2 below 88.6 mg/m3
	Vehicle emission	73 vehicles	CO emission pass a test

The responsible management team to the environmental management plan has been established i.e. Sustainable complaint (3 person involved covering East Estate, Central Estate, West Estate and Binanga Mill).

(*) Fire accident at boundary HGU Block 27-29, Afdeling 12, West Estate, on 28 Dec 2016.

5.1.3	Environment monitoring plan document, its implementation report, and the corrective plan (if non-conformance arised from the monitoring result) shall be available. This plan is reviewed on two-yearly basis.	<i>Minor</i>
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Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input checked="" type="checkbox"/>
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Objective evidence:

The environmental monitoring plan covering mill and estate are available for PT. ANJ Agri - Binanga documented on the RKL/RPL document.

The implementation of environmental monitoring plan documented on “Laporan Pemantauan Lingkungan” and “Laporan Pengelolaan Lingkungan”. Reviewed during audit the monitoring reports for period 2016 and 2017, such monitoring activities were implemented, as follow:

- Implementation and monitoring of land application of POME.
- Implementation and monitoring of hazardous waste management.
- Determination of buffer zone area as high conservation areas.
- Reducing chemical usage

The environmental monitoring report for PT ANJ agri – Binanga are available twice during 2017. According to monitoring plan it must be twice a year. However the company has implemented four time a year (every three month), last reporting period Jan-Mar 2017 (letter # 022/ANJA-BNG/EMI/V-2017 on 20 Apr 2017), period Apr – Jun 2017 (letter # 036/ANJA-BNG/EM/VII-2017 on 17 Jul 2017), period Oct - Dec 2016 (Letter # 003/GM/ANJA-BNG/EM/I-2017 on 25 Jan 2017) and period Jul-Sep 2016 (letter # 040/ANJA-BNG/EM/X-2016 on 31 Oct 2016).

Criterion 5.2: The status of rare, threatened or endangered species and other High Conservation Value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and operations managed to best ensure that they are maintained and/or enhanced.

5.2.1	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.	<i>Major</i>
Findings	In compliance: Yes: <input type="checkbox"/> X No: <input type="checkbox"/>	
Objective evidence:	<p>Identification and analysis for HCV of PT. ANJ Agri areas is available and up to year 2011. The company has performed the HCV assessment on May 31st - June 4th, 2011 which was prepared by FOCUS CONSULTING GROUP and led by approved HCV assessor Ir. Siswoyo, Msi. Total identified HCV area is 324.58 Ha or 3.27% of total PT ANJ Agri area. East Estate was found to have HCVs 1.3; 4.1; 6, totaling is 118.78 Ha. There was no protected flora. HCVs 1.3; 4.1 were found in Central Estate covering an area of 153.10 Ha.</p> <p>To ensure the implementation of HCV the company has established a SOP to manage and monitor HCV as stated in procedure SOP-SCD-02 Rev 1 on 1 Jan 2015, SOP Pengelolaan Nilai Konsevasi Tinggi/NKT (Management of HCV) and recorded in the Management and Monitoring Plan of HCV Report. The report for year 2015 was available.</p>	
5.2.2	Where rare, threatened or endangered (RTE) species and or other HCVs are present or affected by the plantation and mill operations, an appropriate measures that are expected to maintain or enhance them shall be implemented through a management plan.	<i>Major</i>
Findings	In compliance: Yes: <input type="checkbox"/> X No: <input type="checkbox"/>	
Objective evidence:	<p>Management and monitoring plan HCV PT ANJ Agri-Binanga has been established for HCV 1.3 (<i>kawasan yang merupakan habitat bagi populasi spesies yang terancam, penyebaran terbatas atau dilindungi yang mampu bertahan hidup</i>) and HCV 4.1 (<i>Kawasan atau ekosistem yang penting sebagai penyedia air dan pengendalian banjir bagi masyarakat hilir</i>).</p> <p>Monitoring and inspection at HCV 1.3 (Nepenthes sp - Kantong semar area) at PT ANJ Agri-Binanga – West Estate area has been conducted at Block L31 – T12 , for examples</p> <ul style="list-style-type: none"> - HCV 1.3 maintenance: signboard, boundary pole and red pint on Palm Tree every 25 meters. - RTE species monitoring (every day included in “Laporan Patroli Harian Areal HCV”), ie: <ul style="list-style-type: none"> o Mamalia: Kera ekor panjang (<i>Macaca fascicularis</i>), Borang-borang (<i>Lutra sp</i>). o Aves: Burung Madu Kelapa (<i>Anthreptes smyrnensis</i>), Cekakak belukar (<i>Halcon smyrnensis</i>), Madu sriganti (<i>Nectarinia jugularis</i>), Elang (<i>Splilornis cheela</i>). o Reptilia: Menyawak (<i>Varanus salvator</i>). <p>Monitoring and inspection at Buffer Zone (HCV 4.1) at PT ANJ Agri-Binanga, East Estet has been conducted at Sungai Nabara Padang and Sirandorung, for examples</p> <ul style="list-style-type: none"> - Buffer Zone maintenance: signboard, boundary pole and red pint on Palm Tree every 25 meters. - RTE species monitoring (every day included in “Laporan Patroli Harian Areal HCV”), ie: <ul style="list-style-type: none"> o Mamalia: Kera ekor panjang (<i>Macaca fascicularis</i>), Macan Akar (<i>Prionailurus bangalensis</i>), Rusa (<i>Rusa unicolor</i>). o Aves: Cekakak belukar (<i>Halcon smyrnensis</i>), Kipasan belang (<i>Rhipidura javanica</i>), Betet ekor panjang (<i>Psittacula longicauda</i>). o Reptilia: Ular Kobra (<i>Naja sumatrana</i>), Biawak (<i>Varanus salvator</i>). <p>Monitoring and inspection at HCV 4.1 (Buffer Zone area) at PT ANJ Agri-Binanga – Central Estate area has been conducted at Aek Sionggoton riparian, Aek Naoto riparian, Aek Batu Mamak riparian, for examples</p> <ul style="list-style-type: none"> - HCV 1.3 maintenance: signboard, boundary pole and red pint on Palm Tree every 25 meters. - RTE species monitoring (every day included in “Laporan Patroli Harian Areal HCV”), ie: <ul style="list-style-type: none"> o Mamalia: Kera ekor panjang (<i>Macaca fascicularis</i>), Macan Akar (<i>Prionailurus bangalensis</i>), Koka/beruk (<i>Presbytis cristata</i>). o Aves: Cekakak belukar (<i>Halcon smyrnensis</i>), Kipasan belang (<i>Rhipidura javanica</i>), Cangak merah (<i>Ardea purpurea</i>), Elang tikus (<i>Elanus caeruleus</i>), Cekakak sungai (<i>Todiramphus chloris</i>), Burung madu kelapa (<i>Anthreptes malacensis</i>), Madu Sriganti 	

	<p>(<i>Nectarinia jugularis</i>), Serindit melayu (<i>Loriculus galgulus</i>).</p> <ul style="list-style-type: none"> o Reptilia: Ular Sawa (<i>Python reticulatus</i>), Ular Kobra (<i>Naja sumatrana</i>), Biawak (<i>Varanus salvator</i>). <p>Poster and signboard of no hunting allowed was installed as part of endangered species and buffer zone protection.</p> <p>The buffer zone map is also available and presented by the all estate which is consistent with the HCV values with role as habitat for RTE species.</p> <p>During field visit to Sungai Nabara Padang and Silandorung at Wilayah Timur Estate – Afdelin II, observed that such monkey (<i>Macaca fascicularis</i>) living at the habitat and the enrichment planting has been presented e.g. Bamboo, <i>Rambutan</i>, <i>Jeruk</i>, <i>Pulai</i> and trembesi trees. The workers who responsible to monitori presence of RTE species (Sutiawati for recording and Rudi Siegian for field staff) is well known any kind RTE species on the HCV areas that frequently presence on that HCF area for example:</p> <ul style="list-style-type: none"> o Mamalia: Kera ekor panjang (<i>Macaca fascicularis</i>), Macan Akar (<i>Prionailurus bangalensis</i>), Rusa (<i>Rusa unicorn</i>). o Aves: Cekakak belukar (<i>Halcon smyrnensis</i>), Kipas belang (<i>Rhipidura javanica</i>), Betet ekor panjang (<i>Psittacula longicauda</i>). o Reptilia: Ular Kobra (<i>Naja sumatrana</i>), Biawak (<i>Varanus salvator</i>). <p>Last refresh HCV training conducted on 22 Sep 2016, 19 participant.</p> <p>The replanting will be started in 2018. Care should be taken to ensure that the riparian area (HCV 4.1) is maintained as a protected area, by preparing a local species seedling program (forest tree seedlings and fruit plants seedlings) as enrichment plants to be planted in the riparian area.</p> <p>Observation #07 was issued.</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>				Minor
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>Programs to socialize the status of protected RTE species to all workers is carry out through put the picture of RTE species in every public areas, HCV areas, security posts. The picture is always included the prohibitions of the workers to capture, harm, collect or kill these RTE species.</p> <p>The company is also has SOP for protection Flora and Fauna included on procedure SOP-SCD-02 Rev 1 on 1 Jn 2015, SOP Pengelolaan Nilai Konsevasi Tinggi/NKT (Management of HCV) as measures in protecting species and their habitat.</p> <p>During site examination to Timur, Tengah dan Barat estate, no evidence that workers indisciplinatory to the SOP, for instance, none any RTE species has been collected at the workers housing. Interview to the workers and his/her family in their housing were also noted that they aware about the prohibition to capture, harm, collect or kill these RTE species.</p>				
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 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>				Minor
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>The continuous monitoring document and report regarding the status of the RTE and HCVs is available. For instance this is documented on the “form Laporan Patroli Harian Areal HCV”. Any kind of disturbance such as fire, illegal harvesting are recorded on the record. In every month flora and fauna on the HCV area are also well reported. During audit checked the monitoring HCV area for period 2012 – 2017. There is no reported significant disturbance to the RTE and HCV areas during that period.</p> <p>Untuk memantau secara keseluruhan HCV, tim konservasi melakukan penghitungan HCV indeks setiap bulan dengan rumus sebagai berikut:</p> <p>To monitor the overall HCV, the conservation team calculates the HCV index every month with the following formula:</p> <p>$HCV I = (K1 + K2) / 30 + K3$</p>				

	<p>K1 = Number of cases / HCV damage by category (High x 100, Medium x 50, Low x 10)</p> <p>K2 = Number of patrol activities not performed for a month (standard 1 x per day)</p> <p>K3 = Number of work programs not done compared to total work program (including achievement <50%) compared to total work program.</p> <p>30 = Number of days for a month.</p> <p>The HCV Index data during the following monitoring periods:</p> <table border="1"> <thead> <tr> <th>Month</th> <th>HCV Indeks East</th> <th>HCV Indeks Midle</th> <th>HCV Indeks West</th> <th>HCV Indeks ANJ Binanga</th> </tr> </thead> <tbody> <tr> <td>Jan</td> <td>0.0304</td> <td>0.0295</td> <td>0.0216</td> <td>0.027</td> </tr> <tr> <td>Feb</td> <td>0.0344</td> <td>0.0349</td> <td>0.0219</td> <td>0.030</td> </tr> <tr> <td>Mar</td> <td>0.0285</td> <td>0.0316</td> <td>0.0217</td> <td>0.027</td> </tr> <tr> <td>Apr</td> <td>0.0293</td> <td>0.0319</td> <td>0.0275</td> <td>0.030</td> </tr> <tr> <td>May</td> <td>0.0323</td> <td>0.0319</td> <td>0.0302</td> <td>0.031</td> </tr> </tbody> </table> <p>According to the environmental management system of the company, in each any disturbace to the HCV and RTE, corrective and preventive action should be in place includes the possibility to improve the management plan.</p> <p>The company has performed the HCV assessment on May 31st - June 4th, 2011 which was prepared by FOCUS CONSULTING GROUP and led by approved HCV assessor Ir. Siswoyo, Msi. Total identified HCV area is 324.58 Ha or 3.27% of total PT ANJ Agri area. East Estate was found to have HCVs 1.3; 4.1; 6, totaling is 118.78 Ha. There was no protected flora. HCVs 1.3; 4.1 were found in Central Estate covering an area of 153.10 Ha.</p> <p>There was no HCV revision or at least the HCV management plan as there is a significant change of this area. It was noted that Susteinebility Complaient has conducted monitoring of fauna and do reforestation programme.</p>					Month	HCV Indeks East	HCV Indeks Midle	HCV Indeks West	HCV Indeks ANJ Binanga	Jan	0.0304	0.0295	0.0216	0.027	Feb	0.0344	0.0349	0.0219	0.030	Mar	0.0285	0.0316	0.0217	0.027	Apr	0.0293	0.0319	0.0275	0.030	May	0.0323	0.0319	0.0302	0.031
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	5.2.5	Where HCV areas overlapped with an identified local community's land, there shall be evidence of a negotiated agreement that optimally safeguard their HCVs and the local community's rights.				<i>Minor</i>																													
	Findings	In compliance:	Yes:	X	No:																														
	Objective evidence:	<p>The company held a public consultation for HCV on September 22nd, 2011 involving stakeholders including local communities. No records of objection from stakeholders and local communities have been found and they supported company to maintain HCV area. All HCV area in HGU of the company.</p> <p>HCVs in PT ANJ Agri – Binanga Mill were located outside from the local communities area according to HCV identification map.</p> <p>During audit 2017, it was noted that no HCV areas overlapped with local community's land. Site visited to one of HCV adjacent with local community's land (buffer zone afdeling 2 Wilayah Timur) where the boundary is clear and none conflict between the local community.</p>																																	
Criterion 5.3: Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.																																			
5.3.1	A documented identified source of all waste and pollution shall be available.				<i>Major</i>																														
Findings	In compliance:	Yes:	X	No:																															
Objective evidence:	<p>The company has carried out identification of pollution and emission source based on the result of environment impact identification (FRM-SOP SCD 09-01) as example environment impact from boiler activity/operational every day with normal condition is fog or smoke (emission). Based on condition it that boiler operation is one of significant aspect which shall be concern in environment management.</p> <p>Quantity of waste was written on recapitulation of production report in Binanga POM (REK-ANJA-BINGMILL- 001) with type of waste is liquid waste or effluent, fiber, shell and efb of ffb process.</p> <p>Year 2016, quantity of liquid waste or effluent produced is 150,642,036 kg (55% of ffb process), fiber is 35,606,299 kg (13% of ffb process), shell is 16,433,677 kg (6% of ffb process) and efb is 60,256,814 kg (22% of ffb process).</p>																																		

Year 2017 (Jan-Jul), quantity of liquid waste or effluent produced is 55,9220,085 kg (55% of ffb process), fiber is 13,217,475 kg (13% of ffb process), shell is 6,100,373 kg (6% of ffb process) and efb is 22,368,034 kg (22% of ffb process).

Waste and emission has produced from all estate and mill operational activity which re-used and kept is below :

No.	Waste name	Characteristic of waste	Typical of waste	Waste source
1	Container of ex-agrochemical	Solid	B3	Control of weeds or insect
2	Container of ex-fertilizer	Solid	B3	Fertilizing
3	Used oil	Liquid	B3	Maintenance of engine, equipment, vehicle and heavy vehicle
4	Used accu	Solid	B3	Use of genzet, heavy vehicle and vehicle
5	Used filter oil	Solid	B3	Use of genzet, heavy vehicle and vehicle
6	Dust cloth contaminated	Solid	B3	Maintenance of engine, equipment, vehicle, heavy vehicle and cleaning spill or scattered oil
7	Medical waste	Solid	B3	Medical operational
8	TL lamp	Solid	B3	Use of lamp
9	Fiber	Solid	Non B3	Processing FFB
10	Shell	Solid	Non B3	Processing FFB
11	Effluent or liquid waste	Liquid	Non B3	Processing FFB
12	EFB	Solid	Non B3	Processing FFB
13	Emission	Gas	Non B3	Boiler operation and genzet, vehicle operational and heavy vehicle.

All waste and pollution sources is remains register in document of *Identifikasi & Evaluasi Aspek dan Dampak Lingkungan*, and RKL-RPL document. It covers both mill and the 3 estates for example:

Mills:

- Air pollution of the boiler emission, mobile vehicle, generator
- Hazardous waste (chemicals, used lubricants, used battery etc.)
- Scrap
- Palm oil mill effluent
- Empty Fruit Bunch
- Etc

Estates:

- Domestic waste of the housing
- Hazardous waste (e.g. used pesticide container, chemicals, medicine waste)
- Etc

5.3.2	There shall be evidence that all chemicals and their empty containers are disposed of responsibly.	<i>Major</i>					
Findings	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%;">In compliance:</td> <td style="width: 10%;">Yes:</td> <td style="width: 10%; text-align: center;">X</td> <td style="width: 10%;">No:</td> <td style="width: 45%;"></td> </tr> </table>		In compliance:	Yes:	X	No:	
In compliance:	Yes:	X	No:				
Objective evidence:	<p>All agrochemical was kept in warehouse and their used agrochemical container was kept in temporary keeping location (TPS) hazardous toxic waste (LB3). It has got approval from local government (decree no.503/0002?LA/VIII/2017 dated on 18 Aug 2017 with type of waste allow keeping such as used oil, used accu, used agrochemical container, used filter oil, medical waste, used dust cloth or glove, container or item contaminated, used cartridge/toner, electronic waste and use TL lamp. Temporary keeping location (TPS) hazardous toxic waste condition has appropriated with regulation.</p> <p>Every 3 months the hazardous waste will be collected by the licensed collector (CV Amindy Barokah, last contract # 08-ANJA/GM-Pengangkutan LB3/06-2017 on 24 Jun 2017, valid until 24 Jun 2018) according to to Kep. MenLH no.353/Menlhk-Setjen/2015. Transportation permit is SK.3508/AJ.309/DJPD/2016/120070432BB.</p> <p>Checked during audit 2017 that all hazardous waste (including chemical and empty containers) has been sent to the licensed collector in every 3 month. Copy 7th of the manifest of hazardous</p>						

	<p>waste is available e.g. manifest # AVT 0002119 dated on 12 June 2017, # AVT 0000051 dated on 13 Dec 2016, # AVT 0001021 dated on 13 March 2017.</p> <p>Last hazardous waste has been sent to the licensed collector, namely: Used Oil 1,601 ltr, Waste Accu 135 kg, waste filter 122 kg, used dust cloth or glove 7 kg, used agrochemical container 287.5 kg, medical waste 66.5 kg.</p> <p>Last stock hazardous waste in temporary keeping location (TPS) hazardous toxic waste (LB3) during recertification audit, namely Used Oil 950 liter, Waste Accu 6 kg, waste filter 60 kg, waste lamp 12 kg, waste plastic contaminated packaging 5 kg, waste metal contaminated packaging 10 kg, used agrochemical container 36 kg, used dust cloth or glove 3 kg, used drum 5 kg, medical waste 5 kg.</p> <p>The company should ensure that label and symbol of hazardous waste are always attached on the containers of hazardous waste stored at temporary hazardous waste storage.</p> <p>On July 2017, PT ANJ Agri – Binanga has realization chemical material as follow:</p> <ul style="list-style-type: none"> - Agristick = 28.71 liter - Amiphosate = 806.25 liter - Amiron = 0 gram - BM Metron = 32,706 gram - Dipel = 0 liter - Garlon = 8.59 liter - Glufo = 59.20 liter - Lindomin = 6.91 liter 			
5.3.3	A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented.			<i>Minor</i>
Findings	In compliance:	Yes:	No:	X
Objective evidence:	<p>As It was noted that according to domestic management plan that all domestic waste are collected from all of sources then in every 3 days disposed to the land fill at designated plantation area.</p> <p>A waste management and disposal plan has been documented on environmental aspect register (REK-ANJA-SCD-09) last updated on July 2017. Hazardous waste collected at TPS LB3 (hazardous waste storage) then sent to authorized 3rd parties (i.e. CV Amindy Barokah).</p> <p>Domestic waste collected at each areas (for instance emplacement) then disposed to TPA (Tempat Penimbunan Akhir) located at estate (minimum 300 m from emplacement and/or dept well).</p> <p>During site examination to:</p> <p>West estate noted that TPA located at Block N03 (1000 meter from emplacement), At this moment there are 2 closed anorganic pound, 2 closed organic waste, 1 open organic pound and 1 open an-organic pound.</p> <p>Central estate noted that TPA located at Block F28 (2000 meter from emplacement). At this moment there are 4 closed anorganic pound, 2 closed organic waste, 1 open organic pound and 1 open an-organic pound.</p> <p>East estate noted that TPA located at Block D40 (850 meter from emplacement). At this moment there are 2 closed anorganic pound, 2 closed organic waste, 1 open organic pound and 1 open an-organic pound.</p>			
Criterion 5.4: Efficiency of fossil fuel use and the use of renewable energy is optimized.				
5.4.1	A plan for improving efficiency of the use of fossil fuels and to optimize renewable energy shall be in place and monitored.			<i>Minor</i>
Findings	In compliance:	Yes:	No:	X
Objective evidence:	<p>In term of company's environmental management system as ISO 14001:2004, the company has established and documented environmental objective, target and programs.</p> <p>The company has an energy policy that has been passed on the date 01 April 2014. The company implements Sustainable Energy management system with the following principles: efficiency of energy consumption in accordance with the provisions of the applicable legislation; monitoring energy use in all departments and business units continuously; optimize the use of sufficient human resources as well as the necessary equipment; communicate and increase awareness through training and socialization to all employees and stakeholders related to energy conservation; optimize the use of energy-efficient appliances; optimize the potential use of renewable energy available; and do the repair systems and policies continuously and sustainably.</p> <p>Things that are monitored are related to application usage logging only energy policy solar on mill</p>			

	<p>and estate (housing), the recording of the use of biomass (fiber and shell) as boiler fuel is done every month. The calculation of the value of efficiency obtained with the utilization of biomass is only available for the plant while the use of the estate while other sources has not been provided.</p> <p>The average value of the realization of the efficiency of the solar on 2016 (l/years) is 93,990 liter/years, which targeted programs is 163,778 litres/years. Total FFB production 273.894,610 kg. So total realization average value of the realization of the efficiency of the solar on 2016 (l/years) is 0.34 liter/ton FFB. (determination of calculation based on program budget (l/year) which was converted to be (l/tons FFB).</p>				
<p>Criterion 5.5: Use of fire for preparing land or replanting is avoided, except in specific situations as identified in the ASEAN guidelines or other regional best practice.</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>				Major
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>PT ANJ Agri has developed procedure SOP Agronomi SOP-AGR-003 SOP Land Clearing with Zero Burning Technique, SOP-EHS-005 of Fire Handling and SOP-EHS-015 SOP of Emergency Action Plan. According to this procedure the use of fire for activities such as new planting and replanting is strictly prohibited. These procedures were well implemented. The zero burning policy is also stated in the contractor's agreement. For replanting program they use mechanical method by chipping palm trunk.</p> <p>A notable achievement has been made for the elimination of fire for disposal of garden waste and packaging materials at housing. The company has installed fire protection systems and training for preparedness in fighting fire at all estates and other infrastructure. Siren or emergency alarm for getting attention and help during emergency was available and checked regularly and recorded in Pemeriksaan Instalasi Penanggulangan Kebakaran Lahan (Checking on Land Fire Fighting Installation System) which was available at all plantations. The company have not replanting areas so that no evidence that fire has been used for preparation land. Indicator 5.5.2 is not applicable.</p>				
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>				Minor
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>There is no fire has been used for eradication of pest.</p> <p>No replanting activities to date.</p>				
<p>Criterion 5.6: Plans to reduce pollution and emissions, including greenhouse gases are developed, implemented and monitored.</p>					
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>				Major
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>Result of assessment of all polluting activities at Wilayah Timur Estate, Wilayah Tengah Estate, Wilayah Barat Estate and Binanga Mill are available, for examples: genset, turbine, production machines, boiler, etc.</p>				
5.6.2	<p>Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plan to reduce or minimize them implemented.</p>				Major
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>The company identified the sources of pollution and emissions based on the identification of environmental impacts. Identified of kinds of greenhouse gases (GRK) described in greenhouse gases procedure (SOP SCD- 04). As for the main sources of emissions are identified, i.e; changes in land use (land use change), the use of fertilizers and pesticides, waste water processing, the use of electric and diesel vehicle emissions, a source of operational (transport) and oil palm processing of oil palm fruit oil palm oil becomes. In addition to the above in the procedures, the source of pollution and emissions are also from the results of the identification of the environmental effects has been conducted. The assesment has reported to the RSPO, through Devaladevi Sivaceyon (devaladevi@rspo.otg) on 28 Jun 2017. Reporting submitted by Mr. Priya Swayanuar. The content of the document was reported GHG Calculation Report for production by 2015 and 2016 with method PalmGHG Calculator ver 3.0.1.</p> <p>The GHG assesment according to RSPO palm GHG calculator has been started since 2014 (using basic data 2014, 2015 and 2016). The total GHG emission according to RSPO for PT ANJ</p>				

	<p>Agri - Binanga mill and estate(s) are as following:</p> <p>Year GHG value _____</p> <p>2015 1303.65 kg CO2 eq/Ton CPO</p> <p>2016 1755.01 kg CO2 eq/Ton CPO</p> <p>2017 1200.00 kg CO2 eq/Ton CPO</p> <p>Plan to reduce and minimize emission has been developed and set in documented environmental management objective, target and program. See 5.4.1 above.</p>				
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>				<i>Minor</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>A monitoring system in term of RKL/RPL conducted in daily, monthly, 6 monthly. The monitoring report provided per semester. During audit checked monitoring report for 2016 and 2017. See 5.1 as above.</p>				

Principle 6: Responsible consideration of employees and of individuals and communities affected by growers and millers.					
Criterion 6.1: Aspects of plantation and mill management that have social impacts, including replanting, are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.					
6.1.1	<p>A social impact assessment (SIA) including records of meetings shall be documented.</p>				<i>Major</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>Social impact assessment has been done by independent consultant in 2013. SIA covered Sub District of Huristak (District of Padang Lawas) and Sub District of Simangambat (District of Padang Lawas Utara). The SIA document has included records of meeting with relevant stakeholders (local government, public figure, women group, farmers group, etc).</p>				
6.1.2	<p>There shall be evidence that the assessment has been conducted with the participation of affected parties.</p>				<i>Major</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>Based on the SIA document, it was conducted in a participatory manner with relevant stakeholders (local government, public figure, women group, farmers group, etc)</p> <p>The evidence of participative assessment attached in the SIA document. Those document identified the impacts of plantation and mill operation in 2 sub districts (Sub District of Huristak and Sub District of Simangambat).</p>				
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>				<i>Major</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>The result of SIA is become a reference to develop the CSR program covering issues of education, health, infrastructure, social-economic development. Actual CSR program 2016-2017 was donation, infrastructure (road maintenance and mosque), education (school building, scholarship), health (deep well, masker distribution), capacity building for villages surrounding the company.</p> <p>The company is always invited by government and involved in annual village development planning meeting (<i>Musrenbang</i>) to discuss the social issues that need to mitigate and to seek the best way to support the negative impacts. Moreover, PT ANJ Agri always conducts regular stakeholders meeting (6 monthly). CSR Division has responsibility for CSR program and its implementation and their reporting.</p> <p>During interview with local communities at Tobing Jae and Sidoha-doha Villages, It was revealed</p>				

	that PT ANJ Agri has implemented CSR program in their villages such as clean water, scholarship, road maintenance and renovation of religion facilities, etc.				
6.1.4	The documented plan for management and monitoring of social impacts, shall be reviewed at least on two-yearly basis. If necessary, the plan should be updated. There shall be evidence that the review process includes participation of all affected parties.				<i>Minor</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	Social Management Plan reviewed every two years by CSR Division based on input from stakeholders meeting (6 monthly) and applicable legal. Document of social management plan in 2014 and 2016 refer to the formulation of social management in the social impact assessment document. Last stakeholders meeting was conducted on 14 August 2017 attended by local government, police, army, labour union, mass media, contractor, supplier, public figure, and NGO, etc				
6.1.5	Particular attention shall be paid to the impacts of smallholder schemes (where the plantation includes such a scheme).				<i>Minor</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	Not applicable. PT ANJ Agri does not have smallholder scheme.				
Criterion 6.2: There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.					
6.2.1	Communication and consultation procedures shall be documented.				<i>Major</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	The company has developed procedures for stakeholder consultation and communication. All procedures have been documented as SOPs such as: <ul style="list-style-type: none"> • Procedure for Handling Stakeholder Communication (SOP-SDV-006) • Procedure for Stakeholder Meeting (SOP-SDV-007) The company uses methods to communicate and consultate between growers, miller, and local communities through regular meeting, mail, phone, direct conversation, website and local newspapers.				
6.2.2	The company shall have official(s) who is responsible for consultation and communications with parties.				<i>Minor</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	The company has appointed a Community Relations Officer/CRO and Community Social Responsibility Officer/CSRO who are responsible for consultation and communications with parties.				
6.2.3	The company shall have a list of stakeholders, records of communications, including confirmation of receipt and that efforts are made to ensure understanding by affected parties, and records of actions taken in response to input from stakeholders.				<i>Minor</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	PT ANJ Agri has updated a list of stakeholders in 2017 consist of local governments (relevant institutions), community leaders, police officer, local university, NGOs, contractors, suppliers, hospital, banks, and health insurance companies, etc. A record of the regular stakeholders meeting (6 monthly) is available and also record of CSR program implementation. During 2017, PT ANJ Agri receipt 47 letters from with many parties, and all replied and documented well in the file system that accessible by related PICs. Records of incoming letters and the company responses were kept in <i>Rekaman Penerimaan Informasi dan Tanggapan Stakeholder</i> (Record of Information Request and Respond) - REKANJA-EAD-004.				
Criterion 6.3: There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties.					
6.3.1	The mechanism, open to all affected parties, shall resolve disputes in an effective, timely and appropriate manner, ensuring anonymity of				<i>Major</i>

	complainants and whistleblowers, where requested, as long as that information is supported with adequate initial evidence.	
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	<p>The company has established open system to receive complaints and grievances to resolve dispute in an effective, timely and appropriate manner, which is accepted by affected parties as follows:</p> <ul style="list-style-type: none"> • Mechanism to resolve disputes (022/HR&GA/CP/Perbedaan Pendapat/06-09). • A whistleblowing system using website access to report violence against the company business ethic. • Suggestion boxes • Monthly meeting in LKS bipartite • Regular stakeholder meeting (6 monthly) 	
6.3.2	There shall be records of process and outcome of dispute resolution.	<i>Major</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	<p>Currently, the company is handling a case of rubber trees in HGU area amount 1.6 ha owned by Mr. Marwan. The company was identifying the land and communicating with head of village and rubber trees owner to resolve this case. The records of dispute resolution process is available.</p>	
Criterion 6.4: Any negotiations concerning compensation for loss of legal, customary or user rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.		
6.4.1	A procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, shall be available, referring to decision of the Constitution Court.	<i>Major</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	<p>The company has established procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation (No. 021/HR&GA/CP/Pembebasan Lahan/06-09) regarding Pembebasan Lahan (Land Release). The procedure states that the company with community leader conduct measurement the land to be acquired. It is intended to provide an opportunity for the community to show the areas that are considered as a sacred area to be enclaved. The procedure has taken into account:</p> <ul style="list-style-type: none"> • the gender differences in the ability to claim rights, ownership and access to land; • the difference between migrants and communities that had long existed; • the difference between the proof of legal ownership and communal ownership of ethnic groups or indigenous peoples. 	
6.4.2	A procedure for calculating and distributing fair compensation shall be established, implemented, monitored and evaluated in a participatory way. Corrective actions are taken as a result of this evaluation.	<i>Minor</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	<p>PT ANJA has established procedure for calculating and distributing fair compensation (No. 021/HR&GA/CP/Pembebasan Lahan/06-09) regarding Pembebasan Lahan (Land Release).</p> <p>There is no land acquisition in PT. ANJA for recent 4 years. The company still keep maintain all former land acquisition process including document of land dispute resolution. The documents are publicly available on a written request to be addressed to the Human Resources Departement cc to Compliance Sustainability Manager. It was verified during audit, land compensation's documents and noted that the land compensation was agreed by both parties of PT ANJA and communities including documentation for former compensation process in year 1995 s/d 1999, with Pasir Pinang Village for a total area 620 Ha.</p>	
6.4.3	Compensation claims, process and outcome of any negotiated agreements shall be documented, with evidence of the participation of affected parties.	<i>Major</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	<p>There is no land acquisition in PT. ANJA for recent 4 years. The company still keep maintain all former land acquisition process including document of land dispute resolution. The documents are publicly available on a written request to be addressed to the Human Resources Departement cc</p>	

	to Compliance Sustainability Manager. It was verified during audit, land compensation's documents and noted that the land compensation was agreed by both parties of PT ANJA and communities including documentation for former compensation process in year 1995 s/d 1999, with Pasir Pinang Village for a total area 620 Ha.				
Criterion 6.5: Pay and conditions for employees and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.					
6.5.1	Documentation of pay and conditions for employees based on the existing manpower regulations shall be available.				<i>Major</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>All the employee of PT. ANJA consist of Monthly Fixed Employee (<i>Karyawan Bulanan Tetap</i>) and Daily Fixed Employee (<i>Karyawan Harian Tetap</i>). Monthly Fixed Employee is employee recruited by company as permanent employee and does not get overtime. In the other hand, Daily Fixed Employee is employee recruited by company as permanent employee and have a right to get overtime. For outsourcing employee only restricted to security and using third party company as labour supplier.</p> <p>The company has complied with the regulation of provincial minimum wage issued by Governor of North Sumatera # 188.44/781/KPTS/Tahun 2016 regarding minimum wage for PALUTA District (IDR 2,171,944) and 188.44/623/KPTS/Tahun 2016 regarding minimum wage for PALAS District (IDR 2,046,860). Sample of payment slips were verified, for examples:</p> <ul style="list-style-type: none"> Resmiati (AA/AA11/0531/124), employee status: KHT, salary in July 2017 is IDR 2,370,500. Afrizal (AA/AA21/0810/94), employee status: KBT, salary in July 2017 is IDR 2,200,800. 				
6.5.2	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.				<i>Major</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	PT ANJA has established the Company Regulation (<i>Peraturan Perusahaan</i>) period 2015-2017 approved by Kadisnakertrans of North Sumatera Province # 02-6/DTK-TR/2016 dated on 08 Jan 2016. The PP has complied with the Manpower Regulation. The PP has distributed to all employees using pocket book.				
6.5.3	Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, where such public facilities are unavailable or inaccessible				<i>Minor</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>PT ANJA has provided adequate housing, water supplies, medical, educational and welfare amenities to national standards and above.</p> <p>All housing for employees have gotten electricity from government (PLN). For a clean water source is provided in the form of a pump well in every house employees and to provide health facilities in the clinic gardens in Central Gardens, Gardens West and East Gardens. Educational facilities for kindergarten and elementary school provided by the company in the Central Gardens. For children of Gardens West and East Gardens are provided bus transportation.</p>				
6.5.4	There shall be demonstrable efforts to improve workers' access to adequate, sufficient and affordable food.				<i>Minor</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	The company has supported the employees to establish a employee cooperative (<i>Koperasi Karyawan "Eka Lestari"</i>). This cooperative has provided goods for daily needs for employees and their families. The company has provided buildings for the cooperative at all estates.				
Criterion 6.6: The employer respects the rights of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.					
6.6.1	A published statement in local languages recognising freedom of association shall be available.				<i>Major</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	The company has issued Internal Memo from Mr. Yusrizal (GM) # 079/ANJA - Binanga/GM-HR/VIII/2011 dated on 1 August 2011 regarding Freedom of Association. The policy has				

	communicated to all employees though the information board at all estates and mill. The Policy regarding freedom association also explained in the company regulation period year 2015 to 2017 paragraph 2, article 7. The PP has distributed to all employees using pocket book.				
6.6.2	Records of meetings with labor unions or workers representatives shall be available.				<i>Minor</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	The company and representative workers have established LKS Bipartite to discuss about labour issue. They always conducts monthly LKS Bipartite meeting, last meeting dated on 28 April 2017 discussing about health and safety and the operation performance.				
Criterion 6.7: Children are not employed or exploited.					
6.7.1	There shall be documented evidence that minimum age requirements are met.				<i>Major</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	PT ANJA has established a policy on recruitment for mill and each estate on "Kebijakan Perusahaan tentang Penerimaan dan Promosi/Demosi Karyawan" (Rev 0, issued in Mei 2009). Based on the policy, the minimum age for working is not less than 18 years. Moreover, the company has also established the policy no worker under 18 years old as stated in the Internal Memorandum issued by Head of HRD No. 21/HRD/INT/VII/2009 "Larangan Mempekerjakan Pekerja di Bawah Umur" (Prohibition of Children Worker). Based on the list of employees in August 2017 showed there was no worker under 18 years old. The youngest worker was 19 years old.				
Criterion 6.8: Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.					
6.8.1	A company's policy on equal opportunity and treatment for work shall be available and documented.				<i>Major</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	PT ANJA has established the company policy # 018/HR & GA/CP/05-2009 regarding prohibition of any form discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age. This policy has been also clearly stated at the Company Regulation 2015-2017 (article 3, clause 7), "Company open equal opportunity to each individual person with respects, dignity, free from discriminations based on gender, race, ethnic, religion and believe backgrounds".				
6.8.2	Evidence shall be provided that employees and groups including local communities, women, and migrant workers have not been discriminated.				<i>Major</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	PT ANJA has established the company policy # 018/HR & GA/CP/05-2009 regarding prohibition of any form discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age. This policy has been also clearly stated at the Company Regulation 2015-2017 (article 3, clause 7), "Company open equal opportunity to each individual person with respects, dignity, free from discriminations based on gender, race, ethnic, religion and believe backgrounds". Based on the list of employees in August 2017, the employees come from local communities and other districts and various ethnics (Batak, Javaness, Sundaness, Malayaness, etc. There is no gender difference to work. Woman and man are given job opportunity in each estate.				
6.8.3	Records of evidence that equal opportunity and treatment for work shall be available.				<i>Minor</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	During 2017, the company has promoted the employees from KHT status to KBT status total 8 employees (women and men).				
Criterion 6.9: There is no harassment or abuse in the work place, and reproductive rights are protected.					
6.9.1	A policy to prevent sexual and all other forms of harassment and violence, shall be documented, implemented and communicated to all levels of the workforce.				<i>Major</i>
Findings	In compliance:	Yes:	X	No:	

Objective evidence:	<p>The company has issued internal memo # 037/GM/ANJA-BNG/IM/IV-2016 dated on 06 April 2016 regarding Policy of Human Right, including policy against sexual harassment and violence. The policy has been communicated through erecting on information boards at all estates, mill and office. This policy has also clearly stated at Company Regulation (PP), article 3, point 3, "the Company support (encourage) efforts to prevents, reports and actions over sexual harassment and violence". As implementations of the policy, company showed documents and records of Gender Committee Structure and activities (meeting and socializations). Special procedure has developed to accommodate complaints and grievances regarding these issues.</p> <p>Interview result with maintenance workers (women) found that they already know the policy, and where to reports if there is any case happens in fields.</p>				
6.9.2	A policy to protect the reproductive rights, shall be documented, implemented and communicated to all levels of the workforce.				<i>Major</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>The company has issued Internal Memo No: 025/GM/ANJA-BNG/IM/III-2013 on 1 March 2013 regarding Revised Protection of Women's Reproductive Rights Employee. The policy has been communicated through erecting on information boards at all estates, mill and office.</p> <p>Interview result with office workers found that they know person incharge regarding gender committee and they know and utilize their reproductive rights. Evidences such as filled H1 form (Leave for period) and H2 form (maternity leave) has showed during audit.</p>				
6.9.3	A specific grievance mechanism which respects anonymity of complainants where requested, and as long as they are supported with adequate information, shall be documented, implemented, and communicated to all workforce.				<i>Minor</i>
Findings	In compliance:	Yes:		No:	X
Objective evidence:	<p>The company has established a workforce grievance mechanism issued by Mr. Yusrizal (GM) # 024/GM/YZ/02/2012 dated 23 February 2012 and it has also been included in the company regulation 2015-2017 (article 62), however it did not include mechanism of LKS bipartite and whistle blowing system (WBS). In addition, there is no evidence available that WBS has been communicated to all workforce in the appropriate manner. See Minor CAR 01</p> <p>The company and workers representative always conduct monthly LKS bipartite meeting to discuss about labour issues.</p>				
Criterion 6.10: Growers and millers deal fairly and transparently with smallholders and other local businesses.					
6.10.1	Current and past prices paid for Fresh Fruit Bunches (FFB), shall be publicly available.				<i>Minor</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>PT ANJA - Binanga Mill still maintain existing mechanism to purchase FFB as stated on procedure for <i>Pembelian TBS Luar</i> (Purchasing of FFB from Outgrowers) No.ANJA-F&A-SOP 07, and working agreement under the format No. 002/ ANJ-Agri/SP/TBS/I/2011 regarding <i>Surat Perjanjian Pembelian TBS Kelapa Sawit Milik Perkebunan</i> (Agreement Letter on FFB Purchasing). In the agreement between the company and its suppliers, it was stated that the FFB prices based on current prices are agreed by both parties and updated monthly. The prices has been determined by government (Estate Agency of North Sumatra Province). It was confirmed during interview with FFB's suppliers, informed that the payment was transparent and understood.</p>				
6.10.2	Pricing mechanisms for Fresh Fruit Bunches (FFB) and inputs/services shall be explained and documented (where these are under the control of the mill or plantation).				<i>Major</i>
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>PT ANJA - Binanga Mill still maintain existing mechanism to purchase FFB as stated on procedure for <i>Pembelian TBS Luar</i> (Purchasing of FFB from Outgrowers) No.ANJA-F&A-SOP 07, and working agreement under the format No. 002/ ANJ-Agri/SP/TBS/I/2011 regarding <i>Surat Perjanjian Pembelian TBS Kelapa Sawit Milik Perkebunan</i> (Agreement Letter on FFB Purchasing). In the agreement between the company and its suppliers, it was stated that the FFB prices based on current prices are agreed by both parties and updated monthly. The prices has been determined by government (Estate Agency of North Sumatra Province). It was confirmed during interview with FFB's suppliers, informed that the payment was transparent and understood.</p> <p>The current prices of FFB are stated in the agreement and also publically available in the front of</p>				

	<p>the <i>company's</i> gate. There is a purchase agreement between millers with middlemen and/or smallholders in the form of <i>Surat Perjanjian Pembelian TBS Kelapa Sawit Milik Perkebunan</i> (Agreement Letter on FFB Purchasing) The aspects of health and safety that must be complied with by supplier and contractor are also stated in the agreement. The suppliers and contractors shall equip their personnel properly with protection equipment (PPE).</p>					
6.10.3	Evidence shall be available that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent.					<i>Minor</i>
Findings	In compliance:	Yes:	X	No:		
Objective evidence:	<p>PT ANJA - Binanga Mill still maintain existing mechanism to purchase FFB as stated on procedure for <i>Pembelian TBS Luar</i> (Purchasing of FFB from Outgrowers) No.ANJA-F&A-SOP 07, and working agreement under the format No. 002/ ANJ-Agri/SP/TBS/I/2011 regarding <i>Surat Perjanjian Pembelian TBS Kelapa Sawit Milik Perkebunan</i> (Agreement Letter on FFB Purchasing). In the agreement between the company and its suppliers, it was stated that the FFB prices based on current prices are agreed by both parties and updated monthly. The prices has been determined by government (Estate Agency of North Sumatra Province). It was confirmed during interview with FFB's suppliers, informed that the payment was transparent and understood.</p> <p>The current prices of FFB are stated in the agreement and also publically available in the front of the <i>company's</i> gate. There is a purchase agreement between millers with middlemen and/or smallholders in the form of <i>Surat Perjanjian Pembelian TBS Kelapa Sawit Milik Perkebunan</i> (Agreement Letter on FFB Purchasing) The aspects of health and safety that must be complied with by supplier and contractor are also stated in the agreement. The suppliers and contractors shall equip their personnel properly with protection equipment (PPE).</p>					
6.10.4	Agreed payments shall be made in a timely manner.					<i>Minor</i>
Findings	In compliance:	Yes:	X	No:		
Objective evidence:	<p>PT ANJA - Binanga Mill still maintain existing mechanism to purchase FFB as stated on procedure for <i>Pembelian TBS Luar</i> (Purchasing of FFB from Outgrowers) No.ANJA-F&A-SOP 07, and working agreement under the format No. 002/ ANJ-Agri/SP/TBS/I/2011 regarding <i>Surat Perjanjian Pembelian TBS Kelapa Sawit Milik Perkebunan</i> (Agreement Letter on FFB Purchasing). In the agreement between the company and its suppliers, it was stated that the FFB prices based on current prices are agreed by both parties and updated monthly. The prices has been determined by government (Estate Agency of North Sumatra Province). It was confirmed during interview with FFB's suppliers, informed that the payment was transparent and understood.</p> <p>The current prices of FFB are stated in the agreement and also publically available in the front of the <i>company's</i> gate. There is a purchase agreement between millers with middlemen and/or smallholders in the form of <i>Surat Perjanjian Pembelian TBS Kelapa Sawit Milik Perkebunan</i> (Agreement Letter on FFB Purchasing) The aspects of health and safety that must be complied with by supplier and contractor are also stated in the agreement. The suppliers and contractors shall equip their personnel properly with protection equipment (PPE).</p>					
Criterion 6.11: Growers and millers contribute to local sustainable development where appropriate.						
6.11.1	Records of contributions to local development based on the results of consultation with local communities shall be available.					<i>Minor</i>
Findings	In compliance:	Yes:	X	No:		
Objective evidence:	<p>The company has commitment to contribute to local development by developing Community Development Program as stated at the Company Regulations article 3, point 5, based on CD/CSR Program 2017, records of implementations, meeting records and payments slips. The CD/CSR program has considered SIA Documents, company's operation areas as group and stakeholder consultation result.</p> <p>CD/CSR program 2017 is mostly to donation for:</p> <ul style="list-style-type: none"> a. Infrastructure (road maintenance, clean water, etc) b. Education (Incentives for In-permanent Teachers, school bus, scholarship) c. Socials community d. Religious (Rehabilitation of Local Public Facilities) e. Economic f. Culture, local ceremony and sport g. Emergency response. 					
6.11.2	Where there are scheme smallholders, there shall be evidence that efforts and/or resources have been allocated to improve scheme smallholder					<i>Minor</i>

	productivity.	
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	Not applicable. There is not scheme smallholder.	
Criterion 6.12: No forms of forced or trafficked labour are used.		
6.12.1	There shall be evidence that no forms of forced or trafficked labor are used.	<i>Major</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	<p>The company has established regulation regarding working hours is 40 hours/week according to the PP 2015-2017. Overtime has been paid according to government regulation. There is no evidence of forced or traffic labour used within the company. From interview result, there is no trafficked labor are use.</p> <p>Based on interviews with several workers and human resources department, there was never any labor trafficking. The worker's contract was verified and checked, for examples, Afrizal (AA/AA21/0810/94) and Resmiati (AA/AA11/0531/124). It was confirmed that the agreements were made and signed by both parties without any coercion and force, the worker entered into employment voluntarily and freely, without the threat of a penalty and has freedom to terminate employment without penalty if there is a reasonable notice available or as per agreement.</p> <p>Based on interviews with workers, there was no deduction from the company. Deduction only happens when the worker buys goods from the Company's Cooperative. (Indicator 6.12.1).</p>	
6.12.2	It shall be demonstrated that no contract substitution has occurred.	<i>Minor</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	There is no substitute contract occurred. All workers and employees under the organization work under contract signed together, either in estates, mill, and office. The workers come from other districts also work under contract with estate or mill managers.	
6.12.3	Where migrant/foreign/honorary workers are employed, a special worker policy and procedures and the evidence of implementation shall be available.	<i>Major</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	During interview with HRD staff, no migrant workers are present in PT ANJA Binanga. PT ANJA-Binanga Mill will only recruits migrant worker for managerial positions (staff up – expatriate). All operators at mill, harvesters and maintenance worker (permanent and non permanent) are Indonesian.	
Criterion 6.13: Growers and millers respect human rights.		
6.13.1	A policy to respect human rights shall be documented and communicated to all levels of the workforce and operations.	<i>Major</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	<p>The company has established a policy to respect human right issued by Mrs. Istini T. Sidharta (President Director of holding company) dated on 4 Aug 2016. Human Rights policy also include in the Company Regulation (PP) article 3.</p> <p>Human Right policy has refered to UN guiding principle on Business and Human Rights as follows:</p> <ul style="list-style-type: none"> a. Commitment to provide comfortable working environment b. Commitment to employ worker over 18 years old c. Prevent, report, and handling sexual harassment and violence cases (if any). d. Commitment to transparency e. Commitment to contribute to local development f. Commitment to environment sustainability g. Commitment to equal opportunity <p>Policy for freedom for associations has been stated as special documented policy.</p> <p>All of this commitment regarding human rights has been communicated to all level of workers, last socialization dated on 18,23, 25 May 2016 at East Estate.</p>	

Principle 7: Responsible Development of New Plantings
Criterion 7.1: A comprehensive and participatory independent social and environmental impact assessment is undertaken prior to establishing new plantings or operations, or expanding existing ones, and the results incorporated into planning, management and operations.
<i>There is no development of new plantation after November 2005 in PT ANJ. So that Principle 7 is not applicabile.</i>

Principle 8: Commitment to Continual Improvement in Key Areas of Activity				
Criterion 8.1: Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continual improvement in key operations.				
8.1.1	<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"> • Reduction in use of certain chemicals (Criterion 4.6); • Environmental impacts (Criteria 4.3, 5.1 and 5.2); • Waste reduction (Criterion 5.3); • Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8); • Social impacts (Criterion 6.1); • Optimising the yield of FFB production (Criterion 4.2) 			<i>Major</i>
Findings	In compliance:	Yes:	X	No:
Objective evidence:	<p>PT ANJA Binanga has the mechanism to ensure the continual improvement by conducting an integrated internal audit and management review meeting. Integrated internal audit is an integration of several management system audits against the ISO 14001, ISCC, RSPO and ISPO (Indonesian Sustainable Palm Oil) standard. This audit was conducted in 13-18 Marct 2017. The management review meeting was carried out with agenda of the meeting contained a review of the previous improvement plan in 2016 and actions to be taken for the continual improvement plan in 2017.</p> <p>The company has prepared the plan for continual improvement. There was an action plan for continual improvement of some activities such as Boiler Replacement to Increase Production, Planting of Beneficial Plants (to inhibit the growth and spread of fire caterpillar pests), Biological Pest Control Rats (use of owls as natural predators to reduce the rat population), environmental impact, social impact and reduction of waste and pollution as well as greenhouse gas (GHG) emissions and optimising the yield of the supply base.</p> <p>Some efforts to reduce or minimize emission and pollution has carried out by company is manage of some source have potential as emission source, monitor of correction and maintenance equipment periodically for preventive and reduce emission and recording and documenting relate of operational, maintenance, repair of facility and infrastructure from emission source.</p> <p>The company re-use waste such as liquid waste or effluent and efb as organic fertilizer and fiber & shell as reneweable energy.</p>			

3.1.2 Supply Chain

For supply chain, the PT Austindo Nusantara Jaya Agri – Binanga Palm Oil Mill has decided to use Module E in this assessment. The findings and objective evidence find during the assessment are outlined in the table below. The results for each indicator from each of the operational areas were evaluated to provide an assessment of conformity. A statement is provided for each of the RSPO indicators in order to support the findings of the assessment team.

Module D – CPO Mills: Identity Preserved – Not Applicable

Module E – CPO Mills: Mass Balance

Module E – CPO Mills: Mass Balance						
E.1: Definition						
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.					
E.2: Explanation						
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.				MAJOR	
Findings	In compliance:	Yes:	X	No:		
Objective evidence:	<p>The actual and projected volume already recorded in the previous audit report and this audit report. The details are presented in Table 2 and Table 3 of this Public Summary Report.</p> <p>The company has projected the estimated of CSPO and CSPK products for period 2017 amounting 47,904 MT (CSPO) and 10,887 MT (CSPK). The actual volume sold on 27/01/2017 to 31/07/2017 is CSPO= 3,500 MT (volume as credits sold in Book and Claim) and CSPK= 1,894.45 MT. This was not over than its projected as well as not over than volume quota provided in Palm Trace.</p> <p>The company has projected the estimated tonnage of CSPO and CSPK products for period 2018 (Claimed for Certification) i.e CSPO= 36,073.00 MT and CSPK= 8,293.00 MT</p>					
E.2.2	The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).				MAJOR	
Findings	In compliance:	Yes:	X	No:		
Objective evidence:	<p>The company has registered on e-trace platform with member ID is RSPO_PO1000000530 and on green palm platform. Mr. Salim (Commercial staff- Medan Office) has responsible for keeping record of transaction in eTrace.</p> <p>During Jan-Jul 2017, the company has reported 16 transactions on RSPO IT platform with total volume CSPO= 3,500 MT (volume as credits sold in Book and Claim) and CSPK= 2,298.71 MT.</p> <p>For examples:</p> <ul style="list-style-type: none"> Transaction number: TR-8c6003d5-5266 dated on 8/5/2017, buyer= Mandau KCP, Sales Contract # 030-031-LTA/ANJ-Agri/XII/2016, product= CSPK/MB, Shipping date= 27/1/2017, volume= 574.62 MT, Shipping Confirmed: 14/6/2017. Weighing slip # 00836271 dated on 21/12/2016, vol= 35,080 kg, claim= RSPO-MB, certificate # 77894. (18 weighing slips) Transaction number: TR-6e85a26d-7e45 dated on 3/5/2017 buyer= Mandau KCP, Sales Contract # 003-004-LTA/ANJ-Agri/I/2017, product= CSPK/MB, Shipping date= 28/2/2017, volume= 574.71 MT, Shipping Confirmed: 5/5/2017. Weighing slip # 00836271 dated on 16/02/2017, vol= 35,020 kg, claim= RSPO-MB, certificate # 77894. (18 weighing slips) Transaction number: TR-a58e5d71-e65a dated on 5/5/2017 buyer= Mandau KCP, Sales Contract # 005-006-LTA/ANJ-Agri/I/2017, product= CSPK/MB, Shipping date= 14/3/2017, volume= 574.70 MT, Shipping Confirmed: 5/5/2017. Weighing slip # 00840441 dated on 14/03/2017, vol= 32,970 kg, claim= RSPO-MB, certificate # 77894. (18 weighing slips) 					
E.3: Documented Procedures						
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:				MAJOR	
	a) Complete and up to date procedures covering the implementation of all the elements in these requirements;					

	b) The role of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site's procedures for the implementation of this standard.	
Findings	In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> X No: <input type="checkbox"/>	
Objective evidence:	The company has established procedure for product traceability (SOP-SCD-05 Rev.02 dated on 20 April 2015) and procedure for mass balance (SOP-SCD-06 Rev.02 dated on 20 April 2015). The ANJ group sustainability manager, Mr Antoperis Tarigan is appointed to be the person who is responsible for the supply chain requirements implementation and in charge for the sales and RSPO IT Platform registration.	
E.3.2	The site shall have documented procedures for receiving and processing certified and non-certified FFBs.	MAJOR
Findings	In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> X No: <input type="checkbox"/>	
Objective evidence:	Procedure for receiving and processing certified and non-certified FFBs is the same with procedure as above, SOP-SCD-05 Rev.2 dated on 20 April 2015 (Product Traceability). Through checking to the ticket documents at the weighing bridge, the facility can demonstrate the identification of certified and non-certified FFBs received. The ticket shows the sources of FFB, whether it come from its own estate (central, east and west estate) or from the outgrower/trader which indicate the name of the farmer.	
E.4: Purchasing and goods in		
E.4.1	The site shall verify and document the volumes of certified and non-certified FFBs received.	MAJOR
Findings	In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> X No: <input type="checkbox"/>	
Objective evidence:	The WB operator has responsible to verify and document the tonnage and sources of certified and the tonnage of non-certified FFBs received. The operator will issue WB ticket with information as follows: estate source, product name, FFB source, date of FFB receipt, vehicle number, SPB number, estate block, and total bunches. For examples: <ul style="list-style-type: none"> • Surat Pengantar TBS Lokal # 017257 dated 19 Aug 2016, supplier: Central estate (Block F34) and quantity: 206 FFBs • Weighbridge Slip # 00862592 dated 19 Aug 2017, supplier: East estate (Block F34), quantity: 6,390 MT of FFBs, and SP TBS # 017257. • Surat Pengantar TBS Lokal # 006926 dated 21 Aug 2017, supplier: East estate (Block C38, C39) and quantity: 212 FFBs • Weighbridge Slip # 00862708 dated 21 Aug 2017, supplier: East estate (Block C38, C39), quantity: 6,360 MT of FFBs, and SP TBS # 006926. • Surat Pengantar TBS # 233402 dated 21 Aug 2017, supplier: Simangambat Jae estate (Pardede-non certified) and quantity: 70 FFBs • Weighbridge Slip # 00862750 dated 21 Aug 2017, supplier: Simangambat Jae estate (Pardede-non certified), quantity: 2420 MT of FFBs, and SP TBS # 233402. All input FFBs sourced from their own estates (certified FFBs) and outgrowers (non certified FFB). There are 7 non certified supplier (independent smallholders)	
E.4.2	The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.	MAJOR
Findings	In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> X No: <input type="checkbox"/>	
Objective evidence:	Up to date, there is no overproduction. During 2017, the company has reported 16 transactions on RSPO IT platform with volume less than projection. See D.2.1.	
E.5: Record keeping		
E.5.1	a. The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis. b. All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by	MAJOR

	<p>RSPO.</p> <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>For further details refer to Module C.</p>				
Findings	In compliance:	Yes:	X	No:	
Objective evidence:	<p>The records are:</p> <ol style="list-style-type: none"> a. SP TBS b. WB Slip (in and out) c. Daily Production Report d. Delivery Note for CSPO and CSPK e. DO f. Sales contract g. Invoice h. eTrace transaction report i. Summary Report (3 monthly): opening stock of FFB, FFB input, delivery to production, opening stock of CPO, CPO production, CPO dispatch, and ending stock. <p>There are several non-conformances found during documents review as follows:</p> <ul style="list-style-type: none"> • The company has made the material accounting system (mass balance report) however volume of CSPO sold through book and claim was not accounted (6,615 MT) in mass balance report. • Weighing Slip of CSPK still indicated the certificate number 77894 even though the company has switched the certification body with the new certificate number (824 502 17057) since 27 January 2017. <p>CAR 02 was raised.</p> <p>PT ANJA – Binanga Mill has submitted objective evidences to SGS dated on 30 August 2017 to address CAR # 02.</p> <p>On 4 Sep 2017, SGS Auditor conducted clearance of finding (CAR # 02) in SGS Office to close out evidences as follows:</p> <ul style="list-style-type: none"> • PT ANJA – Binanga Mill has revised massa balance report to record CSPO transactions claimed through Book and Claim amount 3,500 MT in May 2017. • PT ANJA – Binanga Mill has revised form of Weighing Slip to include the certificate number 824 502 17057 (TUV Rheiland) before the new certificate issued by SGS. • PT ANJA – Binanga Mill has conducted in-house training of the use of certificate number on weighing slip of sustainable product and transaction recording for each sustainable product dated on 29 August 2017 (9 participants). Instructor is Mr. Wirya Syahputra. <p>CAR # 02 was closed.</p> <p>The company has recorded and balanced all receipts of sustainable FFB and deliveries of RSPO product for period January – July 2017 as follows:</p> <ul style="list-style-type: none"> • Certified FFB input= 48,447.66 MT • Certified FFB production= 48,447.66 MT • RSPO certified CPO output = 10,655.56 MT • OER= 21.99% • RSPO certified PK output = 2,221.52 MT • KER= 4.59% • Delivery of RSPO certified CPO= 3,500 MT (Book & Claim) • Delivery of CSPO (no claim)= 6,563.08 MT • Delivery of RSPO certified PK= 2,221,00 MT • Delivery of CSPK (no claim)= 0.00 MT 				

	<ul style="list-style-type: none"> Ending Stock of RSPO certified CPO= 592.48 MT Ending Stock of RSPO certified PK=133,76 MT 	
E.5.2	In cases where a mill outsources activities to an independent (not owned by the same organization) palm kernel crush, the crush still falls under the responsibility of the mill and does not need to be separately certified. The mill has to ensure that the crush is covered through a signed and enforceable agreement.	MAJOR
Findings	In compliance: Yes: <input type="checkbox"/> X No: <input type="checkbox"/>	
Objective evidence:	No outsources activities to an independent so there is no need any agreement applied.	

3.2 Corrective Action Request

There are total of 1 (one) Major and 1 (one) Minor were raised. Please refer to the **Appendix A** for the details findings and relevant correction actions have been taken.

3.3 Noteworthy Positive Components

PT. Austindo Nusantara Jaya Agri – Binanga Mill and it’s supply base has complied with INANI of RSPO Principle and Criteria 2013 and RSPO Supply Chain Certification Standard Module E – Mass Balance. Therefore the SGS audit team recommends to be issued the certificate for PT. ANJA – Binanga Mill.

3.4 Status of Non-Conformities Previously Identified

Please refer to **Appendix B** for the previous audit.

3.5 Issues Raised by Stakeholders and Findings

A list of stakeholders contacted with detail issue raised is included as **Appendix C**.

4. ACKNOWLEDGEMENT OF ORGANIZATION INTERNAL RESPONSIBILITY

4.1 Conclusion

The audit team concludes that the organization has has not established and maintained its management system in line with the RSPO P&C and Supply Chain requirements of the standard and demonstrated the ability of the system to systematically achieve agreed criterion & requirements.

4.2 Date of Next Surveillance Visit



The next surveillance audit is planned before on 25 August 2018

4.3 Date of Closing Non-Conformities

Reference Number	Category (Major/Minor)	Issued date	Close out date
6.9.3	Minor	25.08.2017	"Open"
E.5.1	Major	25.08.2017	04.09.2017

4.4 Acknowledgement of Internal Responsibility and Formal Sign-off Assessment Findings

PT SGS Indonesia and Client acknowledge and confirms acceptance of the Report contents and including the assessment findings. PT SGS Indonesia and Client accept the responsibility for addressing the opportunities of improvement detailed in this report.

Signed on behalf of PT. Austindo Nusantara Jaya Agri – Binanga Mill	Signed on behalf of PT SGS Indonesia
 (Juli Wankara Purba)	 (Zaenal Abidin)

APPENDIX A: CORRECTIVE ACTION REQUEST & OBSERVATION

CAR #	Indicator	CAR Detail					
01	6.9.3 Minor	Date Recorded>	25.08.2017	Due Date>	24.08.2018	Date Closed>	dd mm yy
		Normative reference and requirements:					
		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.					
		Statement of Non-Conformance:					
		A specific grievance mechanism does not reflect the current grievance mechanism.					
		Objective Evidence:					
		The company has established a workforce grievance mechanism issued by Mr. Yusrizal (GM) # 024/GM/YZ/02/2012 dated 23 February 2012 and it has also been included in the company regulation 2015-2017 (article 62), however it did not include mechanism of LKS bipartite and whistle blowing system (WBS). In addition, there is no evidence available that WBS has been communicated to all workforce in the appropriate manner.					
		Root cause analysis to be completed by Organization:					
		LKS Bipartit and WBS (Know employee) become one of grievance mechanism, not listed in grievance mechanism					
		Corrective Action to be completed by Organization:					
		Confirm to HR Department regarding the grievance mechanism to used in the Company					
		Preventative Action to be completed by Organization:					
		<ul style="list-style-type: none"> • Revise company regulation and internal memo related grievance mechanism • Socialization related to the grievance mechanism 					
		Close-out evidence/Planned Actions to be completed by Lead assessor:					
Root cause and action plan have addressed the mentioned NC. Will be further verified on the subsequent surveillance visit.							
02	E.5.2	Date Recorded>	25.08.2017	Due Date>	24.11.2017	Date Closed>	04.09.2017
		Normative reference and requirements:					
		a. The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis. b. All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO. c. The site can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three months. However, a site is allowed to sell short. (i.e product can be sold before it is in stock.) For further details refer to Module C.					
		Statement of Non-Conformance:					
Mass balance report and transportation document are incorrect data/information of RSPO certified products.							

CAR #	Indicator	CAR Detail
		<p>Objective Evidence:</p> <p>There are several non-conformances found during documents review as follows:</p> <ul style="list-style-type: none"> The company has made the material accounting system (mass balance report) however volume of CSPO sold through book and claim was not accounted (6,615 MT) in mass balance report. Weighing Slip of CSPK still indicated the certificate number 77894 even though the company has switched the certification body with the new certificate number (824 502 17057) since 27 January 2017.
		<p>Root cause analysis to be completed by Organization:</p> <ul style="list-style-type: none"> CSPO transactions claimed through Book and Claim have not been recorded in the Mass Balance Record Weighing Slip of CSPK still uses Certificates issued by TÜV Integra. Not yet using the New Certificate issued by TÜV Rheinland
		<p>Corrective Action to be completed by Organization:</p> <ul style="list-style-type: none"> Cross check transaction data about book and claims to web e-trace Cross check the latest RSPO certificate number that guides in the numbering weighing slip
		<p>Preventative Action to be completed by Organization:</p> <ul style="list-style-type: none"> Revise mass balance record by entering book and claim transactions Socialization to weight bridge officer and mass balance record officer regarding the use of certificate number on weighing slip of sustainable product and transaction recording for each sustainable product
		<p>Close-out evidence/Planned Actions to be completed by Lead assessor:</p> <p>PT ANJA – Binanga Mill has submitted objective evidences to SGS dated on 30 August 2017 to address CAR # 02.</p> <p>On 4 Sep 2017, SGS Auditor conducted clearance of finding (CAR # 02) in SGS Office to close out evidences as follows:</p> <ul style="list-style-type: none"> PT ANJA – Binanga Mill has revised massa balance report to record CSPO transactions claimed through Book and Claim amount 3,500 MT in May 2017. PT ANJA – Binanga Mill has revised form of Weighing Slip to include the certificate number 824 502 17057 (TUV Rheiland) before the new certificate issued by SGS. PT ANJA – Binanga Mill has conducted in-house training of the use of certificate number on weighing slip of sustainable product and transaction recording for each sustainable product dated on 29 August 2017 (9 participants). Instructor is Mr. Wirya Syahputra. <p>CAR # 02 was closed.</p>

OBSERVATIONS

OBS #	Indicator	Observation/Opportunity for Improvement					
		Date Recorded>	25.08.2017	Due Date>	dd mm yy	Date Closed>	dd mm yy
01	2.2.1	Details:					
		Progress of HGU certificate on 20 ha located in Pulo Bariang village, Huristak Sub District, Padang Lawas District shall be updated. This case will be notified in every surveillance audit.					
02	4.1.1	Date Recorded>	25.08.2017	Due Date>	dd mm yy	Date Closed>	dd mm yy
		Details:					

OBS #	Indicator	Observation/Opportunity for Improvement												
		<p>Sorting at nursery for both PN and MN should be strictly applied to seed with leaf such as grass leaf, seed with twisted/rotated leaf, seed with rolled leaf, chimera, erect seed, etiolasi seed, dwarf seed, seed with abnormal growth point, narrow internode (internode <i>rapat</i>) and wide internode (internode <i>jarang</i>). During audit at PN still found chimera seed, seed with rolled leaf and seed with leaf such as grass leaf although only few.</p> <p>In BBC (Black Bunch Census) implementation, it should be conducted random cross check by supervisor (mandor) to avoid mistake in calculation.</p>												
03	4.1.4	Date Recorded>	25.08.2017	Due Date>	dd mm yy	Date Closed>	dd mm yy							
		Details:												
		FFB sorting criteria for FFB from out growers should be more restricted especially for long stalk (no > 2 cm) so that can increase OER.												
04	4.3.3	Date Recorded>	25.08.2017	Due Date>	dd mm yy	Date Closed>	dd mm yy							
		Details:												
		In planning determination, the company should consider realization in previous year, for example: road maintenance program and realization. Sighted significant difference between planning and realization for year 2016 and 2017 at West Estate as follows:												
		<table border="1"> <thead> <tr> <th>Year</th> <th>Program (m)</th> <th>Realization (m)</th> </tr> </thead> <tbody> <tr> <td>2016</td> <td>66,206</td> <td>464,800</td> </tr> <tr> <td>2017</td> <td>135,863</td> <td>423,903</td> </tr> </tbody> </table>						Year	Program (m)	Realization (m)	2016	66,206	464,800	2017
Year	Program (m)	Realization (m)												
2016	66,206	464,800												
2017	135,863	423,903												
05	4.7.2	Date Recorded>	25.08.2017	Due Date>	dd mm yy	Date Closed>	dd mm yy							
		Details:												
		<ul style="list-style-type: none"> The company has a plan to build fire monitoring towers gradually. Care should be taken to ensure that the project is conducted in accordance the plan because the company will start replanting in 2018 so that the land will be opened and potential land fire. During field visits, the bridges construction did not consistently use barriers/fences. Strongly recommendation is given to complete the bridges with this facility. 												
06	5.2.2	Date Recorded>	25.08.2017	Due Date>	dd mm yy	Date Closed>	dd mm yy							
		Details:												
		The replanting will be started in 2018. Care should be taken to ensure that the riparian area (HCV 4.1) is maintained as a protected area, by preparing a local species seedling program (forest tree seedlings and fruit plants seedlings) as enrichment plants to be planted in the riparian area.												

APPENDIX B: NON-CONFORMITIES PREVIOUSLY IDENTIFIED - NONE

CAR #	Indicator	CAR Detail					
		Date Recorded>	dd mm yy	Due Date>	dd mm yy	Date Closed>	dd mm yy
		Normative reference and requirements:					
		Statement of Non-Conformance:					
		Objective Evidence:					
		Root cause analysis to be completed by Organization:					
		Corrective Action to be completed by Organization:					
		Preventative Action to be completed by Organization:					
		Close-out evidence/Planned Actions to be completed by Lead assessor:					
		Date Recorded>					
		dd mm yy					
		Due Date>					
		dd mm yy					
		Date Closed>					
		dd mm yy					
		Normative reference and requirements:					
		Statement of Non-Conformance:					
Objective Evidence:							
Root cause analysis to be completed by Organization:							
Corrective Action to be completed by Organization:							
Preventative Action to be completed by Organization:							
Close-out evidence/Planned Actions to be completed by Lead assessor:							

APPENDIX C: TIMEBOUND PLAN

Management Units	Number of Mills and Estates	Location	Target Date
PT Kayung Agro Lestari	1 mill, 4 estates, 1 KKPA	West Kalimantan, Indonesia	Already audit in 2016
PT Galempa Sejahtera Bersama	Plantation Development	South Sumatera, Indonesia	2020
PT Putera Manunggal Perkasa	Plantation Development	West Papua, Indonesia	2020
PT Permata Putera Mandiri	Plantation Development	West Papua, Indonesia	2020
PT Austindo Nusantara Jaya Tbk (Previously known as PT. Pusaka Agro Makmur)	Plantation Development	West Papua, Indonesia	2022
PT Sahabat Mewah dan Makmur	1 mill, 5 estates	Bangka Belitung, Indonesia	Certified 2011
PT Austindo Nusantara Jaya Agri	1 mill, 3 estates	North Sumatera, Indonesia	Certified 2012
PT Austindo Nusantara Jaya Agri Siais	1 mill, 2 estates	North Sumatera, Indonesia	Certified 2014

APPENDIX D: LIST OF STAKEHOLDERS CONTACTED

Issue raised by Stakeholder	Company Response	Auditor Findings
<p>Women group:</p> <p>Consultation with the women group focused on sexual harassment, equal opportunity, discrimination, etc. No issue raised by women group.</p>	<p>There was no further comment by Company.</p>	<p>Comments has been considered into the auditor findings in the checklist</p>
<p>Harvesters, sprayers, manurers, Mandores, staff, etc:</p> <p>Consultation was focused on employee welfare, worker contract, accommodation, wage, PPE use, etc. No issue raised by harvester, sprayers, manurers, mandores, staff, etc.</p>	<p>There was no further comment by Company.</p>	<p>Comments has been considered into the auditor findings in the checklist</p>
<p>Labour Union:</p> <p>Consultation was focused on collective labour agreement, employee complaint handling. No issue raised by Labour Union.</p>	<p>There was no further comment by Company.</p>	<p>Comments has been considered into the auditor findings in the checklist</p>
<p>Supplier:</p> <p>Consultation was focused on transparency and conflict resolution, No issue raised by supplier</p>	<p>There was no further comment by Company.</p>	<p>Comments has been considered into the auditor findings in the checklist</p>
<p>Local Government (Dinas Pertanian Kab. PALUTA):</p> <p>Consultation was focused on compliance with regulations (land title, periodic report, community development, etc). Based interview from Local Government, there was no significant issue. The local government suggested to conduct diversification product during replanting with implementation intercropping system (horticultural) cooperating with local community.</p>	<p>The company will plan in CSR to implementation of intercropping system during replanting.</p>	<p>Comments has been considered into the auditor findings in the checklist</p>
<p>Stakeholder contacted i.e: Local community at Desa Tar Sihoda-hoda and Desa Tobing Jae.</p> <p>Issue: CSR program was conducted by Company i.e.: road maintenance, recruitment of worker.</p>	<p>There was no further comment by Company.</p>	<p>Comments has been considered into the auditor findings in the checklist</p>